

Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

September 18, 2023

MEMORANDUM

To: Dr. Marc J. Cohen, Principal  
Seneca Valley High School

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



Subject: Report on Audit of Independent Activity Funds for the Period  
March 1, 2022, through July 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 August 25, 2023, meeting with you; Mrs. Monique N. Riddick, school business administrator; and Mrs. Tara K. Owens, school financial specialist, we reviewed the prior audit report dated April 20, 2022, and the status of the present conditions. It should be noted that Mrs. Owens' assignment as school financial specialist was effective July 1, 2023. 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 school financial specialist with a completed MCPS Form 280-34 *Remittance Slip*. MCPS Form 280-34 must be completed in its entirety and must be signed by the remitter and receiver verifying funds. These receipts must be deposited promptly, and all receipts over the allowable *Cash*

*Holding Authority (CHA) must be deposited daily. All funds remitted 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, page 4-5). We found that at times, staff were holding funds and not remitting to the school financial specialist when received. We also noted that funds had been held by the former school financial specialist over the allowable CHA. In addition, we noted that MCPS Form 280-34, was not always filled out completely by the sponsor and at times was missing the date, description, signatures, and total amount collected. We recommend that all sponsors complete the remittance slip in full, and to minimize the risk of loss; all funds collected must be remitted daily and deposited to the bank promptly.*

### **Notice of Findings and Recommendations**

- Cash and checks (funds) collected by sponsors must be promptly remitted with a completed MCPS Form 280-34 to the school financial specialist.
- Cash and checks (funds) remitted by sponsors must be promptly receipted and deposited in the bank by the school financial specialist in accordance with Chapter 7 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 Mr. David T. Chia, director of school support and well-being, Office of Student Support and Well-Being, for written approval of your plan. Based on the audit recommendations, Mr. Chia will indicate whether he 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:rg

Attachment

Copy to:

Members of the Board of Education

Dr. McKnight

Mr. Hull

Dr. Murphy

Ms. Morris

Mr. Stockton

Mrs. Williams

Dr. Moran

Mr. Reilly

Mrs. Chen

Mr. Chia

Ms. Eader

Mr. Klausning

Mrs. Ripoli

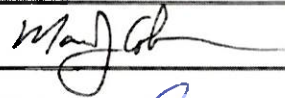
Ms. Webb

## FINANCIAL MANAGEMENT ACTION PLAN

**Report Date:** September 18, 2023

**Fiscal Year:** September 18, 2023


**School:** Seneca Valley HS - 104

**Principal:** Marc Cohen 

**OSSWB**

**OSSWB**

**Associate Superintendent:** Peter Moran

**Director:** David Chia  9/23/23

**Strategic Improvement Focus:**

As noted in the financial audit for the period 3/1/22 - 7/31/23, 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
Cash and checks (funds) collected by sponsors will be promptly remitted with a completed MCPS Form 280-34 to the school financial specialist.	Sponsor/School Financial Specialist (SFS)	Form 280-34	Copies of 280-34 Remittance Slips.	SFS will monitor daily. SFS and School Business Administrator (SBA) will meet quarterly to review.	All 280-34s will be completed correctly and deposits made daily.
Cash and checks (funds) remitted by sponsors will be promptly receipted and deposited in the bank by the school financial specialist in accordance with Chapter 7 of the MCPS Financial Manual.	SFS	School Cash Online Form 280-34	SFS will provide written note for any deposits made through the lock box or after the duty day.	SFS will monitor daily. SFS and SBA will meet quarterly to review.	All deposits will be made daily and copies of deposit slips will match the 280-34s.

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

<b>OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)</b>	
<input type="checkbox"/> Approved	<input type="checkbox"/> Please revise and resubmit plan by _____
Comments: _____	
Director: _____	Date: _____