


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

May 12, 2014

MEMORANDUM

To: Mrs. Kimberly D. Rogers, Principal
Georgian Forest Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
September 1, 2011, through March 31, 2014

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 April 30, 2014, with you and Mrs. Grace Barnes, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated November 14, 2011, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2013. 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

Sponsors of school activities which involve the collection or disbursement of IAF should be provided an account statement for each month in which transactions have been recorded in their

accounts and be required to verify that transactions have been correctly recorded. Although these statements were being provided, we again found some sponsors did not review, resolve any discrepancies, sign, and return them to the administrative secretary. We recommend a procedure be established to ensure that all statements are reviewed and returned (see MCPS Financial Manual, p. 20-9).

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. 20-5). The purpose of each disbursement must be fully explained on this form in order to properly record expenditures in the appropriate accounts, and to ensure that expenditures comply with IAF requirements. Invoices for goods or services must be signed by the purchaser to indicate satisfactory receipt. In our sample of disbursements, we found that invoices were not always annotated to indicate the goods or services were received satisfactorily. We recommend that purchasers annotate on invoices the satisfactory receipt of goods or services to support disbursements.

Summary of Recommendations

- Monthly account transaction statements provided to sponsors must be affirmed for correctness and returned to the administrative secretary; and
- Receipt of goods or services must be confirmed prior to disbursement.

Other matters were discussed and satisfactorily resolved. We appreciated 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 office within 30 days of this report, with a copy to Ms. Bronda L. Mills, associate superintendent of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:RM:sd

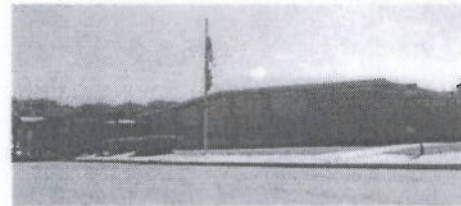
Copy to:

Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Mr. Sanderson
Ms. Mills
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

GEORGIAN FOREST ELEMENTARY SCHOOL

3100 REGINA DRIVE
SILVER SPRING, MARYLAND 20906

Phone (301) 460-2170
Fax (301) 460-2477



Office of the Principal

MEMORANDUM

To: Ms. Bronda L. Mills, Associate Superintendent
Office of School Performance

From: Kimberly D. Rogers, Principal *KDR*

Subject: Report of Audit on Independent Activity Funds
For the Period September 1, 2011, through March 31, 2014

On April 30, 2014 an Audit of the Independent Activity Funds of Georgian Forest Elementary school was completed. The following were findings and recommendations of the audit:

- “Monthly accounts transactions statements provided to sponsors must be given to each activity sponsor for correctness and returned to the administrative secretary”.

To address this recommendation, the administrative secretary will train sponsors to understand the IAF process. She will emphasize the importance of reviewing each IAF account for accuracy and compliance and make sure the monthly account reports are returned to her in a timely manner. Also, the new feature of the SFO program to be able to send account managers their monthly reports electronically will facilitate this process.

- “Receipts of goods or services must be confirmed prior to disbursement”.

Again, the administrative secretary will train sponsors to understand the IAF process and MCPS guidelines in regards to purchases of goods and services. Form 280-54 will be reviewed with staff members and administrative secretary will monitor and make sure that every purchase of goods and services is well documented and noted as received satisfactorily.

KDR/gvb

Copy to:
Mr. Roger Pisha