


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

April 2, 2019

MEMORANDUM

To: Dr. Kimberly A. Williams, Principal
Stone Mill Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
March 1, 2016, through January 31, 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 March 28, 2019, meeting with you and Ms. Diane Cochet-Wynant, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated March 10, 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

Use of the MCPS purchasing card must be in accordance with the requirements of the MCPS *Purchasing Card User's Guide*. By the 5th business day of the following month, cardholders must use the online reconciliation program to identify, describe, and review transactions. Monthly statements must be printed and provided to the principal, with all purchase receipts and invoices attached. The principal must review each cardholder's transactions and approve them by the 10th

of the following month, using the online reconciliation program. The principal's card transactions are to be reviewed and approved by the respective director of learning, achievement, and administration, Office of School Support and Improvement (OSSI). We found that some cardholders had not promptly prepared their monthly statements, provided their purchase receipts, or reviewed their transactions in the online reconciliation program. We also found that the principal had not approved all transactions online for school staff, and that the principal's transactions were not approved by the respective OSSI director. We recommend that action be taken to correct these conditions and bring purchasing card usage into conformity with MCPS requirements.

Summary of Recommendations

- Purchase card transactions must be documented, reviewed, and approved by the principal.
- Purchase card transactions of the principal must be reviewed and approved by the respective director of learning, achievement, and administration, OSSI.

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 Mrs. Jennifer L. Webster, director of learning, achievement, and administration, Office of School Support and Improvement. 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 school administrative secretary to support you with developing a well-defined plan to address the findings.

RWP:RCM:lsh

Attachment

Copy to:

Members of the Board of Education
Dr. Smith
Dr. Navarro
Dr. Statham
Dr. Zuckerman
Mr. Civin
Dr. Johnson
Mrs. Morris
Mrs. Camp
Mrs. Chen
Ms. Diamond

Mr. Reilly
Mr. Tallur
Mrs. Webster
Ms. Webb

May 30, 2019

MEMORANDUM

To: Ms. Jennifer Webster, Director of Learning, Achievement and Administration

From: Dr. Kimberly A. Williams, Principal

Subject: Audit of Independent Activity Funds

JW
6/4/19

The purpose of this memorandum is to respond to the findings of Mr. Pisha, Internal Audit Supervisor, during the recent audit of Independent Activity Funds at Stone Mill Elementary School.

I have commended my administrative secretary for her excellent organization and completeness of financial records.

Concerning the audit report for Stone Mill ES, we will work to ensure we are documenting, reviewing and approving purchase card transactions and forwarding them for central office approval. Since the audit, we have been doing the approvals continuously.

I truly appreciate the time, energy and guidance provided to Stone Mill through the audit to help ensure that we are compliant in all ways with the financial responsibilities entrusted to us.

Copy to:
Mr. Pisha