


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

January 8, 2020

MEMORANDUM

To: Mrs. Jody L. Smith, Principal  
Chevy Chase Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period  
October 1, 2016, through September 30, 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 December 11, 2019, meeting with you; Mrs. Vickie L. Krehbiel, school administrative secretary; and Mrs. Debra L. Taylor-Miller, school visiting bookkeeper, we reviewed the status of the conditions described in our prior audit report dated November 17, 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

In order to properly control receipts, cash and checks collected by sponsors for IAF activities must be remitted promptly to the school administrative secretary. Cash should be counted in the presence of the remitter, and a receipt that is supported by MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*, must be issued promptly. We found instances in which staff

collecting funds for yearbook, field trips, and fund raisers were holding funds rather than remitting them timely to the school administrative secretary. All funds collected must be promptly remitted to the school administrative secretary (refer to the *MCPS Financial Manual*, chapter 7, page 4).

Notice of Findings and Recommendations

- Funds collected by sponsors must be promptly remitted with MCPS Form 280-34 to the school administrative secretary (**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 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 Mr. Sean P. McGee, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Mr. McGee 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 administrative secretary to support you with developing a well-defined plan to address the findings.

MJB:RCM:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. McKnight

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Mr. Civin

Dr. Johnson

Mrs. Morris

Mrs. Camp

Mrs. Chen

Ms. Diamond

Mr. Marella

Mr. McGee

Mr. Reilly

Mr. Tallur

Ms. Webb

## FINANCIAL MANAGEMENT ACTION PLAN

<b>Report Date:</b> FY20	<b>Fiscal Year:</b> FY20
<b>School:</b> Chevy Chase ES - 403	<b>Principal:</b> Jody L. Smith
<b>OSSI Associate Superintendent:</b> Diane Morris	<b>OSSI Director:</b> Sean McGee

**Strategic Improvement Focus:**

As noted in the financial audit for the period 10/1/16-9/30/19, strategic improvements are required in the following business processes :

Funds collected by sponsors must be promptly remitted with MCPS Form 280-34 to the school administrative secretary.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools/ Data Points	Monitoring: Who & When	Results/Evidence
Administrator met with staff to review policies and procedures when collecting funds for yearbook, field trips and fundraisers. Administrator emphasized that all funds must be turned in daily with attached MCPS Form 280-34 to administrative secretary. The MCPS Financial Manual, Chapter 7, Page 4 was referenced.	Jody L. Smith, Principal	Media Center for Meeting	Administrator will meet with administrative secretary and book keeper to review remittance slips (MCPS Form 280-34)	Administrator will meet with administrative secretary weekly and bookkeeper monthly	Administrator reviewed remittance forms for December and January. Teachers turned in funds daily to administrative secretary.
Administrative secretary distributed a printed copy of Field Trip/Yearbook/Book Fair/Fundraiser Guidelines with funds collection policies highlighted. This document is distributed at the beginning of every school year and is available in a Google Folder (Field Trips). In addition, administrative secretary emailed the document to teachers.	Vickie Krehbiel, Administrative Secretary	Copier Email	Yearbook Funds Collection Deadline 1/15/2020	Vickie Krehbiel, Administrative Secretary Distributed in August and December	All teachers turned in yearbook funds daily by 10:00 a.m. deadline. They did not hold funds. All funds were collected by 1/15/2020.
During time periods when funds are being collected, administrative secretary will make an announcement before school that funds with attached MCPS Form 280-34 must be turned in to administrative secretary by 10:00 am so that administrative secretary can enter receipts in SFO and post deposit to be deposited daily.	Vickie Krehbiel, Administrative Secretary	School Intercom	Yearbook Funds Collection, Deadline - 1/15/2020	Vickie Krehbiel, Administrative Secretary Daily Announcements	All teachers turned in yearbook funds daily by 10:00 a.m. deadline. They did not hold funds. All funds were collected by 1/15/2020.
During time periods when funds are being collected, administrative secretary will send reminder emails to teachers about turning funds in by 10:00 a.m. daily so that administrative secretary can enter receipts in SFO and post deposit to be deposited daily. Administrative secretary will call teachers with reminders if necessary.	Vickie Krehbiel, Administrative Secretary	Email Phone	Yearbook Funds Collection Deadline - 1/15/2020	Vickie Krehbiel, Administrative Secretary Weekly emails	All teachers turned in yearbook funds daily by the 10:00 a.m. deadline. They did not hold funds. All funds were collected by 1/15/2020.

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

**OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL**

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

Comments:

Director:       Date: 1/31/2020