


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

April 24, 2015

MEMORANDUM

To: Mrs. Jerri L. Oglesby, Principal
Bells Mill Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2012, through March 31, 2011

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 April 20, 2015, with you, and Ms. Christine Demarino, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated February 29, 2012, 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

During our review of disbursements we noted there was a gift card purchased for a family in need using the school's purchasing card. Although using a school check would have been

appropriate for this procurement, gift cards are among items that are prohibited using the purchasing card (see MCPS *Purchasing Card User's Guide*).

We previously reported that sponsors of field trips were not providing complete financial information to the administrative secretary at the conclusion of a trip. While we found this requirement is now being followed, in three of the four field trips in our sample, we were unable to reconcile sums recorded as collected with the amount shown as remitted on the account history reports. Sums reported as remitted should agree with sums recorded in the account report, or differences should be explained (see MCPS Financial Manual, page 20-10).

Summary of Recommendations

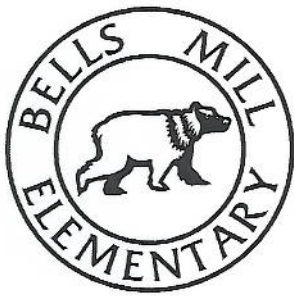
- Purchase card activity must comply with the MCPS *Purchasing Card User's Guide*; and
- Field trip reconciliation will be performed by the administrative secretary.

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. Donna S. Hollingshead, associate superintendent of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:LS:sd

Copy to:

Dr. Zuckerman
Dr. Statham
Dr. Navarro
Dr. Hollingshead
Mr. Sanderson
Mrs. Chen
Mrs. DeGraba
Mrs. Milwit



Bells Mill Elementary School

8225 Bells Mill Road
Potomac, MD 20854
301-469-1046
301-469-1060(FAX)

Office of the Principal

May 1, 2015

TO: Roger W. Pisha, Supervisor, Internal Audit

FROM: Jerri Oglesby, Principal
Bells Mill Elementary School

SUBJECT: Response to Audit of Independent Activity Funds for the Period
January 1, 2012, through March 31, 2014

This memo is a follow-up to results and recommendations made in the audit report received on April 24, 2015.

1. **Purchase card activity must comply with the MCPS *Purchasing Card User's Guide*.** As the auditor made reference to in his notes, this was a one-time incident that occurred primarily due to the short term need for the gift card for a needy family. Making use of the purchase card allowed us to provide this assistance to the family quickly. After discussion with the auditor we realize the error of using the card and will not do so in the future. The administrative secretary and principal will also sign up and participate in the IAF Refresher Course during the summer to review new practices and expectations since our last attendance in the course.
2. **Field Trip reconciliation will be performed by the administrative secretary.** Even though our field trip practices have shown improvement, there were inconsistencies in the reconciliation process. We discussed putting a new system in place at the beginning of the 2015-2016 school year. The administrative secretary will provide pre-printed class lists to teachers which will help teachers keep a more accurate accounting of monies collected.

We thank the auditor for a thorough follow-up meeting that allowed us to make immediate changes to some of our procedures. Additionally, we thank the auditor for his recommendations. The administrative secretary and I have already taken steps to ensure that MCPS policies are accurately followed.

Copy to: Dr. Hollingshead