


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

January 17, 2019

MEMORANDUM

To: Mr. Cary D. Dimmick, Principal
Gaithersburg High School

From: Roger W. Pisha, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
December 1, 2017, through September 30, 2018

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 12, 2018, meeting with you; Mrs. Patricia E. Donner, school business administrator; and Mrs. Debra J. Hudson, school financial specialist, we reviewed the status of the conditions described in our prior audit report dated February 14, 2018, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2018. 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

Each year the Chief Financial Officer (CFO) provides a memorandum with information related to the process for planning and approval of academic local revenue-based summer school programs (LSPs). An LSP business plan, with a specific deadline each year, is required to be submitted to the MCPS School and Financial Operations Team for approval. Student collections cannot be

started until after the approved plan is received. We found that fees were collected without an approved plan and fees were remitted to MCPS beyond the specified due date. We recommend that all guidelines for local summer programs be followed as outlined in the CFO memorandum.

Summary of Recommendations

- Follow all the guidelines for local summer programs as outlined in the annual CFO memorandum.

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 Dr. Adrienne L. Morrow, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Dr. Morrow 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 agents to support you with developing a well-defined plan to address the findings.

RWP:BK:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Mr. Civin

Dr. Johnson

Dr. Williams

Mrs. Camp

Mrs. Chen

Ms. Diamond

Dr. Morrow

Mr. Tallur

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: FY 19	Fiscal Year: FY 19
School: Gaithersburg HS - 551	Principal: Mr. Cary Dimmick
OSSI Associate Superintendent: Dr. Darryl Williams	OSSI Director: Dr. Adrienne Morrow
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>12/1/17 - 9/30/18</u>, strategic improvements are required in the following business processes :</p> <p>Local Summer Programs</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Follow all guidelines for local summer programs as outlined in the annual CFO memorandum. Submit LSP plan for approval before collecting funds. Remit funds by specified date.	Patricia Donner	none	none	Cary Dimmick - by specified dates as outlined in the annual CFO Memorandum.	LSP plan approved and funds remitted by specified dates as outlined in the annual CFO Memorandum.

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

Approved Please revise and resubmit plan by _____

Comments:

Director: Adrienne L. Morrow Date: 1/31/19