MEMORANDUM

To: Mr. James D’Andrea, Principal
   Kingsview Middle School

From: Roger W. Pisha, Supervisor, Internal Audit

Subject: Report on Audit of Independent Activity Funds for the Period
         March 1, 2012, through May 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 July 10, 2013, with you, and Mrs. Elisabeth Gross, financial specialist, we
reviewed the status of the conditions described in our prior audit report dated June 7, 2012, 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

During our review of your school store operations, we found a sum of money that had not been
properly remitted or accounted for in the school IAF records. Change funds for the school store
and other activities must be established by check recorded in the 9200 series accounts (see MCPS Financial Manual, p. 7-6).

Summary of Recommendations

- Change funds should comply with MCPS Financial Manual establishment procedures.

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 Dr. Darryl L. Williams, associate superintendent of middle schools. 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
Mr. Sanderson
Dr. Williams
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen
August 9, 2013

MEMORANDUM

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

From: Jimmy D’Andrea, Principal

Subject: Response to July 2013 Audit of Independent Activity Funds

Thank you for commending us for the progress made in addressing the conditions described in the previous audit report (June 2012). The recommendations in the new audit report (July 2013) will promote greater accountability, and it is our intention to work efficiently and effectively in order to comply with all MCPS policies, regulations, and procedures.

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

VP: jd

Copy to:
   Dr. Williams
   Dr. Zarchin

We A.R.R.E. Focused on Student Results!
   Every Child, Every Day
   A=Access, R=Relationships, R=Rigor, E=Equity
### Fiscal Management Action Plan

**School:** Kingsview Middle School  
**Approved by community superintendent:**  
**Principal:** James N. D’Andrea  
**Date of approval:**

<table>
<thead>
<tr>
<th>Findings and Recommendations of School’s Financial Report</th>
<th>Description of Resolution</th>
<th>Person(s) Responsible</th>
<th>Timeline</th>
<th>Evidence of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finding:</td>
<td></td>
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<tr>
<td>- Change Fund for the School Store was not submitted to the Financial Office at the end of the school year.</td>
<td>- The Change Fund was immediately deposited in the School Store IAF Account.</td>
<td>Principal and Financial Specialist</td>
<td>June 2013</td>
<td>• Receipt of deposit</td>
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<td>Recommendation:</td>
<td>- Financial Specialist will speak with the School Store Manager and with all activity account managers whose sponsored activities require the use of a change fund.</td>
<td>Financial Specialist</td>
<td>August 2013</td>
<td></td>
</tr>
</tbody>
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*Note: A copy of the approved plan is to be sent to the Internal Audit Office.*