


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 22, 2013

MEMORANDUM

To: Ms. Melissa A. Brunson, Principal
Cloverly Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Amended Report on Audit of Independent Activity Funds for the Period
March 1, 2010, through October 31, 2012

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. 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 IAFs are administered in accordance with MCPS policies, regulations, and procedures.

IAF audits are conducted regularly to evaluate compliance with MCPS 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 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 there is compliance with MCPS policies, regulations, and procedures, and that any significant errors or omissions in the financial records are detected.

In our meeting on November 28, 2012, with you and Mrs. Laura Wellen, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated June 9, 2010, and the status of present conditions. At your request, we met again on January 17, 2013, to review additional evidence that demonstrated adequate documentation to support the contract for school picture services. This audit report presents the amended findings and recommendations presented to you in our report dated December 20, 2012, resulting from our examination of the IAF records and financial accounts for your school for the period designated above.

Findings and Recommendations

MCPS Form 280-54, *Independent Activity Funds Request for a Purchase*, is used to obtain principal approval to proceed with an intended purchase (see MCPS Financial Manual, p. 20-5). The purpose of each disbursement must be fully explained on this form in order to properly record expenditures in appropriate accounts and to ensure that expenditures comply with IAF requirements. In our random

sample of disbursements, prior written approval was not consistently obtained. We recommend that Form 280-54, be prepared by staff and signed by the principal at the time verbal approval is sought so that invoices or receipts bear a date subsequent to the written approval date.

Summary of Recommendations

- Expenditure of funds must be approved by the principal prior to procurement.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, please provide a response to the Internal Audit office within 30 days of this report, with a copy to Dr. Myra Smith, community superintendent. The Office of School Support and Improvement will follow up on this audit.

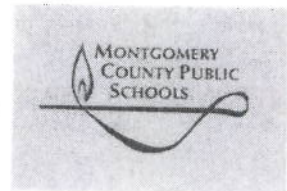
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Copy to:

Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Dr. Marks
Dr. Smith
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Cloverly Elementary School

800 Briggs Chaney Road
Silver Spring, Maryland 20905
Phone: 301-989-5770 Fax: 301-879-1035



Office of the Principal

February 1, 2013

MEMORANDUM

TO: Roger Pisha, Supervisor, Internal Audit

From: Melissa Brunson, Principal, Cloverly Elementary School *MB*

Subject: Response to Audit of Independent Activity Funds for the
Period March 2, 2010 through October 31, 2012

This memo is a follow-up to Summary of Recommendations made in the audit report dated January 22, 2013. The auditor made the following recommendation:

Summary of Recommendation: Expenditure of funds must be approved by the principal prior to procurement.

Response: Staff will be reminded to use form 280-54 in order to be approved for purchases.

I would like to thank you and Mr. McIlvain for your assistance.

Copy to:
Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Dr. Marks
Dr. Smith
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Approved
MB
2/7/13