


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

August 17, 2016

MEMORANDUM

To: Mrs. Margaret S. Prin, Principal
Maryvale Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2015, through June 30, 2016

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

The 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 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 MCPS policies, regulations, and procedures, and that any significant errors or omissions in the financial records are detected.

In our meeting on August 12, 2016, with you and Mrs. Susan J. Nolte, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated March 11, 2015, and the present status of those conditions. It should be noted that your appointment as principal was effective July 1, 2016. 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

Cash and checks collected for the IAF activities by sponsors and other authorized individuals must be remitted with MCPS Form 280-3: *Remittance Slip*, to the school administrative secretary on the day the funds are received. We again found instances in which staff collecting funds for trips and other school functions were holding rather than remitting them timely to the school administrative

secretary. We recommend that all staff who collect funds for school activities be reminded of remittance requirements (refer to *MCPS Financial Manual* pp. 7–4).

Summary of 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 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 Unit within 30 calendar days of this report, with a copy to Ms. Loretta M. Favret, director of school support and improvement of elementary schools. In your response, please share a detailed plan for addressing these issues including appropriate staff training and support. The Office of School Support and Improvement will follow up on this audit.

RWP:LAS:lsh

Copy to:

Members of the Board of Education

Dr. Smith

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Dr. Kimball

Mrs. Camp

Mrs. Chen

Mrs. DeGraba

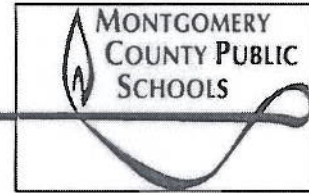
Ms. Diamond

Ms. Favret

Mr. Ikheloa


Maryvale Elementary School

1000 1st Street
Rockville, Maryland
Phone: 301-270-4990



September 12, 2016

MEMORANDUM

To: Roger W. Pisha, Supervisor, Internal Audit
From: Susie Prin, Principal 
Subject: Audit of Independent Activity Funds

The purpose of this memorandum is to respond to the findings during the recent audit of Independent Activity Funds at Maryvale Elementary School. To address the findings and recommendations, I have advised staff of the following:

- All funds collected by sponsors and other authorized individuals must be promptly remitted with MCPS Form 280-34 to Susan Nolte, administrative secretary.

I have reviewed the audit findings with Susan Nolte, my administrative secretary, and have discussed the appropriate procedures with staff to ensure improved fiscal controls.

Copy to:
Loretta Favret, Director of School Support and Improvement of Elementary Schools
File

Fiscal Management Action Plan

School: Maryvale Elementary School
 Approved by community superintendent: _____

Principal: Margaret S. Prin

Date of approval: _____

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
Funds collected by sponsors must be promptly remitted intact with MCPS Form 280-34 to the administrative secretary and promptly deposited.	Cash and checks will be submitted with MCPS Form 280-3: Remittance Slip by sponsors and other authorized individuals on a daily basis to the financial agent (administrative secretary). The financial agent will make daily deposits. <ul style="list-style-type: none"> • Fiduciary responsibilities were shared during pre-service week and will be done again as a reminder bi monthly. • Fiduciary responsibilities will be included as reminders in the staff bulletin monthly. • The principal will speak directly to teachers that do not follow the guidelines. 	Sponsors and other authorized individuals will submit funds with MCPS Form 280-3 daily to the administrative secretary.. Deposits daily, as needed, will be made by the administrative secretary.	Receipts of funds submitted and bank deposit statements.

Note: A copy of the approved plan is to be sent to the Internal Audit Office, CESC, Room 11.