

Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

December 08, 2020

MEMORANDUM

To: Ms. Billie-Jean Bensen, Principal
Rockville High School

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

Subject: Report on Audit of Independent Activity Funds for the Period 
October 1, 2019, through October 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 November 16, 2020, virtual meeting with you; Mr. David Stough, school business administrator; and Mrs. Paula M. Arata, school financial specialist, we reviewed the prior audit report dated December 27, 2019, 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.

Finding and Recommendation

Use of the MCPS purchasing card must be in accordance with the requirements of the MCPS *Purchasing Card User's Guide*. By the fifth business day of the following month, cardholders must use the online reconciliation program to identify, describe, and review transactions. Monthly statements, or the statement of account landscape report, must be printed and provided to the approver, with all purchase receipts and invoices attached. The reviewer must review each

cardholder's transactions and approve them by the 10th of the following month, using the online reconciliation program. In your action plan, you indicated transactions would be reviewed and approved timely. We found that some cardholders had not promptly prepared their monthly statements, or reviewed their transactions in the online reconciliation program. We also found that the principal or principal's designee had not approved some transactions online. We recommend that action be taken to correct these conditions and bring purchasing card usage into conformity with MCPS requirements.

Notice of Finding and Recommendation

- Purchase card activities must comply with the *MCPS Purchasing Card User's Guide*. **(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. Sarah E. Sirgo, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools. Based on the audit recommendations, Dr. Sirgo 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 agents to support you with developing a well-defined plan to address the findings.

MJB:HT:lsh

Attachment

Copy to:

Members of the Board of Education
Dr. Smith
Dr. McKnight
Ms. Stratman
Mrs. Williams
Dr. Wilson
Mrs. Dyson
Mrs. Camp
Mrs. Chen
Mr. Marella
Dr. Sirgo
Mr. Tallur
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: Parts of FY20 and FY21	Fiscal Year: Parts of FY20 and FY21
School: Rockville HS - 230	Principal: Ms. Billie-Jean Bensen BJB 1/21/21
OTLS Associate Superintendent: Mrs. Cheryl Dyson	OTLS Director: Dr. Sarah Sirgo

Strategic Improvement Focus:

As noted in the financial audit for the period 10/1/19-10/31/20, strategic improvements are required in the following business processes :

P Card - timely review and approval of transactions

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Review expectations with cardholders and provide reference materials and calendar reminders. Will also reduce number of cardholders.	Stough	Reference Materials	Data Points: transactions reviewed by 5th business day of month, transactions approved by the 10th of the month, printed/signed	Bensen (approving Stough) Stough (approving all others)	Compliance with regulation
			statement with all backup documentation attached.		

