


Office of Shared Accountability  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

April 5, 2012

MEMORANDUM

To: Ms. Diantha R. Swift, Principal  
Sligo Creek Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period  
December 1, 2008, 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 determine 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 March 27, 2012, with you and Mrs. Kay Matthews, administrative secretary, we reviewed conditions described in our previous report dated January 30, 2009, and the status of present conditions. We commend you for the progress made and encourage additional effort to strengthen several weaknesses noted. Our findings and recommendations appear below.

Findings and Recommendations

MCPS Form 280-54, *Request for a Purchase*, is used to obtain principal approval to proceed with an intended purchase (see MCPS Financial Manual, p. 20-5). The purpose of each disbursement must be fully explained on this form in order to properly record expenditures in appropriate accounts and to ensure that expenditures comply with IAF requirements. Invoices for goods or services must be signed by the purchaser to indicate satisfactory receipt. In our random sample of disbursements, we found prior approval was not obtained when required for most purchases. By requiring prior approval and complete documentation, the principal retains control over the expenditure of IAF funds. We recommend that Form 280-54 be prepared by staff and signed by you at the time verbal approval is sought, so that invoices or receipts bear a date subsequent to the approval date.

In order to properly control receipts, they should be remitted promptly to the administrative secretary, counted in the presence of the remitter and a receipt issued. Checks should be restrictively endorsed immediately upon receipt. We found instances in which there was a delay

in issuance of receipts, and checks that were not immediately endorsed. To improve controls, we recommend adoption of the procedures in the MCPS Financial Manual, pp. 7-3, 7-4.

Summary of Recommendations

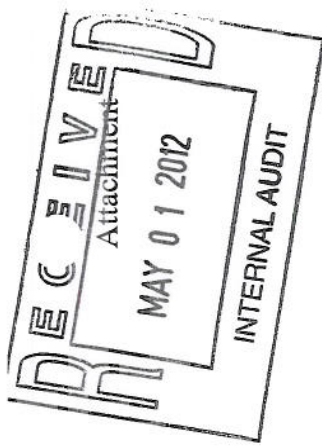
- Purchase requests must be approved by the principal prior to procurement (repeat);
- The administrative secretary should promptly issue a receipt to sponsors remitting funds; and
- The administrative secretary should restrictively endorse checks immediately upon receipt.

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 L. 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



**Fiscal Management Action Plan**

School: **Sligo Creek ES**

Principal: **Diantha Swift**

Approved by community superintendent: \_\_\_\_\_

Date of approval: \_\_\_\_\_

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
Form 280-54, Request for a purchase, to be used for all purchases with prior approval.	Reminder has been sent to staff. We have been using Form 280-54 without fail since our audit findings. Purchase will not be honored if there is no prior approval. Kay Matthews	Immediately	Form 280-54 attached to bills/documents
Receipts should be issued promptly to sponsors remitting funds by the administrative secretary.	Receipts will be given to sponsor when funds are remitted. Kay Matthews	Beginning April, 2012	Copies of receipts that were given to sponsors
Checks should be endorsed immediately upon receipt.	Administrative secretary will endorse checks when received and will deposit funds at least weekly. Kay Matthews	Beginning April, 2012	Bank deposit slips