


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

April 24, 2012

MEMORANDUM

To: Ms. Vicky Lake-Parcan, Principal
Neelsville Middle School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
April 1, 2010, through January 31, 2012

This audit report presents the results of our examination of the financial records, reports, and internal accounting controls relating to the Independent Activity Funds (IAF) for your school for the period designated above. The examination was made to evaluate the adequacy of accountability over these funds, compliance with applicable Montgomery County Public Schools (MCPS) policies and procedures, and effectiveness of IAF management.

In our meeting on April 12, 2012, with you and Mrs. Irene Holt, financial specialist, we reviewed conditions described in our previous report dated June 8, 2010, and the status of present conditions. We advised you that conditions found existed prior to your appointment as principal on July 26, 2011. We advised you that the financial specialist last attended the mandatory financial training on October 19, 2009, and we could not locate evidence of your recent attendance at training. We recommended that each of you schedule to attend. Our findings and recommendations appear below.

Findings and Recommendations

Admission receipts should be controlled according to MCPS Regulation DMB-RA, *Control of Admission Receipts*. Admissions must be controlled with serially numbered tickets, separation of duties, use of the required MCPS Form 280-50, *Tickets and Cash Report of Admissions Manager*, for tracking and reconciling sales, and perpetual inventory of tickets. We continued to find weaknesses in accounting for the sales of tickets. Although ticket forms were found for each admission event, it did not appear that forms were issued with tickets by the ticket controller to the admissions manager prior to each event as required. Several ticket forms indicated discrepancies that could not be reconciled, such as numerous unsold tickets that had been detached from rolls, but the detached tickets did not reconcile to shortages. Event sponsors were issued tickets of only one color for events with two ticket prices. The sponsor of a school dance sold tickets that had been personally obtained and not controlled by the school's perpetual inventory. We recommend that procedures for sale of tickets be reviewed with appropriate staff

prior to events, and that all tickets sales be tracked and reconciled on the required form according to the regulation.

Cash and checks collected by sponsors and other authorized individuals for IAF activities must be remitted to the financial specialist on the day they are received. We found instances in which staff collecting funds for field trips and sales of admission tickets were holding funds rather than remitting them timely to the financial specialist (see MCPS Financial Manual p. 7-4). We recommend that all staff who collect funds for school activities be reminded of remittance requirements.

Fund raising at the school must conform to the *Guidelines for Sponsoring an Independent Activity Fund Fund Raiser*. Although we found fund raiser request and completion reports on file for most fund raisers, completion reports were not signed by the principal to indicate review. In addition, most completion reports did not include the total number of items for sale, selling prices, or remaining inventories, thus it was not possible to determine whether all sums collected were remitted to the financial specialist. Following internal control procedures provides for accountability of funds raised as well as the opportunity to evaluate the results at the conclusion of the event.

Summary of Recommendations

- Admission events must be conducted in accordance with MCPS Regulation DMB-RA (repeat);
- Funds collected must be promptly remitted by sponsors to the financial agent; and
- Fundraiser completion reports prepared by sponsors must provide sufficient information to analyze results.

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, community superintendent. The Office of School Performance will follow up on this audit.

RWP:DKH:sd

Copy to:

Mr. Bowers
Dr. Lacey
Mr. Talley
Dr. Williams

Mrs. DeGraba
Mrs. Milwit
Mr. Doody

NEELSVILLE MIDDLE SCHOOL
11700 Neelsville Church Road
Germantown, Maryland 20876
(301) 353-8064

May 17, 2012

MEMORANDUM

To: Roger W. Pisha, Supervisor
Internal Audit

From: L. Victoria Lake-Parcan, Principal

Subject: Response to Audit Report of IAF for the Period April 1, 2010
Through January 31, 2012

Findings and Recommendations

1. Continued to find weakness in accounting for the sale of tickets.

Recommendation: Procedures for sale of tickets should be reviewed with staff prior to the event and tracked and reconciled on the required form.

Response: This has been done and is ongoing.

2. Cash and checks collected by sponsors must be remitted on the day they are received.

Response: Staff has been reminded and is ongoing.

3. Fundraiser completion reports prepared by sponsors must provide sufficient information to evaluate results of events.

Response: We are using the new fundraiser completion report which asks for more information to analyze results.

VLP:js

Copy to:
Mrs. Holt