


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

September 27, 2018

MEMORANDUM

To: Ms. Cassandra Heifetz, Principal
Glen Haven Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
October 1, 2017, through July 31, 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 ensure that any significant errors or omissions in the financial records are detected. 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 there is compliance with policies, regulations, and procedures, and that any significant errors or omissions in the financial records are detected.

At our September 18, 2018, meeting with you, and Mr. Desmond Mackall, assistant principal, we reviewed our prior audit report dated November 2, 2017, 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

To properly control funds, all cash and checks collected by sponsors for IAF activities should be remitted promptly to the school administrative secretary. These funds should then be verified in the presence of the remitter, and a receipt that is supported by MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*, should be issued promptly (refer to *MCPS Financial*

Manual, chapter 7, page 4). We found instances in which funds were held by sponsors rather than being remitted on a daily basis to the school administrative secretary and not always promptly deposited into the school's bank account. To minimize the risk of loss and provide availability of funds to meet school needs, we recommend that all funds collected be remitted daily to the school administrative secretary for prompt deposit.

Field trips must be conducted in accordance with MCPS Regulation IPD-RA, *Travel-Study Programs, Field Trips, and Student Organization Trips*. Trip approval forms should be signed by the principal and the director of learning, achievement, and administration, when required, and retained for future reference. Sponsors of field trips should have a complete class or club roster of student names to annotate the amount each student paid, date paid, eligible students who did not participate in the trip, and students who received waivers, scholarships, or reduced fees. This data, together with a list of all chaperones and volunteers, should be provided to the school administrative secretary at the completion of each trip and compared to remittances recorded in the trip account history report. We found that not all sponsors are providing completed data at the conclusion of each trip and that data is not being compared to the final account history report. We recommend that all sponsors be required to use MCPS Form 280-41, *Field Trip Accounting*, or equivalent, and follow the procedures outlined above.

Summary of Recommendations

- Funds collected by sponsors must be promptly remitted to the school administrative secretary (**repeat**).
- Remitted funds must be promptly verified, receipted, and deposited in the bank by the school administrative secretary.
- Field trip records that are 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 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. Peter O. Moran, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Dr. Moran 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.

RWP:AMB:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Mr. Civin

Dr. Johnson

Mrs. Dyson

Mrs. Camp

Mrs. Chen

Ms. Diamond

Dr. Moran

Mr. Reilly

Mr. Tallur


Mr. Ikheloa

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 2019	Fiscal Year: 2019
School: Glen Haven ES - 767	Principal: Mrs. Cassandra Heifetz
OSSI Associate Superintendent: Mrs. Cheryl Dyson	OSSI Director: Dr. Peter Moran
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>10/1/17-7/31/18</u>, strategic improvements are required in the following business processes :</p> <p>1. Remittance and Deposit of Funds 2. Reconciliation of Field Trips</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
1.1 Communicate with all staff during preservice regarding expectations and procedures for financial matters, money handling, etc. using the Staff Handbook	Kathleen Linton Cassandra Heifetz	Staff Handbook on Google Drive	Pre-Service Agenda	Principal To be reviewed at November ILT Meeting	
1.2 Remind all staff via November issue of "The Nest News" about money handling procedures and expectations	Cassandra Heifetz	Google Classroom	Staff signature on Google Classroom	Principal After Nov. 17 release of Nest News	
1.3 Activate daily calendar reminders for all staff to turn in money by 12:15 PM each day.	Kathleen Linton	Google calendar	Keep notes of those not turning in money in a timely manner. Request a meeting with admin. accordingly for habitual offenders	Kathleen Linton Ongoing	
1.4 Establish a set time and implement daily reminders for Admin Secretary to go to bank at certain times of the day (between 1-2 PM) to ensure timely daily deposits.	Kathleen Linton	Google calendar	Google Calendar; Deposit receipts	Kathleen Linton & Principal Ongoing	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
1.5 Have attendance secretary take lunch prior to 12:00 PM so that the admin secretary can count money between 12:00-12:30 and go to bank at 1:00.	Cassandra Heifetz Main Office Staff	Main Office schedule	Observations of main office staff schedule coordination	Principal and Main Office Staff; Ongoing	
2.1 Require staff to turn in form 280-41 as well as form 280-341 in order to maintain accuracy and accountability when reconciling field trip accounts.	Kathleen Linton Field Trip Sponsors	Forms	Field trip folders	Kathleen Linton & Principal Ongoing	
2.2 Provide all teachers with a special envelope for the collection of field trip with a pre-filled list of names for the field trip accounting form 280-41	Kathleen Linton	Forms Envelopes Class Lists	Field trip folders	Kathleen Linton & Principal Periodic review of reconciled trips	
2.3 Email to all field trip sponsors regarding expectations and steps and processes with money handling and field trip reconciliation	Principal	Email Field Trip Folders	Confirmation emails from field trip sponsors	Principal by November 15, 2018	

OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL	
<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Please revise and resubmit plan by _____
Comments:	
Director: 	Date: <u>10/31/18</u>