


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

February 13, 2012

MEMORANDUM

To: Mr. Bertram B. Generlette, Principal
Piney Branch Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
June 1, 2009, through December 31, 2011

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.

In our meeting on February 2, 2012, with you and Mrs. Victoria Welch, administrative secretary, we reviewed conditions described in our previous report dated August 6, 2009, and the status of present conditions. While the conditions in the previous report have improved, other areas need attention. Our findings and recommendations appear below.

Findings and Recommendations

Effective internal control includes the receipt and review by the principal of the unopened monthly bank statement, bank reconciliation report and ledger reports in a timely manner. Review of these important reports must be evidenced by the principal's signature and date. We could find no indication that these important reviews were completed consistently during our audit period. We recommend you initiate a process that ensures this important internal control process occurs monthly (see MCPS Financial Manual, p. 20-8).

Disbursement of IAF must be controlled in a number of ways. All purchases must be approved in advance and in writing using MCPS Form 280-54, *Request for a Purchase*. After the purchase is completed, the purchaser should submit the invoice or documented evidence of purchase, noted to indicate the satisfactory receipt of the goods or services, to the administrative secretary. The documentation supporting the purchase will then be stamped or marked "paid." Although most purchases were approved in advance, we found numerous instances in which documentation controls following the purchases were weakened. Action is needed to correct

these conditions and bring purchasing into conformity with MCPS requirements (see MCPS Financial Manual, p. 20-5).

Summary of Recommendations

- Monthly financial reports must be signed and dated by the principal to indicate review (repeat);
- Receipt of goods or services must be confirmed prior to disbursement (repeat); and
- Invoices and receipts must be annotated as paid to indicate disbursement was made.

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 Ms. Bronda Mills, community superintendent. The Office of School Performance will follow up on this audit.

RWP:RM:sd


Copy to:
Mr. Bowers
Dr. Lacey
Mr. Talley
Ms. Mills
Mrs. DeGraba
Mrs. Milwit
Mr. Doody

Piney Branch Elementary School

7510 Maple Avenue
Takoma Park, Maryland 20912

March 9, 2012

MEMORANDUM

To: Ms. Bronda L. Mills, Community Superintendent
From:  MA Bertram Generlette, Principal
Piney Branch Elementary School

Attached are the actions that Piney Branch Elementary School has taken to correct the areas of concern identified by Mr. Roger W. Pisha, supervisor, during our internal audit.

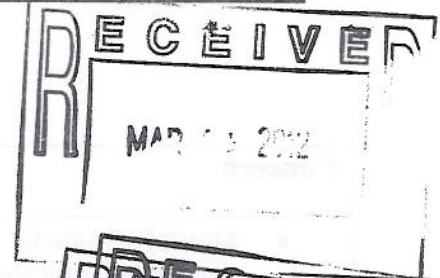
Please feel free to contact me at 301-891-8000 or via email at Bertram_Generlette@mcpsmd.org with any questions or concerns.

BBG:vw

Copy to:

Mr. Bedford

Mr. Pisha



Piney Branch Elementary School
 7510 Maple Avenue
 Takoma Park, MD 20912
 301-659-4551

Concern	Corrective Action	Evidence of Completion
<ul style="list-style-type: none"> • Monthly financial reports must be signed and dated by the Principal to indicate review 	<ul style="list-style-type: none"> • All statements will be reviewed, signed and dated 	<ul style="list-style-type: none"> • Monthly signed/dated statements
<ul style="list-style-type: none"> • Receipt of goods or services must be confirmed prior to disbursement 	<ul style="list-style-type: none"> • Staff members will continue to get trained on procedures regarding receipt of goods or services confirmed prior to disbursement. • No purchases will be reimbursed if prior approval was not given. 	<ul style="list-style-type: none"> • Staff will approve/confirm receipt of goods or services prior to disbursement
<ul style="list-style-type: none"> • Invoices and receipts must be annotated as paid to indicate disbursement was made 	<ul style="list-style-type: none"> • Staff has been informed of procedure 	<ul style="list-style-type: none"> • Administrative Secretary will mark "paid" on all invoices and receipts when disbursement is made