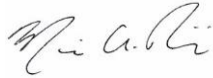


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

July 14, 2025

MEMORANDUM

To: Dr. Joseph D. Bostic, Acting Principal
Thomas S. Wootton High School

From: Melvin A. Phillips, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
May 1, 2023, through April 30, 2025

Independent Activity Funds (IAFs) of Montgomery County Public Schools (MCPS) are established to promote the general welfare, education, and morale of students, as well as to finance the recognized extracurricular activities of the student body. School principals are the fiduciary agents for the IAFs charged with determining the manner in which funds are raised and expended for activities such as field trips, admission events, and fundraisers. They are responsible for ensuring that the IAFs are administered in accordance with Board of Education policies and MCPS regulations and procedures.

The IAF audits are conducted regularly to evaluate compliance with policies, regulations, and procedures, and to review processes for continuous improvement. Generally accepted audit procedures guide the work of the auditors who examine samples of the IAF records and financial accounts selected from documentation of various activities to verify their accuracy, as well as to assess the effectiveness of financial control procedures. An IAF audit does not review every transaction or school activity but seeks to provide reasonable assurance that any significant errors or omissions in the financial records are detected.

At our June 16, 2025, meeting with you; Mrs. Arlin A. De La Rosa, school business administrator; and Mrs. Julia G. Walsh, school financial specialist, we reviewed the prior audit report dated June 23, 2023, and the status of the present conditions. This audit report presents the findings and recommendations resulting from our examination of the IAF records and financial accounts for your school for the period designated above.

Findings and Recommendations

To properly control receipts, cash and checks collected by sponsors for IAF activities must be remitted promptly and intact to the financial agent along with MCPS Form 280-34, *MCPS Remittance Slip*. Cash must be counted in the presence of the remitter, and a receipt that is supported by the remittance slip must be issued promptly. These receipts must be deposited promptly, and all receipts must be deposited on the last working day of each month and before each weekend or holiday (refer to the *MCPS Financial Manual*, chapter 7, pages 4-5). In the school's action plan, the school financial specialist and school business administrator were going

to monitor all transactions for timeliness. In our sample of receipts, we found instances in which funds were held by sponsors rather than being remitted daily to the financial agent. We also noted funds were left in the schools drop safe and not retrieved each morning. At times funds were held over a weekend due to the financial specialist being absent. Infrequent deposits increase the possibility of a loss of funds, diminish the school's ability to fund activities, and are contrary to the MCPS Financial Manual. To minimize the risk of loss and ensure that available funds are fully utilized to meet school needs, all funds collected must be remitted to the financial specialist on a daily basis. In addition, all remittances on hand must be deposited before each weekend or holiday. The school will need to develop a process for assuring funds are deposited timely when the financial specialist is absent for extended periods of time (refer to the *MCPS Financial Manual*, chapter 7, page 4).

Notice of Findings and Recommendations

- Cash and checks (funds) collected by sponsors must be remitted daily and promptly receipted and deposited in the bank by the school financial specialist or business administrator in accordance with Chapter 7 of the *MCPS Financial Manual*.

Other matters were discussed and satisfactorily resolved. We appreciate the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, using the attached action plan, please provide a written response to the Internal Audit Unit within 30 calendar days of this report. In your response, please provide a detailed plan for addressing these issues, including the necessary staff training and support.

Prior to returning your completed audit action plan, please contact Mr. Greg C. Mullenholz, director, Division of School Leadership and Improvement, for written approval of your plan. Based on the audit recommendations, Mr. Mullenholz will indicate whether he will conduct an electronic review of your action plan or schedule a time to meet in person with you and your school administrative secretary to support you with developing a well-defined plan to address the findings.

MAP:LMB:rg

Attachment

Copy to:


Members of the Board of Education
Dr. Taylor
Mrs. Alfonso-Windsor
Ms. McGuire
Dr. Moran
Ms. Seabrook
Mr. Francois

Mr. McGee
Mrs. Chen
Mr. Mullenholz
Mrs. Ripoli
Mr. Santos Rodriguez
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN	
Report Date:	Fiscal Year:
School or Office Name:	Principal:
OSSI Associate Superintendent:	OSSI Director:
<p><u>Strategic Improvement Focus:</u></p> <p>As noted in the financial audit for the period _____, strategic improvements are required in the following business processes :</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)	
<input type="checkbox"/> Approved <input type="checkbox"/> Please revise and resubmit plan by _____	
Comments: _____ _____	
Director: _____ 	Date: _____