

Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

July 12, 2016

MEMORANDUM

To: Mrs. Arienne M. Clark-Harrison, Principal
Montgomery Knolls Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
April 1, 2013, through June 30, 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 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 6, 2016, with you, and Lillian Gascon, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated June 17, 2013, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2016. 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

We found that documentation for the control of funds collected by sponsors of school activities needs improvement. After funds have been remitted with MCPS Form 280-34: *IAF Remittance*

Slip, to the administrative secretary, a bank deposit slip should be prepared. A complete remittance and deposit package should then consist of the MCPS Form 280-34, School Funds Online (SFO) receipts, SFO deposit analysis, and the deposit slip verified by the bank. These documents should be attached together to constitute a complete package. We found that this process which is required by chapter 7 of the *MCPS Financial Manual* was not followed.

Summary of Recommendations

- Remittance and deposit documentation must be filed in accordance with chapter 7 of the *MCPS Financial Manual*.

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 Unit within 30 calendar days of this report, with a copy to Mr. Michael D. Bayewitz, director of school support and improvement of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:LAS:lsh

Copy to:


Dr. Navarro
Dr. Statham
Dr. Zuckerman
Dr. Kimball
Mr. Bayewitz
Mrs. Chen
Mrs. DeGraba
Ms. Diamond
Mr. Ikheloa



Montgomery Knolls Elementary School
807 Daleview Drive
Silver Spring, Maryland 20901-3699
Phone: 301-431-7667 Fax: 301-431-7669

July 19, 2016

MEMORANDUM

To: Roger W. Pisha, Supervisor, Internal Audit Unit
From: Arienne Clark-Harrison, Principal 
Subject: Action Plan for Audit Response

Attached you will find our action plan responding to the findings of the audit for Montgomery Knolls that took place on July 6, 2016. Please let us know if there are any further questions.

CC: Mike Bayewitz, Director of School Support and Improvement
Lillian Gascon, Administrative Secretary

Fiscal Management Action Plan

School: Montgomery Knolls Elementary School
 Approved by community superintendent: _____

Principal: Arienne M. Clark-Harrison
 Date of approval: _____

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
Remittance and deposit documentation must be filed in accordance with chapter 7 of the MCPS Financial Manual	After staff have collected money and remitted to the administrative secretary for deposit, the administrative secretary will attach the remittance, SFO deposit analysis and bank receipts together before filing in accordance with chapter 7 of the MCPS Financial Manual	As needed per each school deposit	Financial records containing files with the remittance, SFO deposit analysis and bank receipts attached

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