MEMORANDUM

To: Mr. Carl R. Bencal, Principal
   Clarksburg Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
         March 1, 2016, through January 31, 2019

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 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 the IAFs are administered in accordance with Board of Education policies, MCPS
regulations, and procedures.

The IAF audits are conducted regularly to evaluate compliance with 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 any significant errors
or omissions in the financial records are detected.

At our March 12, 2019, meeting with you and Ms. Evette J. Vasquez, school administrative
secretary, we reviewed the status of the conditions described in our prior audit report dated
March 18, 2016, 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

Fundraising at the school must conform to the Guidelines for Sponsoring an Independent Activity
Fund Fund Raiser. We found that there was a lack of adherence to these guidelines. We noted
that not all sponsors were preparing fundraiser request forms to obtain your approval prior to the
start of an activity. We also noted that not all sponsors were submitting a completion report when the
fundraiser was finalized. Following these internal control procedures provides for accountability
of funds raised, as well as the opportunity to evaluate the results at the conclusion of the event. We recommend that each fundraiser be approved by the principal in writing and the approval retained in the school office. Financial activities for each fundraising activity should be recorded in a separate account in the 7000 series and a completion report prepared that analyzes the results (refer to *MCPS Financial Manual*, chapter 20, page 12).

**Summary of Recommendations**

- Fund-raising must conform to *Guidelines for Sponsoring an IAF Fund Raiser* (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. Michael J. Zarchin, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Dr. Zarchin 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 administrative secretary to support you with developing a well-defined plan to address the findings.

RWP:GWB:ls

Attachment

Copy to:

Members of the Board of Education
Dr. Smith
Dr. Navarro
Dr. Statham
Dr. Zuckerman
Mr. Civin
Dr. Johnson
Dr. Williams
Mrs. Camp
Mrs. Chen
Ms. Diamond
Mr. Reilly
Mr. Tallur
Dr. Zarchin
Ms. Webb
FINANCIAL MANAGEMENT ACTION PLAN

Report Date: March 25, 2019
Fiscal Year: March 25, 2019
School: Clarksburg ES - 101
Principal: Carl Robert Bencal
OSSI
Associate Superintendent: Dr. Darryl Williams
Director: Dr. Mike Zarchin

**Strategic Improvement Focus:**
As noted in the financial audit for the period 03/16-01/31/19, strategic improvements are required in the following business processes:

Fund raising must conform to Guidelines for Sponsoring an IAF Fund Raiser

<table>
<thead>
<tr>
<th>Action Steps</th>
<th>Person(s) Responsible</th>
<th>Resources Needed</th>
<th>Monitoring Tools / Data Points</th>
<th>Monitoring: Who &amp; When</th>
<th>Results/Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff will be reminded of the Board of Education (BOE) Policy (CND) and Regulation (CND-RA) and their responsibilities before, during, and after fund raising.</td>
<td>Carl Bencal, Principal&lt;br&gt;Evette Vasquez, Administrative Secretary</td>
<td>BOE Policy &amp; Regulation&lt;br&gt;PowerPoint / Slideshow</td>
<td>Meeting Exit Ticket</td>
<td>Pre-Service Week by&lt;br&gt;Carl Bencal and Evette Vasquez</td>
<td>Meeting Agenda&lt;br&gt;PowerPoint / Slideshow&lt;br&gt;Exit Ticket</td>
</tr>
<tr>
<td>Staff will be reminded of the mandatory use of the Fund Raiser Request Form (Rev. 10/16/18) and Fund Raiser Completion Report which can be found the Business Center of MyMCPS under Business Tools / Calculators.</td>
<td>Carl Bencal, Principal&lt;br&gt;Evette Vasquez, Administrative Secretary</td>
<td>Fund Raiser Request Form&lt;br&gt;Fund Raiser Completion Report</td>
<td>Meeting Exit Ticket</td>
<td>Pre-Service Week by&lt;br&gt;Carl Bencal and Evette Vasquez</td>
<td>Meeting Agenda&lt;br&gt;PowerPoint / Slideshow&lt;br&gt;Exit Ticket</td>
</tr>
<tr>
<td>All sponsors will determine the purpose of the fund raiser.</td>
<td>Sponsor&lt;br&gt;Evette Vasquez, Administrative Secretary</td>
<td>Fund Raiser Request Form</td>
<td>Completed Fund Raiser Request Form</td>
<td>Before a Fund Raiser can begin by&lt;br&gt;Carl Bencal and Evette Vasquez</td>
<td>Completed Fund Raiser Request Form</td>
</tr>
<tr>
<td>All sponsors will determine the desired amount of funds to raise.</td>
<td>Sponsor&lt;br&gt;Evette Vasquez, Administrative Secretary</td>
<td>Fund Raiser Request Form</td>
<td>Completed Fund Raiser Request Form</td>
<td>Before a Fund Raiser can begin by&lt;br&gt;Carl Bencal and Evette Vasquez</td>
<td>Completed Fund Raiser Request Form</td>
</tr>
<tr>
<td>Action Steps</td>
<td>Person(s) Responsible</td>
<td>Resources Needed</td>
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<tr>
<td>All sponsors will complete a Fund Raiser Request Form. The Fund Raiser Request Form will be retained in the main office.</td>
<td>Sponsor</td>
<td>Fund Raiser Request Form</td>
<td>Completed Fund Raiser Request Form</td>
<td>Before a Fund Raiser can begin by Carl Bencal and Evette Vasquez</td>
<td>Completed Fund Raiser Request Form</td>
</tr>
<tr>
<td>All sponsors will obtain written approval from the principal prior to advertising the fund raiser or ordering any merchandise.</td>
<td>Sponsor, Carl Bencal, Principal</td>
<td>Fund Raiser Request Form</td>
<td>Completed Fund Raiser Request Form</td>
<td>Before a Fund Raiser can begin by Carl Bencal and Evette Vasquez</td>
<td>Completed Fund Raiser Request Form</td>
</tr>
<tr>
<td>Deposit funds that are collected each day into its own separate 700 series account in the SFO accounting system. All monies for the fundraiser will be listed under the fund raiser specific 700 series account.</td>
<td>Sponsor, Evette Vasquez, Administrative Secretary</td>
<td>IAF Remittance Slip (MCPS Form 280-34)</td>
<td>Deposit Slips / Official Receipts</td>
<td>Daily by Evette Vasquez</td>
<td>Deposit Slips / Official Receipts</td>
</tr>
<tr>
<td>All sponsors will complete a Fund Raiser Completion Report. The Fund Raiser Completion Report will be retained in the main office.</td>
<td>Sponsor</td>
<td>Fund Raiser Completion Report</td>
<td>Completed Fund Raiser Completion Report</td>
<td>At the conclusion of a Fund Raiser by Carl Bencal and Evette Vasquez</td>
<td>Completed Fund Raiser Completion Report</td>
</tr>
</tbody>
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**OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL**

- [ ] Approved
- [ ] Please revise and resubmit plan by ____________

Comments: ________________________________________________________________

Director: [Signature] Date: 4/24/19