


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

August 14, 2020

MEMORANDUM

To: Dr. Shelton L. Mooney, Principal
Bethesda-Chevy Chase High School

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

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2019, through May 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 August 13, 2020, virtual meeting with you; Mrs. Deborah L. Teicher, school business administrator; and Mrs. Audrey J. Liebeskind, school financial specialist, we reviewed the prior audit report dated March 8, 2019, and the status of present conditions. It should be noted that your appointment as principal was effective May 12, 2020. 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

Use of MCPS Form 280-46 *Independent Activity Funds (IAF) Request for Payment to MCPS Employees for Services (Work) Performed*, to compensate employees with IAF, must be in accordance with MCPS pay rate guidelines and payroll processes (refer to the MCPS Regulation DIA-RB, *Payments for Services and Reimbursements for Expenses from School Independent*

Activity Funds). We found that an employee was paid for services as a percussion coach using MCPS form 280-46 instead of being paid as an Extracurricular Activity (ECA) class 1 activity. According to the ECA program handbook, class 1 stipends are to be paid at the rate of \$15 an hour for no more than 100 hours per activity. We found that you paid this employee for a total of 123.5 hours at the rate of \$15 an hour. We recommend that you follow the guidelines outline in the ECA program handbook and include the percussion coach in your class 1 ECA plan for Fiscal Year 2021.

Notice of Findings and Recommendations

- Payment to employees for ECA services needs to be included on ECA plan and paid according to guidelines (**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 Mr. Sean P. McGee, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools. Based on the audit recommendations, Mr. McGee 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 financial agents to support you with developing a well-defined plan to address the findings.

MJB:BK:lsH

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. McKnight

Dr. Johnson

Dr. Wilson

Mrs. Ahn

Mrs. Morris

Mrs. Camp

Mrs. Chen

Mr. Marella

Mr. Reilly

Mr. Tallur

Mr. McGee

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 2019-2020

Fiscal Year: 2019-2020

School: Bethesda-Chevy Chase HS - 406

Principal: Dr. Shelton Mooney

OSSI

Associate Superintendent: Dianne Morris

OSSI


Director: Sean McGee

Strategic Improvement Focus:

As noted in the financial audit for the period 2019-2020, strategic improvements are required in the following business processes :
following the guidelines outlined in the ECA program handbook

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Ensure that all MCPS employees are paid for extra-curricular activities only using the ECA stipend and refrain from paying using a 280-54. All stipends will be registered with Dyan Gomez. This will be communicated during pre-service to ensure that all stipends are properly established before work commences.	Debbie Teicher, Joan Black, Shelton Mooney	ECA submission	ECA submission document, master calendar	Admin Secretary, SBA will review the list prior to start of school year, and prior to payment in December and June	All staff will be paid what is owed and will follow the ECA guidelines for hours worked.

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

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: 	Date: <u>9/11/2020</u>