


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

March 12, 2024

MEMORANDUM

To: Mr. Jeffrey T. Brown, Principal  
Roberto Clemente Middle School

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

Subject: Report on Audit of Independent Activity Funds for the Period  
July 1, 2022, through December 31, 2023

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 February 29, 2024, meeting with you and Ms. Elizabeth A. Shull, school financial specialist, we reviewed the prior audit report dated October 14, 2022, 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**

School Financial Training (SFT) Part I, is required for principals within their first year of assignment. Refresher training is recommended every three years because policies, regulations, procedures, and technology applications are continuously updated (refer to the *MCPS Financial Manual*, chapter 1, page 9). We noted that you have not taken SFT Part I since September 2019. We recommended that you immediately sign up to take SFT Part I.

The MCPS Financial Manual, Chapter 20, Appendix A, provides guidance on IAF account structure and utilization. The IAF chart of accounts is standardized for consistency in reporting, and provides districtwide accounts to be used by all schools. We found several instances of nonconformity, and noted that sometimes transactions were not classified properly in appropriate accounts. For example, grade and class accounts were used to record art club, music and restorative justice expenditures, plays and dances were recorded in the 7000 series instead of the 7500 series established for admission events, and donations were not always recorded in the correct account series. We recommend that the school’s accounts be brought into compliance with the latest chart of accounts, and that accounts adhere to the established districtwide accounts outlined in the COA.

**Notice of Findings and Recommendations**

- Principal must attend School Finance Training Part I immediately.
- Accounting transactions must be recorded in the proper IAF standard districtwide chart of accounts.

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 Ms. Nicole A. Sosik, 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, Ms. Sosik 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 financial specialist to support you with developing a well-defined plan to address the findings.

MJB:BK:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Felder

Mr. Hull

Dr. Johnson

Dr. Moran

Mrs. Williams

Dr. Redmond Jones

Mr. Reilly

Mrs. Chen

Ms. Eader

Mr. Klausing

Mrs. Ripoli

Ms. Sosik

Ms. Webb

## FINANCIAL MANAGEMENT ACTION PLAN

<b>Report Date:</b> March 12, 2024	<b>Fiscal Year:</b> 2024
<b>School or Office Name:</b> Roberto Clemente Middle School - 157	<b>Principal:</b> Mr. Jeffrey Brown
<b>OSSWB Associate Superintendent:</b> Dr. Donna Redmond Jones	<b>OSSWB Director:</b> Ms. Nicole Sosik
<p><b><u>Strategic Improvement Focus:</u></b>          As noted in the financial audit for the period <u>7/1/22 - 12/31/23</u>, strategic improvements are required in the following business processes :          Principal's School Finance Training and District-wide Chart of Accounts</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Principal to registered for the School Finance Training Refresher on April 18, 2024	Principal	PDO Course #90754	PDO Course Completion	Principal	PDO Course Completion
With the assistance of the Internal Audit Unit, District-wide Chart of Account names will be reverted to original name.  Financial Specialist will perform fund transfers to correct accounts.	Financial Specialist	IAF Chart of Accounts	MCPS Form 281-46, Independent Activity Funds-Transfer  SFO Year-To-Date Report	Principal	Completed JE Transfers

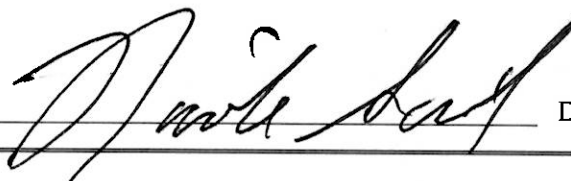
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**OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)**

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

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

Director: 
 Date: 4/15/24