


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 15, 2016

MEMORANDUM

To: Mr. Antonio C. Scott, Principal
Cashell Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2012, through October 31, 2015

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 January 8, 2016, with you, and Mrs. Cynthia Griffin, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated March 28, 2012, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2015, and that Mrs. Griffin assumed her position as of October 5, 2015. 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

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. 20-6). The purpose of each

disbursement must be fully explained on this form to record expenditures in appropriate accounts, and to ensure that expenditures comply with IAF requirements. In our random sample of disbursements, we found that prior approval was not consistently obtained. By requiring prior approval, the principal retains control over the expenditures of IAF funds. We recommend that Form 280-54 be prepared by staff and signed by the principal at the time verbal approval is sought so that purchase orders and invoices bear a date subsequent to the approval date.

Cash and checks collected by sponsors and others authorized for IAF activities must be remitted with MCPS Form 280-34, *Remittance Slip*, to the administrative secretary on the day they are received. We found instances in which staff collecting funds for field trips were holding rather than remitting them timely to the administrative secretary (see MCPS Financial Manual, p. 7-4). We recommend that all staff who collect funds for school activities be reminded of remittance requirements. To reduce the workload of cash handling requirements for sponsors and administrative secretary, we further recommend using Online School Payments (OSP).

Summary of Recommendations

- Purchase requests must be approved by the principal prior to procurement;
- Funds collected by sponsors must be promptly remitted to the administrative secretary;
and
- Cash handling by sponsors and administrative secretary can be reduced using OSP.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of Mrs. Griffin which greatly facilitated our audit. 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. Sarah Sirgo, director of elementary schools. The Office of School Support and Improvement will follow up on this audit.

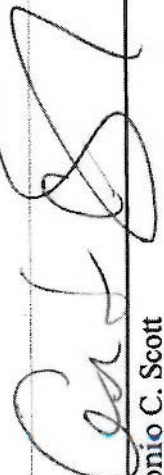
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Copy to:

Dr. Zuckerman
Dr. Statham
Dr. Navarro
Dr. Kimball
Mrs. Chen
Mrs. DeGraba
Mrs. Milwit
Dr. Sirgo

Fiscal Management Plan
Cashell Elementary School – MCPS Internal Audit 12/8/15 – 12/10/15

<p>Finding:</p> <p>Purchase Requests from IAF accounts must be pre-approved by the Principal prior to procurement.</p>	<p>Action:</p> <p>Form 280-54 <i>Independent Activity Funds Request for a Purchase</i> will be used by Staff for preapproval of any purchase, will be signed by the Principal, and then Admin Secretary makes purchase</p>	<p>Timeline:</p> <p>Communication annually, no less than 4 times per year: During pre-service week, through the Bulletin, and/or staff meetings.</p>	<p>Evidence of Completion:</p> <p>Sample packets of required forms and directions were distributed to staff and will be redistributed as needed to new staff.</p>
<p>Finding:</p> <p>Funds collected by Sponsors (Staff) must be promptly remitted to the Admin Secretary daily.</p>	<p>Action:</p> <p>Form 280-41 <i>Field Trip Accounting Form</i> will be used by Staff to submit funds collected on a daily basis. Funds collected will be submitted with Form 280-41 indicating (highlighting) the students who paid and the date funds were received each day. This master list will then be used at the trip completion.</p>	<p>Timeline:</p> <p>We will communicate annually, no less than 4 times each year, the expectations by the following: During pre-service week, through the Bulletin, and/or staff meetings.</p>	<p>Sample packets of required forms and directions were distributed to staff and will be redistributed as needed and to new staff.</p>
<p>Finding:</p> <p>Cash handling by sponsors and administrative secretary can be reduced using Online School Payment (OSP). Field Trips, Recorders, and Apparel cash handling revealed discrepancies – Sponsors (Staff) were “holding” funds collected and not turning in daily collections to the Admin Secretary for bank deposit.</p>	<p>Action:</p> <p>Staff will submit to Admin Secretary daily funds, preference is morning submissions. If funds are received by Admin Secretary after bank deposit is done, checks will be stamped <i>Deposit Only</i> and checks and cash will be secured in the safe overnight. Admin Secretary will acquire appropriate training in near future for proprietary online payment and collection to ease the field trip paper process.</p>	<p>Timeline:</p> <p>We will communicate annually, no less than 4 times each year, the expectations by the following: During pre-service week, through the Bulletin, and/or staff meetings.</p>	<p>Sample packets of required forms and directions were distributed to staff and will be redistributed as needed and to new staff.</p>


 Antonio C. Scott
 Principal


 Sarah Sirgo, Ph.D.
 Acting Director of School Support and Improvement, Elementary
 Churchill, Magruder, and Walter Johnson Clusters

2/11/16

Date