


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

June 17, 2013

MEMORANDUM

To: Mr. Bertram B. Generlette, Principal
Montgomery Knolls Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
February 1, 2012, 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 June 5, 2013, with you, Mrs. Lillian Gascon, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated March 28, 2012, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2012. 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

Fund raising at the school must conform to the *Guidelines for Sponsoring an Independent Activity Fund Fund Raiser*. We found a lack of adherence to the approval process. Prior to initiating any activity, each fund raiser shall be approved by the principal in writing. Upon conclusion of the activity, a completion report is prepared to analyze the results. Both fund

raising approval form and completion report should be retained in the school office (see MCPS Financial Manual, p. 20-11).

Summary of Recommendations

- Fund raising must conform to *Guidelines for Sponsoring an IAF Fund Raiser*.

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, community superintendent. 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

MONTGOMERY KNOLLS ELEMENTARY SCHOOL


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Silver Spring, Maryland 20901-3699
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July 12, 2013

Office of the Principal

MEMORANDUM

To: Roger W. Pisha, Supervisor, Internal Audit

From: Mr. Bertram Generlette, Principal, Montgomery Knolls Elementary School 

Subject: Corrective Actions as a result of the Audit of Independent Activity Funds for Period February 1, 2012, through March 31, 2013

This letter is a response to the Internal Audit of the Independent Activity Funds (IAFs) of Montgomery Knolls Elementary School for the period February 1, 2012, through March 31, 2013.

In your report dated June 17, 2013, it was your finding that an activity sponsor did not gain approval signature prior to initiating the activity in accordance with the *Guidelines for Sponsoring an Independent Activity Fund Raiser*.

Please allow me to inform you of the actions taken to correct this area of concern identified by the report.

Concern	Corrective Action	Evidence of Completion
A sponsor of a school activity did not acquire principal's approval in writing prior to initiating activity	<ul style="list-style-type: none">• Sponsors of school activities will be informed during pre-service week of the MCPS <i>Guidelines for Sponsoring an Independent Activity Fund Raiser</i>• Sponsors will meet with principal prior to an activity• Sponsors will be provided with an approval form prior to the activity• Sponsor will prepare a completion report at the end of activity• Both approval form and completion report will be signed and retained in the school office	Activity Approval and Completion Form signed by the principal prior to initiating activity

Please feel free to contact me at 301-431-7667 or via email at Bertram_Generlette@mcpsmd.org with any questions or concerns.

Copy to: Ms. Bronda L. Mills, Associate Superintendent of Elementary Schools, Office of School Support and Improvement