


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

June 4, 2024

MEMORANDUM

To: Ms. Heidi L. Slatcoff, Principal
Earle B. Wood Middle School

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

Subject: Report on Audit of Independent Activity Funds for the Period
September 1, 2022, through March 31, 2024

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 May 24, 2024, meeting with you and Ms. Daniela Tirado, school financial specialist, we reviewed the prior audit report dated October 19, 2022, and the status of the present conditions. It should be noted that Ms. Tirado's assignment was effective January 3, 2023. This audit report presents the findings and recommendations resulting from our examination of your school's IAF records and financial accounts for the period designated above.

School Financial Training (SFT) Part I, is required for principals within their first year of assignment. Refresher training is recommended every three years because policies, regulations, procedures, and technology applications are continuously updated (refer to the *MCPS Financial Manual*, chapter 1, page 10). We noted that you have not taken the SFT Part I since 2017. We recommended that you immediately sign up to take SFT Part I.

Use of the MCPS purchasing card must be in accordance with the requirements of the MCPS *Purchasing Card Users 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 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 provided descriptions of items purchased, and had not indicated IAF account numbers 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

- Principals must attend SFT Part I within their first year and then every three years.
- Purchase card transactions must be documented, reviewed, and approved by the principal in the online system by the 10th of the following month.

Prior to returning your completed audit action plan, please contact Ms. Natasha Bolden, executive director of school support and well-being, Office of School Support and Well-Being, for written approval of your plan. Based on the audit recommendations, Ms. Bolden 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 specialist to support you with developing a well-defined plan to address the findings.

MJB:BK:rg

Attachment

Copy to:

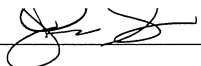
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FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 6/4/24	Fiscal Year: FY 23-24
School or Office Name: Earle B. Wood Middle School	Principal: Heidi L. Slatcoff
OSSWB Associate Superintendent: Donna Redman-Jones	OSSWB Director: Jewel Sanders
<p>Strategic Improvement Focus: As noted in the financial audit for the period <u>9/22/22 - 3/31/24</u>, strategic improvements are required in the following business processes : Principals must attend SFT Part I within their first year and then every three years, Purchase card transactions must be documented, reviewed, and approved by the principal</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Sign up for SFT Part I - cannot take in August because it falls on A&S Meeting- will schedule date for fall training	Heidi L. Slatcoff	Class to be available during a time that does not conflict with A&S	Completion Certificate for SFT 1	Heidi L. Slatcoff Daniela Tirado	
Created an action calendar reminder on my outlook calendar and included my Admin Secretary and Financial Specialist on the invite	Heidi L. Slatcoff	JP Morgan Website	Calendar invites on my calendar	Heidi L. Slatcoff Daniela Tirado Lizbeth Roop	

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