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**

<table>
<thead>
<tr>
<th>Report Date:</th>
<th>Fiscal Year:</th>
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<tbody>
<tr>
<td>07/21/20</td>
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**School:** Benjamin Banneker MS - 333  
**Principal:** Mrs. Michelle Fortune

**OSSI**  
**Associate Superintendent:** Ms. Cheryl Dyson  
**Director:** Dr. Donna Redmond Jones

**Strategic Improvement Focus:**

As noted in the financial audit for the period 09/01/18-01/31/19, 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.

<table>
<thead>
<tr>
<th>Action Steps</th>
<th>Person(s) Responsible</th>
<th>Resources Needed</th>
<th>Monitoring Tools / Data Points</th>
<th>Monitoring: Who &amp; When</th>
<th>Results/Evidence</th>
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<tbody>
<tr>
<td>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.</td>
<td>Fortune Moten</td>
<td>Slides forms</td>
<td>Signed forms for sponsors</td>
<td>All sponsors as needed</td>
<td>remittance form dates will match the date the financial specialist receives it</td>
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Page 1 of 2
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**OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL**

- [ ] Approved
- [ ] Please revise and resubmit plan by ____________

Comments:

Director: ___________________________ Date: 9/1/20

Page 2 of 2