


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

September 14, 2020

MEMORANDUM

To: Ms. Kim M. Redgrave, Principal
Stephen Knolls School

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

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2017, through July 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 27, 2020, meeting with you, we reviewed the prior audit report dated February 1, 2017, and the status of present conditions. It should be noted that Ms. Justice Page's assignment as school administrative secretary was effective August 8, 2020.

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, and procedures are continuously updated, as well as technology applications (refer to the *MCPS Financial Manual*, chapter 1 page 10). We noted that you have not taken the refresher training since December 1, 2013. During our onsite work at your school, we informed you that a virtual SFT Part I was scheduled for August 26. We recommended that you and Ms. Page immediately sign up to take the refresher training. Although Ms. Page was able to attend the training, you

subsequently noted that an administrative pre-service week training session conflicted with the time of SFT Part I that precluded your attendance. The current school year SFT schedule can be found on the MyMCPS Business Center [website](#). We recommend that you take SFT Part I as soon as feasible in the first semester of this school year.

Notice of Findings and Recommendations

- Principal refresher School Financial Training, Part I, is highly recommended.

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 this issue, including appropriate staff training and support.

Prior to returning your completed audit action plan, please contact Ms. Nicole A. Sosik, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools. 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 administrative secretary to support you with developing a well-defined plan to address the finding.

MJB:RP: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

Ms. Sosik

Mr. Tallur

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 2020-2021	Fiscal Year: 2020-2021
School: Stephen Knolls School SSAP - 799 <input type="checkbox"/>	Principal: Kim Redgrave
OTLS Associate Superintendent: Cheryl Dyson	OTLS Director: Donna Redmond Jones
Strategic Improvement Focus: As noted in the financial audit for the period <u>1/1/17-7/31/20</u> , strategic improvements are required in the following business processes :	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Principal refresher School Financial Training, Part I, is highly recommended.	Kim Redgrave	Training PDO		Share completion certificate with Director	Certificate #39706189 School Finance Training Part I Completed 10/12/20 Certificate # 12343814 School Finance Training Part II Completed 10/28/20

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

OFFICE OF TEACHING, LEARNING, AND SCHOOLS (OTLS) REVIEW & APPROVAL

Approved Please revise and resubmit plan by _____

Comments:

Director: *Duke L. Jones*

Date: 11/25/20