


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 23, 2018

MEMORANDUM

To: Mrs. Victoria A. Casey, Principal
Whetstone Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
February 1, 2015, through January 31, 2018

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. School principals are the fiduciary agents for the IAFs and are charged with determining the manner in which funds are raised and expended for activities such as field trips, admission events, and fund-raisers. They are responsible for ensuring that the IAFs are administered in accordance with MCPS policies, regulations, and procedures.

The 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 the 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.

At our March 22, 2018, meeting with you and Ms. Eva Brooks, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated March 6, 2015, and 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 and others for IAF activities should be remitted promptly to the school administrative secretary together with MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip* (refer to *MCPS Financial Manual*, chapter 7, page 4). We noted that field trip and yearbook sponsors were holding fees collected rather than remitting them to the

school administrative secretary on a daily basis. In addition, MCPS Forms 280-34 were frequently not signed by the sponsors. We recommend that staff submit cash and checks collected for the IAF activities together with a signed MCPS Form 280-34 to the school administrative secretary on the day funds are collected from the students for prompt deposit.

Summary of Recommendations

- Cash and checks collected by sponsors must be promptly remitted with a signed MCPS Form 280-34 to the school administrative secretary (**repeat**).

Other matters were discussed and satisfactorily resolved. We appreciate the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, using the attached form, please provide a written response to the Internal Audit Unit within 30 calendar days of this report. In your response, please share a detailed plan for addressing these issues, including appropriate staff training and support.

Prior to returning your completed audit action plan, please contact Mr. Michael D. Bayewitz, director of school support and improvement of elementary schools. Based on the audit recommendations, Mr. Bayewitz will indicate whether he will conduct an electronic review of your action plan or schedule a time to meet in person with you and your school financial agent to support you with developing a well-defined plan to address the findings.

RWP:SMY

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Mr. Civin

Dr. Johnson

Dr. Kimball

Mrs. Camp

Mrs. Chen

Mr. Bayewitz

Ms. Diamond

Mr. Reilly

Mr. Tallur

Mr. Ikheloa

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: FY15-FY18

Fiscal Year: FY15-FY18

School: Whetstone ES - 558

Principal: Victoria A. Casey

OSSI

Associate Superintendent: Dr. LaVerne Kimball

OSSI

Director: Mr. Michael Bayewitz

Strategic Improvement Focus:

As noted in the financial audit for the period 2/1/15-1/31/18, strategic improvements are required in the following business processes :

To ensure practices are in place that are aligned with MCPS policies for financial control procedures.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Cash and checks collected by sponsors must be promptly remitted with a signed MCPS form 280-34 to the school administrative secretary	Sponsors	Form 280-34	Principal to follow up as needed	Administrative secretary ongoing	Review procedures with sponsors to remit funds the day it is received with a complete and signed remittance form

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence

OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSE) REVIEW & APPROVAL

Approved Please revise and resubmit plan by _____

Comments: _____

Director: Michael Byrd Date: 6/5/18