

Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

April 26, 2013

MEMORANDUM

To: Ms. Billie-Jean Bensen, Principal
Herbert Hoover Middle School

From: Roger W. Pisha, Supervisor, Internal Audit *MPisha*

Subject: Report on Audit of Independent Activity Funds for the Period
August 1, 2011, through March 31, 2013

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 19, 2013, with you, and Mrs. Susan Mapes, financial specialist, we reviewed the status of the conditions described in our prior audit report dated October 17, 2011. We were pleased to note that efforts to improve on control weaknesses identified in that previous report have been largely effective. 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

While we commend you for progress made, we noted that during our review of disbursements, your monthly log of purchases made with the school's American Express card was not being

forwarded to your community superintendent for review as provided for in the *Purchase Card User Guide*. We also discussed and made recommendations for improving controls over purchases made by staff. Finally, we discussed a number ways that internal controls could be improved.

Summary of Recommendations

- Purchase card transactions of the principal must be reviewed and approved by the respective community superintendent.

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 Dr. Donna S. Hollingshead, community superintendent. The Office of School Support and Improvement will follow up on this audit.

RWP:LS:sd

Copy to:

Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Dr. Marks
Dr. Hollingshead
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Herbert Hoover Middle School
6300 Tilden Lane
Rockville, Maryland 20852

April 29, 2013

MEMORANDUM

To: Mr. Roger W. Pisha, Supervisor
Internal Audit

From: Billie-Jean Bensen, Principal



Subject: Response to Internal Audit

Thank you for commending us for the progress made at Herbert Hoover Middle School. The recommendations will promote greater accountability, and it is our intention to work efficiently and effectively as fiduciary partners with the MCPS system.

Please see the attached Fiscal Management Action Plan which discusses the findings and recommendations.

We appreciate the help and consideration given to us by Mr. Scollick. We share the core value to provide excellence to MCPS.

BJB:lrw

Copy to:
Dr. Hollingshead

Fiscal Management Action Plan

School: Hoover Middle School
 Approved by community superintendent: _____ Date of approval: _____
 Principal: Billie-Jean Bensen

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
Purchase card transactions of the principal must be reviewed and approved by the community superintendent.	Monthly logs of American Express purchases will be faxed to the community superintendent by the financial assistant to be reviewed and approved.	Will begin immediately.	All American Express logs and purchases will be kept in the financial office.

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