


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

September 23, 2019

MEMORANDUM

To: Ms. Stacey M. Brown, Principal
William Tyler Page Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
August 1, 2016, through June 30, 2019

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, 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 September 11, 2019, meeting with you and Ms. Tierra S. Sweat, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated September 9, 2016, 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

Cash and checks collected for IAF activities by sponsors and other authorized individuals must be remitted with MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*, to the administrative secretary on the day the funds are received. All funds remitted to the administrative secretary must be recorded into School Funds Online (SFO) before depositing into the school checking account. We found instances in which staff collecting funds for field trips and fundraisers were holding funds rather than remitting them timely to the administrative secretary. We also noted

the administrative secretary was not always making timely deposits and was holding money in excess of permitted amounts, and on occasion funds were being deposited into the school checking account prior to entry in SFO. Infrequent deposits increase the possibility of a loss of funds, diminish the schools ability to fund activities, and are contrary to the MCPS Financial Manual. To minimize the risk of loss and provide assurance that available funds will be fully utilized to meet school needs, all funds collected should be remitted to the administrative secretary daily and entered into SFO prior to being deposited (refer to *MCPS Financial Manual*, chapter 7, pp. 4-5). In addition, all remittances on hand must be deposited before each weekend, end of month or holiday.

Summary of Recommendations

- Cash and checks (funds) collected by sponsors must be promptly remitted intact with MCPS Form 280-34 to the school administrative secretary (**repeat**).
- Cash and checks (funds) remitted by sponsors must be promptly receipted and deposited in the bank by the school administrative secretary in accordance with Chapter 7 of the *MCPS Financial Manual* (**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 School Support and Improvement. Based on the audit recommendations, she 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:lsh

Attachment

Copy to:

Members of the Board of Education
Dr. Smith
Dr. McKnight
Dr. Navarro
Dr. Statham
Dr. Zuckerman
Mr. Civin
Dr. Johnson

Mrs. Dyson
Mrs. Camp
Mrs. Chen
Ms. Diamond
Dr. Jones
Mr. Reilly
Mr. Tallur
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 10/23/19	Fiscal Year: 10/23/19
School: William Tyler Page ES - 312	Principal: Stacey M. Brown
OSSI Associate Superintendent: Cheryl Dyson	OSSI Director: Donna Redmond Jones
<p>Strategic Improvement Focus: As noted in the financial audit for the period <u>8/1/16 - 6/30/19</u>, strategic improvements are required in the following business processes:</p> <p>Sponsors must promptly remit funds collected to the admin secretary using MCPS Form 280-34; Admin sec must promptly receipt these funds and deposit them in the bank,</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Enroll and complete the School Finance 1 and 2 Training	Ms. Sweat Admin. Sec. Ms. Brown Principal	School Finance Binder (chapter 7)			Ms. Sweat completed both PDO courses. Ms. Brown completed School Finance 1 (8/19) and is enrolled in School Finance 2 (3/2/20)
Meet with Ms. Sweat weekly to discuss and review school finances.	Ms. Sweat Admin. Sec. Ms. Brown Principal		Reoccurring Calendar Appt. Page Financial Documents Action Items list with due dates	Weekly Ms. Brown	Completed action items lists with dates. Using this process ensures weekly monitoring of financial responsibilities.
Meet monthly with bookkeeper to discuss and review school finances.	Ms. Sweat Admin. Sec. Ms. Brown Principal Bookkeeper	Page Financial Documents and monthly reports	Page Financial Documents and monthly reports	Monthly Ms. Brown	During monthly meeting, school Financial Reports and Documents are reviewed to ensure financial processes are be followed.
Provide coverage for admin. secretary to go to the Bank during the day.	Ms. Brown Principal Ms. Sweat Admin Sec	Staff member to cover phones		Daily Principal	Daily Deposit Slips, School Receipts and SFO Deposit Analysis documents Completed 280-34 Forms

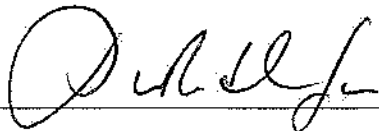
Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Meeting with teachers/team leaders/sponsors about the financial procedures and expectations for cash handling.	Ms. Brown Principal Ms. Sweat Admin Sec.	Finance Google Slides Presentation and hand-outs	Deposit slips Bank statements Completed 280-34 Forms	Daily Review by Ms. Sweat and Ms. Brown	Daily Deposit slips Bank statements Completed 280-34 Forms
Provide a Finance and Field Trip Google Folder for staff to use to reference financial procedures.	Ms. Brown Principal Ms. Sweat Admin Sec.	Finance Google Slides Presentation and hand-outs in folder			Teachers have a reference to financial procedures that can be accessed at anytime.

OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL

Approved Please revise and resubmit plan by _____

Comments: _____

Director: _____



Date: _____

11/4/19