


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

March 30, 2023

MEMORANDUM

To: Dr. Sweta D. Zaks, Principal  
Wood Acres Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period  
June 1, 2021, through January 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 March 27, 2023, meeting with you; Ms. Terri E. Reveron, school administrative secretary (secretary); and Mrs. Pamela K. Dunn, visiting bookkeeper, we reviewed the prior audit report dated July 23, 2021, and the status of the present conditions. It should be noted that your appointment as principal was effective July 1, 2022. 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 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. We found that some cardholders had not promptly prepared their monthly statements, provided description of items purchased, or indicated IAF account number when required. 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 activity 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 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 Dr. Donna Redmond Jones, 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, Dr. Jones 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:BK:rg

Attachment

Copy to:

Members of the Board of Education  
Dr. McKnight  
Mr. Hull  
Dr. Murphy  
Ms. Reuben  
Mr. Stockton  
Mrs. Williams  
Dr. Floyd-Cooper  
Mr. Reilly  
Mrs. Chen  
Ms. Eader  
Dr. Jones  
Mr. Klausling  
Mrs. Ripoli  
Ms. Webb

## FINANCIAL MANAGEMENT ACTION PLAN

<b>Report Date:</b> 04-21-2023	<b>Fiscal Year:</b> 04-21-2023
<b>School:</b> Wood Acres ES - 417	<b>Principal:</b> Dr. Sweta Zaks
<b>OSSWB</b> <b>Associate Superintendent:</b> Acting - Dr. Donna Redmond Jones	<b>OSSWB</b> <b>Director:</b> Dr. Donna Redmond Jones
<p><b><u>Strategic Improvement Focus:</u></b>          As noted in the financial audit for the period <u>6-1-21/1-31-23</u>, strategic improvements are required in the following business processes :          Monitoring of JP Morgan card purchases by principal; JP Morgan cardholders' compliance with MCPS Purchasing Card User's Guide</p>	


Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Communication to and training for all cardholders, emphasizing the need to promptly prepare monthly JP Morgan statements, provide a description of items purchased and indicate IAF account number.	Dr. Zaks Terri Reveron	MCPS Purchasing Card User's Guide	Review JP Morgan statements	Dr. Zaks Terri Reveron, pre-service week and as needed for follow-up	Monthly statements from cardholders with descriptions of purchases and IAF acct. number
Bi-weekly meetings to discuss JP Morgan statements and cardholder compliance with the MCPS Purchasing Card User's Guide.	Dr. Zaks Terri Reveron	Access to online JP Morgan accounts; JP Morgan statements	Meeting notes	Dr. Zaks Terri Reveron, bi-weekly	Cardholder compliance with MCPS Purchasing Card User's Guide
Principal will approve all JP Morgan transactions online by the 10th of the month, in accordance with MCPS Purchasing Card User's Guide.	Dr. Zaks	Access to online JP Morgan account	JP Morgan approved transactions	Dr. Zaks Terri Reveron, monthly	Log of transactions

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**OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)**

**Approved**       **Please revise and resubmit plan by \_\_\_\_\_**

Comments:

Director:       Date: 4/24/23