MEMORANDUM

To: Mrs. Marybeth O. Mantzouranis, Principal
   Weller Road Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
         October 1, 2017, through August 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 October 1, 2020, virtual meeting with you; Mrs. Constance M. Lieder, school administrative
secretary; and Mrs. Sandra L. Windlan, visiting bookkeeper, we reviewed the prior audit report
dated December 8, 2017, 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 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 approver must review each
cardholder’s transactions and approve them by the 10th of the following month, using the online reconciliation program. We found that some cardholders had not promptly prepared the monthly statements, provided description of items purchased, indicated IAF account number when required, attached the purchase receipts, or reviewed the transactions in the online reconciliation program. We also found that the principal had not approved all transactions online. We recommend that action be taken to correct these conditions and bring purchasing card usage into conformity with MCPS requirements.

Notice of Findings and Recommendations

- Purchase card transactions must be documented, reviewed, and approved by the principal.

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 Teaching, Learning, and Schools. 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.

MJB:ABP:Ish

Attachment

Copy to:
Members of the Board of Education
Dr. Smith
Dr. McKnight
Ms. Stratman
Dr. Wilson
Mrs. Ahn
Mrs. Morris
Mrs. Camp
Mrs. Chen
Mr. Marella
Mr. Reilly
Mr. Tallur
Mrs. Webster
Ms. Webb
**FINANCIAL MANAGEMENT ACTION PLAN**

**Report Date:** 11/25/2020

**School:** Weller Road ES - 777

**Principal:** MaryBeth O. Mantzouranis

**OTLS**

**Associate Superintendent:** Diane Morris

**Director:** Jennifer Webster

**Strategic Improvement Focus:**

As noted in the financial audit for the period 10/1/17-8/31/20, strategic improvements are required in the following business processes:

Purchase card transactions must be documented, reviewed, and approved by the principal.

<table>
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<tr>
<th>Action Steps</th>
<th>Person(s) Responsible</th>
<th>Resources Needed</th>
<th>Monitoring Tools / Data Points</th>
<th>Monitoring: Who &amp; When</th>
<th>Results/Evidence</th>
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<tbody>
<tr>
<td>Purchasers will use the online reconciliation to review their purchases. Purchasers will also provide descriptions of the items purchased, indicate the IAF account number when required, and will print their landscape report and attach receipts</td>
<td>MaryBeth O. Mantzouranis, Connie Lieder, Denise J. Fleet</td>
<td>Landscape report with receipts attached</td>
<td>JP Morgan site</td>
<td>Each cardholder by the 5th of the month</td>
<td>Purchases have been reviewed by the 5th of the following month, All receipts are attached to the landscape report</td>
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<tr>
<td>The approver will go in by the 10th day of each month to approve the prior month's purchases for all account holders. The approver will ensure the procedures listed above have been followed.</td>
<td>MaryBeth O. Mantzouranis</td>
<td>Landscape Report with receipts attached</td>
<td>JP Morgan site, Landscape reports with receipts</td>
<td>MaryBeth O. Mantzouranis</td>
<td>All purchases have been approved by the 10th of the month</td>
</tr>
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OFFICE OF TEACHING, LEARNING, AND SCHOOLS (OTLS) REVIEW & APPROVAL

☑ Approved
☐ Please revise and resubmit plan by ____________

Comments:

Director: ______________________ Date: 12/1/2020

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