


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 25, 2019

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 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:lsh

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

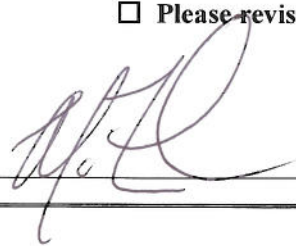
Ms. Webb

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	OSSI Director: Dr. Mike Zarchin
<p>Strategic Improvement Focus: As noted in the financial audit for the period <u>03/1/16-01/31/19</u>, strategic improvements are required in the following business processes :</p> <p>Fund raising must conform to Guidelines for Sponsoring an IAF Fund Raiser</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
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.	Carl Bencal, Principal Evette Vasquez, Administrative Secretary	BOE Policy & Regulation PowerPoint / Slideshow	Meeting Exit Ticket	Pre-Service Week by Carl Bencal and Evette Vasquez	Meeting Agenda PowerPoint / Slideshow Exit Ticket
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.	Carl Bencal, Principal Evette Vasquez, Administrative Secretary	Fund Raiser Request Form Fund Raiser Completion Report	Meeting Exit Ticket	Pre-Service Week by Carl Bencal and Evette Vasquez	Meeting Agenda PowerPoint / Slideshow Exit Ticket
All sponsors will determine the purpose of the fund raiser.	Sponsor Evette Vasquez, Administrative Secretary	Fund Raiser Request Form	Completed Fund Raiser Request Form	Before a Fund Raiser can begin by Carl Bencal and Evette Vasquez	Completed Fund Raiser Request Form
All sponsors will determine the desired amount of funds to raise.	Sponsor Evette Vasquez, Administrative Secretary	Fund Raiser Request Form	Completed Fund Raiser Request Form	Before a Fund Raiser can begin by Carl Bencal and Evette Vasquez	Completed Fund Raiser Request Form

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
All sponsors will complete a Fund Raiser Request Form. The Fund Raiser Request Form will be retained in the main office.	Sponsor	Fund Raiser Request Form	Completed Fund Raiser Request Form	Before a Fund Raiser can begin by Carl Bencal and Evette Vasquez	Completed Fund Raiser Request Form
All sponsors will obtain written approval from the principal prior to advertising the fund raiser or ordering any merchandise.	Sponsor Carl Bencal, Principal	Fund Raiser Request Form	Completed Fund Raiser Request Form	Before a Fund Raiser can begin by Carl Bencal and Evette Vasquez	Completed Fund Raiser Request Form
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.	Sponsor Evette Vasquez, Administrative Secretary	IAF Remittance Slip (MCPS Form 280-34)	Deposit Slips / Official Receipts Completed MCPS Form 280-34	Daily by Evette Vasquez	Deposit Slips / Official Receipts Completed MCPS Form 280-34
All sponsors will complete a Fund Raiser Completion Report. The Fund Raiser Completion Report will be retained in the main office.	Sponsor	Fund Raiser Completion Report	Completed Fund Raiser Completion Report	At the conclusion of a Fund Raiser by Carl Bencal and Evette Vasquez	Completed Fund Raiser Completion Report

OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL	
<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Please revise and resubmit plan by _____
Comments:	
Director: 	Date: 4-24-19