


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

February 14, 2022

MEMORANDUM

To: Dr. Joey N. Jones, Principal
Robert Frost Middle School

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

Subject: Report on Audit of Independent Activity Funds for the Period
March 1, 2020, through November 30, 2021

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 fund-raisers. 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 10, 2022, meeting with you and Mrs. Ana M. Viera, school financial specialist, we reviewed the prior audit report dated July 10, 2020, and the status of the present conditions. It should be noted that Mrs. Viera's assignment as a school financial specialist was effective November 29, 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

Cash and checks collected by sponsors and others for IAF activities must be remitted promptly to the financial specialist. 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). We noted that at times sponsors held funds collected rather than remitting them to the financial specialist on a daily basis. We also noted that

the financial specialist was not always making daily deposits when funds were over the Cash Holding Authority (CHA). To minimize the risk of loss, all funds collected must be remitted daily. We recommend that staff be encouraged to submit cash and checks collected for IAF activities to the financial specialist for prompt deposit in accordance with MCPS policy and procedures.

Notice of Findings and Recommendations

- Cash and checks (funds) collected by sponsors must be promptly remitted to the financial specialist.
- Cash and checks (funds) remitted by sponsors must be promptly receipted and deposited in the bank by the financial specialist in accordance with chapter 7, pages 4–5 of the *MCPS Financial Manual*.

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. Jennifer L. Webster, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools, for written approval of your plan. Based on the audit recommendations, Mrs. Webster 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 financial specialist 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. McKnight
Mr. D'Andrea
Dr. Dawson
Ms. Reuben
Mrs. Williams
Mrs. Morris
Mr. Reilly
Mrs. Chen
Mrs. Eader
Mr. Klausling
Ms. Ripoli
Mrs. Webster
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 3/4/2022	Fiscal Year: 2021-2022
School: Robert Frost Middle School	Principal: Joey N. Jones
OTLS Associate Superintendent: Diane Morris	OTLS Director: Jennifer Webster
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>3/1/20 - 11/30/21</u>, strategic improvements are required in the following business processes :</p> <p>1.) Prompt remittance of checks and cash collected by sponsors 2.) Prompt bank deposit of checks and cash remitted by sponsors</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Principal and Financial Specialist met with individual staff members directly responsible for prompt remitting of cash and checks : Music Teacher & Grade 6 Team Leader - 2/15/22 Health & PE Resource Teacher - 2/22/22	Dr. Jones (Principal) & Mrs. Ana Viera (Financial Specialist)	MCPS Financial Manual & Findings from Audit Report	Review remittance of checks and cash.	Principal and Financial Specialist review remittance records on a bi-weekly basis or as needed.	Records will show prompt remittance of cash and checks
The new Financial Specialist has made a commitment to deposit remittance of cash and checks on the day they are received. Publish "Financial Matters" in the weekly school bulletin to serve as a constant reminder of the financial policies and expectations.	Dr. Jones (Principal) & Mrs. Ana Viera (Financial Specialist) & Admin Secretary	Reminders in School Bulletin to staff to remit cash and checks promptly	Review deposit records of remittance of checks and cash.	Principal and Financial Specialist review deposits of remittance records on a bi-weekly basis or as needed.	Records will show prompt deposit of remittance of cash and checks

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

Approved Please revise and resubmit plan by _____

Comments:

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Director: Jennifer L. Webster Date: 3/7/22