MEMORANDUM

To: Ms. Wanda L. Means Harris, Principal
   Dr. Charles Drew Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
         November 1, 2013, through October 31, 2016

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 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.

In our meeting on December 15, 2016, with you, Mrs. Karen M. Cox, principal intern, and
Mrs. Michele F. Whiting, school administrative secretary, we reviewed the status of the conditions
described in our prior audit report dated November 19, 2013, 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

Effective internal control includes the receipt and review by the principal of the unopened monthly
bank statements, bank reconciliation reports and ledger reports in a timely manner. Review of
these important reports must be evidenced by the principal’s signature and date. We found that
these reports were either not dated and signed, or reviewed consistently in a timely manner during
• Purchase documentation must be annotated as paid to indicate disbursement was made (repeat).
• Cash handling process must conform to chapter 7 of the MCPS Finance Manual.
• Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and to reconcile funds collected with costs of the trip.

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, please provide a response to the Internal Audit Unit within 30 calendar days of this report, with a copy to Ms. Audra M. Fladung, director of school support and improvement of elementary schools. In your response, please share a detailed plan for addressing these issues including appropriate staff training and support. The Office of School Support and Improvement will follow up on this audit.

RWP:AMB:Ish

Copy to:
Members of the Board of Education
Dr. Smith
Dr. Navarro
Dr. Statham
Dr. Zuckerman
Dr. Johnson
Mr. Civin
Dr. Kimball
Mrs. Camp
Mrs. Chen
Ms. Diamond
Ms. Fladung
Mr. Tallur
Mr. Ikheloa
### Fiscal Management Action Plan

**School:** Dr. Charles R. Drew Elementary School  
**Approved by Director of School Support and Improvement:** [Signature]  
**Principal:** Wanda Means-Harris  
**Date of approval:** 1/9/17

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<th>Findings and Recommendations of School's Financial Report</th>
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| Monthly financial reports must be signed and dated by the principal to indicate review. | The administrative secretary will:  
- put a review and signature flag as a reminder to sign the report.  
- add signature step to the guidelines cover sheet used to prepare for the visiting bookkeeper.  
- file completed packets from bookkeeper  
Principal will review all reports with bookkeeper then sign. | Monthly | Signed and dated statements |
| Purchase requests must have approval by the principal prior to procurement.* | Staff will  
- request approval of purchases in writing (email) & copy admin secretary.  
- complete and sign MCPS Form 280-54 at the time of approval.  
The principal will ensure detailed documentation/rationale of the purchase is attached to the request. | When purchase requests are made. | Completed MCPS 280-54  
Emails with requests and approval  
Itemized receipts to document purchase  
Invoices signed by administrative secretary |
| Purchaser must confirm receipt of goods or services prior to disbursement.* | The administrative secretary, building service manager, media specialist, reading specialist or math content coach will:  
- inventory the received goods.  
- sign and date receipts or invoices to confirm receipt of goods before disbursement. | After purchases are made | Notebook of purchases will be maintained with proper documentation.  
- Completed MCPS 280-54  
- Itemized receipts to document purchase  
- Invoices signed by administrative secretary |
| Purchase documentation must be annotated as paid to indicate disbursement was made.* | The administrative secretary will  
- sign and date invoices for the purchase will be annotated as paid. | After received goods are inventoried, invoice signed, dated & disbursed | Documentation of invoices, purchase orders, receipts will be annotated as paid. |
| Cash handling process must conform to Chapter 7 of MCPS Finance Manual | Sponsors (only) will  
- collect, count and document all money (cash or check) collected from students using MCPS 280-34.  
- submit by 2pm all cash collected on a daily basis.  
- Wait & observe the counting of submitted money.  
The administrative secretary will  
- count all submitted money in front of the sponsor.  
- make deposits daily, to include on the last working day of each month and before each weekend or holiday.  
- issue a receipt after counting. | Daily when sponsors collect for trips | Completed MCPS 280-34- receipts of funds submitted  
Bank deposit statements done within the secretary’s duty day |
| Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate and to reconcile funds collected with costs of the trip | Principal and administrative secretary will:  
- prepare a checklist to guide sponsors through field trip accounting processes.  
- review with all staff and post in the Administrative Updates Google Classroom  
- review trip planning packet to monitor and ensure that fees are sufficient.  
Sponsors will:  
- plan carefully for field trips to ensure that estimated costs are sufficient, not overcharged or undercharged.  
- use MCPS Form 280-41 (with the class/club rosters) to document and maintain proper accounting of field trips  
- note how much each student has paid: the date, and any waivers or scholarships for students must be noted.  
- indicate if a student is not attending the trip or activity.  
- submit a final copy of 280-41 at the completion of the trip and compare remittance recorded to the trip account history report.  
The data will be used by the sponsors and administrative secretary to plan for future trips. | As needed for field trips | Completed MCPS Form 280-41  
Completed checklist and other documents relevant to each field trip |

*Note: A copy of the approved plan is to be sent to the Internal Audit Office, CESC, Room 11.*