


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

March 25, 2024

MEMORANDUM

To: Ms. Christine L. Robertson, Principal  
Lucy V. Barnsley Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period  
March 1, 2021, through January 31, 2024

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 March 5, 2024, meeting with you; Ms. Danielle M. Jones, school administrative secretary (secretary); and Ms. Monika C. Roberts, visiting bookkeeper, we reviewed the prior audit report dated April 14, 2021, and the status of the present conditions. It should be noted that Ms. Jones' assignment as secretary was effective August 2, 2021. 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**

MCPS Form 280-54, *Independent Activity Funds Request for a Purchase*, is used to obtain principal approval to proceed with an intended purchase (refer to the *MCPS Financial Manual*, chapter 20, page 4). The purpose of each disbursement must be fully explained on this form to properly record expenditures in appropriate accounts and to ensure that expenditures comply with

IAF requirements. Invoices for goods or services must be signed by the purchaser to indicate satisfactory receipt. The secretary will then mark the documentation as “paid” prior to disbursing the funds. In our sample of disbursements, prior approval was not consistently obtained, MCPS Form 280-54 was not always used to obtain principal approval, and the secretary was not completing MCPS Form 280-54 for iPayments. We also noted instances in which controls over purchases were weakened including documentation supporting purchases were not stamped or marked “paid”, and invoices and online purchase confirmations were not always signed by the receiver to indicate goods or services were received, and that payment could be processed. We recommend that MCPS Form 280-54 be prepared by staff with an estimate of expected expenditure and signed/dated by the principal at the time verbal approval is sought and that your secretary completes MCPS Form 280-54 for all iPayments. MCPS Form 280-54 must be completed in full by sponsor, financial agent, and principal to include account name/number to be charged, the request date, the balance available in the account, and the signatures of the sponsor, financial agent, and principal. After MCPS Form 280-54 is approved and payment is processed the secretary must complete part B to include the following information: check date, check number and check amount. We also recommend that all support documents be marked paid, and when goods are received at the school that the purchase be verified as complete by the recipient and that the invoice/packing slip be marked “received” and signed/dated by the recipient. Requiring invoices to be marked “received” ensures that goods or services have been satisfactorily received prior to payment.

Cash and checks collected by sponsors and others for IAF activities must be remitted promptly to the secretary. 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 your action plan, you indicated that sponsors would remit funds collected promptly. We found that at times, staff were holding funds and not remitting to the secretary when received. We also found that secretaries were not always making timely deposits. We recommend school staff be encouraged to submit cash and checks collected for IAF activities to the secretary for prompt deposit in accordance with MCPS policy and procedures. To minimize the risk of loss, all funds collected must be remitted daily and deposited to the bank promptly. Staff also should monitor their remittances to the secretary to ensure they receive a receipt in a timely manner.

### **Notice of Findings and Recommendations**

- Purchase requests must be preapproved by the principal prior to procurement.
- Purchaser must confirm receipt of goods or services prior to disbursement and documentation must be stamped “paid”.
- Funds collected by sponsors must be promptly remitted to the secretary and in turn deposited timely (**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 action plan, 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 Mrs. Jewel A. Sanders, director of school support and well-being, Office of School Support and Well-Being, for written approval of your plan. Based on the audit recommendations, Mrs. Sanders 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:HT:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Felder

Mr. Hull

Dr. Johnson

Ms. Dempsey

Dr. Moran

Mrs. Williams

Dr. Redmond Jones

Mr. Reilly

Mrs. Chen

Ms. Eader

Mr. Klausling

Mrs. Ripoli

Mrs. Sanders

Ms. Webb

## FINANCIAL MANAGEMENT ACTION PLAN

<b>Report Date:</b> March 5, 2024	<b>Fiscal Year:</b> 2024
<b>School or Office Name:</b> LUCY V. BARNSLEY ES	<b>Principal:</b> Christine Robertson
<b>OSSWB Associate Superintendent:</b> Donna Redmond Jones	<b>OSSWB Director:</b> Jewel Sanders
<p><b><u>Strategic Improvement Focus:</u></b>                  As noted in the financial audit for the period <u>3/1/21-1/31/24</u>, strategic improvements are required in the following business processes :</p> <p>Independent activity funds request for a purchase, invoices marked "PAID", Funds collected &amp; remitted promptly</p>	

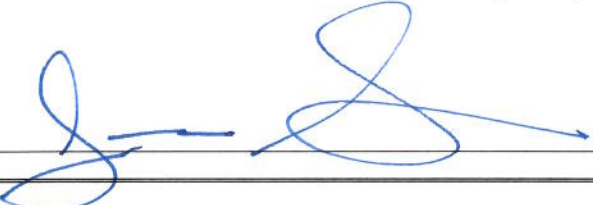
Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
MCPS Form 280-54, Independent Activity Funds Request for a Purchase, is used to obtain principal approval to proceed with an intended purchase. The purpose of each disbursement must be fully explained on this form to properly record expenditures in appropriate accounts and to ensure that expenditures comply with IAF requirements.	Principal & Admin Secretary	Form 280-54	Information regarding request for purchases will be shared in the weekly Bear's Buzz with staff listing the steps to make request.	Principal & Admin Secretary  Before each purchase	Completed form 580-54 with documentation of purchase, and receipt of purchase, signed by receiver.
Invoices for goods or services must be signed by the purchaser to indicate satisfactory receipt. The secretary will then mark the documentation as "paid" prior to disbursing the funds.	Admin Secretary		iRecievables receipts  Reviewed during Preservice week with all staff and in the staff handbook.	Before and after each purchase  Admin Secretary	Financial management system- Receiving
Cash and checks collected by sponsors and others for IAF activities must be remitted promptly to the secretary with MCPS form 280-34. 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.	Admin Secretary	Form 280-34	Cash collected by sponsors will be counted in front of the administrative secretary and documented using form 280-34.	Admin Secretary  Immediate receipt of funds (signed copy of form) Deposits as needed	Receipts of funds submitted and bank deposit statements.

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

**OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)**

**Approved**
                 
  **Please revise and resubmit plan by \_\_\_\_\_**

Comments: \_\_\_\_\_

Director:  \_\_\_\_\_
                 
 Date: 4/15/2024