Office of Shared Accountability MONTGOMERY COUNTY PUBLIC SCHOOLS Rockville, Maryland

April 2, 2012

MEMORANDUM

To:

Mrs. Roni Silverstein, Principal

Fallsmead Elementary School

From:

Roger W. Pisha, Supervisor, Internal Audit MPMa

Subject:

Report on Audit of Independent Activity Funds for the Period

November 1, 2010, through February 29, 2012

This audit report presents the results of our examination of the financial records, reports, and internal accounting controls relating to the Independent Activity Funds (IAF) for your school for the period designated above. The examination was made to evaluate the adequacy of accountability over these funds, compliance with applicable Montgomery County Public Schools (MCPS) policies and procedures, and effectiveness of IAF management.

It should be noted that eight months of the audit period under review were prior to your appointment as principal on July 1, 2011. Also, Ms. Patricia Litwin, administrative secretary, assumed her position on August 18, 2011.

In our meeting on March 27, 2012, with you and Ms. Litwin, we reviewed conditions described in our previous report dated February 14, 2011, and the status of present conditions. Our findings and recommendations appear below.

Findings and Recommendations

Cash and checks collected by sponsors and other authorized individuals for IAF activities must be remitted to the administrative secretary on the day they are received, and must be accompanied by MCPS Form 280-34, *Remittance Slip*. We again found instances in which staff collecting funds for field trips were holding funds rather than remitting them timely to the administrative secretary (see MCPS Financial Manual p. 7-4). We recommend that all staff who collect funds for school activities be reminded of remittance requirements.

Review of field trip activities again revealed that not all trip sponsors are providing completed financial information to the administrative secretary at the completion of a trip. Sponsors should record cost and fee information for each field trip on MCPS Form 280-41, *Field Trip Accounting*, or equivalent, and submit the data to the administrative secretary when a trip is completed. The record of the names of participants and sums collected strengthens internal

controls by enabling the reconciliation of receipts to sums recorded in the field trip account. We recommend all sponsors be required to use Form 280-41, or equivalent, and follow the procedures outlined above (see MCPS Financial Manual, p. 20-9).

Summary of Recommendations

- Funds collected must be promptly remitted by sponsors to the financial agent (repeat); and
- Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and to reconcile funds collected with costs of the trip (repeat).

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of Ms. Litwin, which greatly facilitated our audit. 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. Donna S. Hollingshead, community superintendent. The Office of School Performance will follow up on this audit.

RWP:GB:sd

Copy to:

Mr. Bowers

Dr. Lacey

Mr. Talley

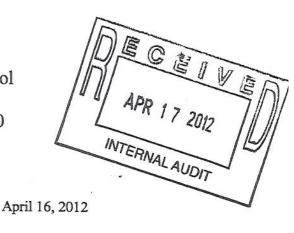
Dr. Hollingshead

Mrs. DeGraba

Mrs. Milwit

Mr. Doody

Fallsmead Elementary School 1800 Greenplace Terrace Rockville, Maryland 20850



MEMORANDUM

To:

Roger W. Pisha, Supervisor, Internal Audit

From:

Roni Silverstein, Principal

Subject:

Audit report of Independent Activity Funds for the Period November 1, 2010 through

February 29, 2012.

This memorandum details the responses to the recommendations made by the auditor during a review of the Independent Activity Funds in March 2012. Both the administrative secretary and I appreciate the time that the auditor spent explaining the process and recommending improvements. The auditor acknowledged that many of the procedures that needed to be addressed were resolved at this time.

The report spans two school years including a period of time before the administrative secretary and I were hired at Fallsmead. In the report, the auditor wrote, "It should be noted that eight months of the audit period under review were prior to your appointment as principal on July 1, 2011. Also, the administrative secretary assumed her position on August 18, 2011."

Several suggestions made in the audit report had already been implemented once the administrative secretary and I began last summer. However, all of the information and strategies are much appreciated and will be adopted immediately.

Our responses follow sequentially the findings and recommendations from the auditor's report dated April 2, 2012.

• <u>Finding</u>: Cash and checks collected by sponsors and other authorized individuals for IAF activities must be remitted to the administrative secretary on the day they are received, and must be accompanied by the MCPS form 280-34, *Remittance Slip*.

<u>Response</u>: A system had been established and explained at a staff meeting in the fall of 2011where sponsors remit funds immediately to the administrative secretary. This is normal practice at this time.

• Finding: Not all trip sponsors are providing completed financial information to the administrative secretary at the completion of the trip. Sponsors should record cost and fee information for each field trip on MCPS form 280-41, Field Trip Accounting, and submit the data to the administrative secretary when a trip is completed. The record of the names of participants and sums collected strengthens internal controls. We recommend all sponsors be required to use Form 280-41, and follow the procedures outlined.

<u>Response</u>: A system had been established where sponsors were recording names and sums on MCPS Form 280-34, as requested at administrative secretary meeting in May 2011. However, we will also have them submit MCPS Form 280-41 at the conclusion of the field trip. The administrative secretary has met with every team to go over these procedures.

Please contact me if any further information is needed. We are committed to continuing best accounting practices and ongoing fiscal responsibility.

RSS:pl

Copy to: Donna Hollingshead