


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

November 8, 2013

MEMORANDUM

To: Miss Alicia M. Deeny, Principal
Takoma Park Middle School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
December 1, 2011, through August 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 November 7, 2013, with you, and Mrs. Clity Gordon, financial specialist, we reviewed the status of the conditions described in our prior audit report dated March 26, 2012, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2013. 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

We found the records accumulated by the sponsor of the yearbook did not enable the required reconciliation. In addition, the profit or loss statement prepared for this activity did not account

for books sold directly by the printer to students. The sponsor must maintain a record of books ordered and received, all books sold and price of each, and a detailed list of books given away or returned to the vendor for credit. MCPS Form 281-25, *Statement of Profit or Loss on Sale of Merchandise*, should reconcile with the detailed records maintained by the sponsor (see MCPS Financial Manual, p. 20-13.)

Summary of Recommendations

- Yearbook profit or loss statement must be prepared to account for all activity.

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, Darryl L. Williams, associate superintendent of middle schools. The Office of School Support and Improvement will follow up on this audit.

RWP:LS:sd

Copy to:

Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Mr. Sanderson
Dr. Williams
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen



Takoma Park Middle School

7611 Piney Branch Road
Silver Spring, Maryland 20910
301-650-6444



December 6, 2013

MEMORANDUM

TO: Roger Pisha, Supervisor, Internal Audit
Office of Shared Accountability

FROM: Alicia Deeny, Principal *AD*

SUBJECT: Response to Report on Audit of Independent Activity Funds for the Period
December 1, 2011, through August 31, 2013

The following is the resolution in response the findings on the IAF Audit Report from November 8, 2013:

- Ms. Clity Gordon (Financial Specialist), Ms. Punita Chhabra (Yearbook Sponsor) and I met to review the finding. For the end of year report Ms. Chhabra will include in her profit or loss statement all yearbooks including those purchased online directly through the vendor. The report will also include sales tax paid by the vendor. Also, Ms. Chhabra was shown how to download the bookkeeping part of the profit or loss statement from the MCPS audit website.

We appreciate the assistance and feedback of your staff in the auditing process. Please contact me should you need any further information on the resolution to the finding.

Copy to:
Dr. Williams