


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

July 21, 2020

MEMORANDUM

To: Mrs. Michelle L. Fortune, Principal
Benjamin Banneker Middle School

From: Mary J. Bergstresser, Acting Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
September 1, 2018, through January 31, 2020

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 April 24, 2020, virtual meeting with you and Ms. Wendy L. Moten, school financial specialist, we reviewed the prior audit report dated October 17, 2018, and the status of 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 funds, all cash and checks collected by sponsors for IAF activities must be remitted promptly to the school financial specialist. These funds must then be verified in the presence of the remitter, and a receipt that is supported by MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*, must be issued promptly (refer to the *MCPS Financial Manual*, chapter 7, page 4). We found instances in which funds were held by sponsors rather than

being remitted on a daily basis to the school financial specialist. To minimize the risk of loss and provide availability of funds to meet school needs, we recommend that all funds collected be remitted daily to the school financial specialist for prompt deposit.

Notice of Findings and Recommendations

- Funds collected by sponsors must be promptly remitted to the school financial specialist **(repeat)**.

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 form, please provide a written response to the Internal Audit Unit within 30 calendar days of this report. In your response, please share a detailed plan for addressing these issues, including appropriate staff training and support.

Prior to returning your completed audit action plan, please contact Dr. Donna R. Jones, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools. Based on the audit recommendations, Dr. Jones will indicate whether she 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.

MJB:RCM:sh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. McKnight

Dr. Johnson

Dr. Wilson

Mrs. Ahn

Mrs. Dyson

Mrs. Camp

Mrs. Chen

Dr. Jones

Mr. Marella

Mr. Tallur

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 07/21/20	Fiscal Year: 07/21/20
School: Benjamin Banneker MS - 333	Principal: Mrs. Michelle Fortune
OSSI Associate Superintendent: Ms. Cheryl Dyson	OSSI Director: Dr. Donna Redmond Jones

Strategic Improvement Focus:

As noted in the financial audit for the period 09/01/18-01/31/2, strategic improvements are required in the following business processes :

BBMS need to re-train staff to properly collect cash and checks by sponsors for IAF activities which must be remitted promptly to the school financial specialist.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
All sponsors who are responsible for an IAF account will be trained on proper procedures with handling the collection of IAF funds and remittance procedures.	Fortune Moten	Slides forms	Signed forms for sponsors	All sponsors as needed	remittance form dates will match the date the financial specialist receives it

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OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL	
<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Please revise and resubmit plan by _____
Comments:	
Director: <u></u>	Date: <u>9/2/20</u>