


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

March 27, 2013

MEMORANDUM

To: Mr. William M. Gregory, Principal
Sherwood High School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
December 1, 2011, through January 31, 2013

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

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 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 March 15, 2013, with you, Mrs. Brenda Hoyle, business administrator, and Mrs. Linda Berkheimer, financial specialist, we commended you for no reportable conditions as stated in our prior audit report dated February 1, 2012, and reviewed the status of present conditions. 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 by sponsors for IAF activities should be remitted promptly to the financial specialist together with the current version of MCPS Form 280-34, *MCPS Remittance*

slip. The funds should be counted in the presence of the remitter, and a receipt that is supported by the remittance advice should be issued promptly (see MCPS Financial Manual, pp. 7-3, 7-4). We found that some sponsors were holding funds collected rather than remitting them to the financial specialist on the day received. To improve cash management internal controls, we recommend reminding these sponsors of the above procedures.

Sponsors of field trips should have a complete class or club roster of student names to annotate the amount each student paid, eligible students who did not participate in the trip and students who received waivers, scholarships or reduced fees. This information should be provided to the financial specialist at the completion of each trip for comparison to remittances recorded in the trip account reconciliation report. The data should also be used to estimate the cost of future trips. We found that not all sponsors are providing comprehensive data at the conclusion of each trip. In addition to using MCPS Form 280-41, *Field Trip Accounting*, or its equivalent, for recording trip fees, we recommend sponsors also provide comprehensive data at the completion of each trip for reconciliation as well as for projecting future trip fees and expenses (see MCPS Financial Manual, p. 20-9).

Summary of Recommendations

- Funds collected must be promptly remitted by sponsors to the financial specialist; and
- 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.

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 Dr. Myra J. Smith, community superintendent. The Office of School Support and Improvement will follow up on this audit.

RWP:MJB:sd

Copy to:

Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Dr. Marks
Dr. Smith
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Sherwood High School

300 Olney-Sandy Spring Road, Sandy Spring, MD 20860
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Aim for Excellence

May 14, 2013

MEMORANDUM

To: Mr. Roger Pisha, Supervisor, Internal Audit

From: William M. Gregory, ~~Principal~~ 

Subject: Audit of Independent Activity Funds (IAF) for the Period
December 1, 2011, through January 31, 2013

Please find attached a Fiscal Management Action Plan in response to the "Findings and Recommendations" from the financial audit of Sherwood High School's Independent Activity Funds (IAF) for the period December 1, 2011, through January 31, 2013.

I would like to express my appreciation for meeting with me, Mrs. Brenda Hoyle, business administrator, and Mrs. Linda Berkheimer, financial specialist on April 22, 2013 to discuss our concerns regarding the findings and recommendations from this audit period. I would also like to thank Mrs. Mary Bergstresser and Mrs. Mary Shull, internal auditors, for their time and expertise in conducting the audit.

WMG:bh

Attachments

Copy to:
Dr. Myra J. Smith

Fiscal Management Action Plan

School: Sherwood High School
 Approved by community superintendent: 

Principal: William M. Gregory
 Date of approval:  5/21/13

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
<p>Funds collected must be promptly remitted by sponsors to the financial specialist.</p>	<p>As in past years, training for all IAF Account Sponsors will be provided during the August professional days. The training will be conducted by Ms. Brenda Hoyle, business administrator, and Ms. Linda Berkheimer, financial specialist. In addition, IAF Account Sponsors will continue to receive a "Money Matters" guide that provides written instructions for handling funds and making deposits. An "after-hours" deposit safe has been purchased to provide additional opportunity for sponsors to make daily/timely deposits. In addition, we will implement the <i>Online School Payment</i> program beginning FY14 that will allow parents and students to make payments to Sherwood High School using a credit card. This will significantly reduce the amount of cash handled by sponsors.</p>	<p>4/13-8/13</p>	<p>See attached, "Money Matters" guide. The FY13 guide will be updated and printed in July.</p> <p>See attached packing slip for "after-hours" deposit safe. The deposit safe will be installed by maintenance personnel in June.</p> <p>Parents and students will be able to make credit card payments to Sherwood High School using the <i>Online School Payment</i> program beginning school year 2013-2014.</p>
<p>Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and to reconcile funds collected with cost of the trip.</p>	<p>The Principal reviews monthly all IAF account activity.</p> <p>As in past years, training for all IAF Account Sponsors will be provided during the August professional days. The training will be conducted by Ms. Brenda Hoyle, business administrator, and Ms. Linda Berkheimer, fiscal specialist. In addition, IAF Account Sponsors will continue to receive a "Money Matters" guide that provides written instructions for providing the required field trip records. Ms. Berkheimer, financial specialist, will monitor field trip deposits to insure that an account of all students eligible to participate in a field trip is provided by the sponsor.</p> <p>The Principal reviews monthly all IAF account activity.</p>	<p>4/13-8/13</p>	<p>See attached, "Money Matters" guide. The FY13 guide will be updated and printed in July.</p> <p>Accounting for our College Fair field trip, in which all juniors were eligible to attend, was provided to Mr. Pisha during our April 22, 2013 meeting held to discuss audit concerns.</p>



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Packing Slip # 1375097 Apr 28 2013

Bill To:

SHERWOOD HIGH SCHOOL,
Brenda Hoyle,
300 olney sandy spring rd,
sandy spring, MD 20860
United States

Ship To:

SHERWOOD HIGH SCHOOL,
Brenda Hoyle,
300 olney sandy spring rd,
sandy spring, MD 20860
United States

T: 301-924-3208
E: brenda_hoyle@mcpsmd.org

Item count : 1
Shipping : FedEx Ground
Payment : Amex #xxxx-1005



1 FD-2014BD Protex Rear Loading Depository Safe

FD-2014BD