


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 9, 2012

MEMORANDUM

To: Mr. Douglas M. Robbins
Poolesville Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
November 1, 2010, through November 30, 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 January 4, 2012, with you and Mrs. Natasha Pamnani, administrative secretary, we reviewed conditions described in our previous report dated January 21, 2011, and further actions needed to strengthen the accountability for IAF resources. We noted that the majority of our audit period was prior to your appointment as principal effective July 1, 2011, and that Mrs. Pamnani has registered for upcoming IAF finance training to provide an update in current requirements. We appreciate your stated intent to promptly address the matters raised. Our findings and recommendations appear below.

Findings and Recommendations

Purchases are to be approved by the principal 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, annotated to indicate the satisfactory receipt of the goods or services, to the administrative secretary. We advised that documentation supporting purchases are not stamped or marked "paid", or marked by recipient to indicate purchased goods or services were satisfactorily received. Action is needed to correct these conditions and bring purchasing into conformity with MCPS requirements (see MCPS Financial Manual, p. 20-5).

Sponsors of school activities which involve the collection or disbursement of IAF should be provided an account statement for each month in which transactions have been recorded in their account. We found that this is not consistently being done. We recommend sponsors be given a monthly statement of their accounts, and be required to verify that all transactions affecting the account have been correctly recorded. After any discrepancies are resolved, the statements should be signed and dated by the sponsors to attest to their accuracy. A procedure should be established to ensure that all statements are reviewed and returned (see MCPS Financial Manual, p. 20-9).

Sponsors of field trips should have a complete class or club roster of student names and annotate how much each student paid, students who did not participate in the trip, and students who received waivers, scholarships or reduced fees. This data should be turned in to the administrative secretary at the completion of each trip, and compared to remittances recorded in the trip account reconciliation report. We recommend trip sponsors use MCPS Form 280-41, *Field Trip Accounting*, or equivalent, for recording of trip fees and provide complete data at the completion of each trip (see MCPS Financial Manual, p. 20-9). We also found some field trip fees were not being remitted in a timely manner. To minimize the risk of loss, all funds collected should be given to the administrative secretary daily.

Our review of receipts identified that funds collected from students and remitted to the administrative secretary were not accompanied by a remittance advice. MCPS Form 280-34, *Remittance Slip*, is required for student fees because it shows the source and purpose of remittances and helps ensure that fees collected have been properly authorized. We recommend staff be required to prepare and submit this form with each remittance (see MCPS Financial Manual, p. 7-3).

Summary of Recommendations

- Receipt of goods or services must be confirmed prior to disbursement (repeat);
- Invoices and receipts must be annotated as paid to indicate disbursement was made (repeat);
- Monthly account transaction statements must be provided to sponsors for affirmation of correctness and returned to the administrative secretary (repeat);
- 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); and
- Funds collected must be promptly remitted by sponsors to the administrative secretary using MCPS Form 280-34 (repeat).

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff, especially that of Mrs. Pamnani. 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:HK:sd

Copy to:

Mr. Bowers

Dr. Lacey

Mr. Talley

Dr. Hollingshead

Mrs. DeGraba

Mrs. Milwit

Mr. Doody

Fiscal Management Action Plan (January 24, 2012)

School: **Poolesville Elementary School**
 Approved by community superintendent: _____

Principal: **Mr. Doug Robbins**
 Date of approval: _____



Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
Documentation supporting purchases not stamped or marked "paid"	Mrs. Pamnani is making sure that she is stamping all invoices "PAID" that are disbursed through IAF.	Effective immediately	Can be viewed in the next Audit
Documentation not marked by recipient to indicate purchased goods or services were satisfactorily received	Mrs. Pamnani will ensure that staff inventory any purchases and confirm that all goods and/or services were accurately and appropriately received before payment is disbursed.	Being completed as needed.	Check off of items received on all invoices that involve purchase of goods and/or services.
Controls for field trips need to be improved	Mrs. Pamnani will make diligent and consistent efforts to make sure that all field trip procedures are exercised as demanded by IAF guidelines.	Effective immediately	Can be viewed in the next Audit
Sponsors of school activities were not consistently reviewing, signing and returning account statements	Mrs. Pamnani will aggressively pursue sponsors in order to make sure reports are reviewed, signed and returned without fail.	Effective immediately	Can be viewed in the next Audit
Funds collected from students and remitted to the administrative secretary were not accompanied by a remittance advice.	Mrs. Pamnani was not aware of the implementation of the new remittance slip (Form 280-34) required to be completed by sponsors when turning in funds collected. However, she has included this form in her field trip packet.	Will be thorough about following through on this IAF requirement and make sure it is completed.	Can be viewed in the next Audit
Source of field trip funds will be appropriately identified by listing names of students as the money is collected.	When money are dropped off directly by a parent and given to Mrs. Pamnani and or the homeroom teacher – the name of the student was not always recorded on the form.	Will ensure that student names are recorded each and every time money is collected.	Can be viewed in the next Audit

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