


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 23, 2018

MEMORANDUM

To: Mrs. Courtney M. Jones, Principal
Cashell Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
November 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 19, 2018, meeting with you and Mrs. Cynthia M. Griffin, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated January 15, 2016, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2017. 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

In order to properly control receipts, cash and checks collected by sponsors for IAF activities should be remitted promptly to the school administrative secretary together with MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance slip*. MCPS Form 280-34 is required for

student fees because it identifies the source and purpose of funds to help ensure that fees collected have been properly authorized. These funds must be deposited promptly, and all receipts must be deposited on the last working day of each month and before each weekend or holiday (refer to *MCPS Financial Manual*, chapter 7, pp. 4-5). We found instances in which staff collecting funds were holding funds rather than remitting them timely to the school administrative secretary. We also noted that sponsors of field trips were not using MCPS Form 280-34 when remitting funds, but instead using MCPS Form 280-41, *Field Trip Accounting*. We recommend that all staff who collect funds for school activities remit them promptly to the school administrative secretary and use MCPS Form 280-34. To reduce the workload of cash handling requirements for sponsors and administrative secretary, we further recommend using the Online School Payments (OSP).

Summary of Recommendations

- Funds collected by sponsors must be promptly remitted to the school administrative secretary (**repeat**).
- MCPS Form 280-34 must be used when remitting funds to the school administrative secretary.
- Cash handling by sponsors and school administrative secretary can be reduced using OSP (**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 Dr. Sarah E. Sirgo, director of school support and improvement of elementary schools. Based on the audit recommendations, Dr. Sirgo will indicate whether she 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:MJB:lsh

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

Ms. Diamond
Mr. Reilly
Dr. Sirgo
Mr. Tallur
Mr. Ikheloa

Fiscal Management Action Plan

School: Cashell Elementary

Approved by Director of School Support and Improvement: 

Principal: Courtney M. Jones

Date of approval: 4/18/18

| Findings and Recommendations of School's Financial Report | Description of Resolution And Person(s) Responsible | Timeline | Evidence of Completion |
|---|---|------------------------------|---|
| <p><u>Remittance of funds: Funds collected by sponsors must be promptly remitted to the school Administrative Secretary.</u></p> | <ul style="list-style-type: none"> • Staff will submit all payments to the Administrative Secretary the same day they are received. If the deposit is already completed for the day, "Deposit Only" will be stamped on the back of checks and the deposits will be stored in the safe overnight for deposit the next day. Funds will never be held over the weekend or over a holiday. Funds will also never be held into the next month. • Payment submissions and written procedural instructions are available on T-Shared. • The Admin Secretary will meet with each sponsor after activity approval and before funds are collected to ensure that collected funds will be turned in daily. • In the event, there is a delay in remittance, the principal will conference with the identified employee and utilize appropriate personnel protocols. | <p>Effective Immediately</p> | <p>Form 280-34 with dates during the collection period will serve as evidence that collected money is turned in each day.</p> |
| <p><u>Remittance of funds: Form 280-34 will be used with each remittance to the Admin Secretary.</u></p> | <ul style="list-style-type: none"> • Form 280-34 is expected with every monetary submission including activities sponsored by the PE department and the Music department. Collected funds will be submitted by sponsors on a daily basis. The administrative secretary will make daily deposits. • All monies received must be submitted to the Admin Secretary daily with Form 280-34. No money is to be kept by sponsors overnight. • Payment submissions and instructions are available on T-Shared. • The Admin Secretary will meet with each sponsor after activity approval and before funds are collected to ensure that the form is set up for the group and that the sponsor understands how to use 280-34 each day as funds are turned in. • In the event, there is a delay in remittance, the principal will conference with the identified employee and utilize appropriate personnel protocols. | <p>Effective Immediately</p> | <p>Form 280-34 with dates during the collection period will serve as evidence that the form is used with remitted funds.</p> |

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| <p><u>School to use OSP to reduce cash handling by sponsors and school Admin Secretary.</u></p> | <ul style="list-style-type: none"> • Cashell will incorporate the use of OSP this school year. • The visiting bookkeeper is scheduled to provide support. The Admin Secretary has begun the process to set-up the school's OSP account. • The Administrative Secretary will meet with sponsors before monies are collected to ensure that OSP is communicated as an available option to parents. • Sponsors will include information on OSP payment as part of the field trip or event communication (via email and hardcopy) to inform parents about the option of paying through OSP. • Make OSP available on our school website. | <p>Before the End of the 2018-2019 School Year</p> | <p>Funds will be available in OSP for Cashell sponsored trips and activities.</p> |
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Note: A copy of the approved plan is to be sent to the Internal Audit Office, CESC, Room 11.