


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

January 28, 2019

MEMORANDUM

To: Dr. Myriam A. Yarbrough  
Paint Branch High School

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

Subject: Report on Audit of Independent Activity Funds for the Period  
May 1, 2017, through October 31, 2018

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. School 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 the IAFs are administered in accordance with Board of Education policies, MCPS regulations, and procedures.

The IAF audits are conducted regularly to evaluate compliance with 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 the 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 any significant errors or omissions in the financial records are detected.

At our January 8, 2019, meeting with you; Mrs. Dawn R. Ford, school business administrator; and Ms. Christina M. Speed, school financial specialist, we reviewed the status of the conditions described in our prior audit report dated July 10, 2017, 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

To minimize the risk of loss and provide available funds to meet school needs, all funds collected should be remitted to the school financial specialist daily (refer to *MCPS Financial Manual*, chapter 7, page 4). We noted staff collecting funds for field trips and athletics gate receipts were holding, rather than remitting funds in a timely manner to the school financial specialist. We

recommend that staff collecting funds be reminded that cash and checks should not be held, but must be remitted to the school financial specialist on the day received.

Students may be charged course fees approved by the Office of School Support and Improvement for materials required for a course that are either consumed by the student or become the personal property of the student. For collection of class fees, class sponsors should have a complete class roster of student names entered on a worksheet to annotate how much each student paid, students who had fees waived or reduced, and obligations issued (refer to *MCPS Financial Manual*, chapter 20, page 11). We found that many of the sponsors did not submit a completed record of all fees collected and there was no evidence of independent reconciliation. We recommend that sponsors follow these internal control procedures to provide accountability for funds collected, as well as the opportunity to evaluate the results at the conclusion of the collection period.

Summary of Recommendations

- Funds collected by sponsors must be promptly remitted the school financial specialist (**repeat**).
- Sponsors must remit course fee funds to the business office when collected and provide a final accounting worksheet with the entire class roster annotating fees collected, waived, and/or reduced and obligations issued.

Other matters were discussed and satisfactorily resolved. We appreciate the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, using the attached form, please provide a written response to the Internal Audit Unit within 30 calendar days of this report. In your response, please share a detailed plan for addressing these issues, including appropriate staff training and support.

Prior to returning your completed audit action plan, please contact Mr. Brian W. Scriven, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Mr. Scriven will indicate whether he will conduct an electronic review of your action plan or schedule a time to meet in person with you and your school financial specialist to support you with developing a well-defined plan to address the findings.

RWP:BK:lsh

Attachment

Copy to:

Members of the Board of Education  
 Dr. Smith  
 Dr. Navarro  
 Dr. Statham  
 Dr. Zuckerman

Mr. Civin  
 Dr. Johnson  
 Mrs. Dyson  
 Mrs. Camp  
 Mrs. Chen

Ms. Diamond  
 Mr. Scriven  
 Mr. Tallur  
 Ms. Webb



Myriam A. Yarbrough, Ed. D.  
Principal

# PAINT BRANCH HIGH SCHOOL

NATIONAL BLUE RIBBON SCHOOL OF EXCELLENCE

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February 13, 2019

To: Roger W. Pisha, Supervisor Internal Audit

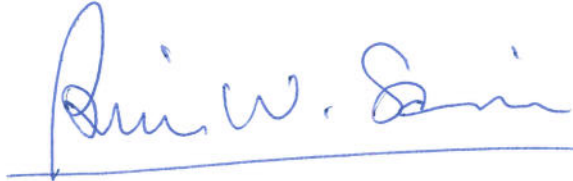
From: Myriam A. Yarbrough, Principal 

RE: Report on Audit of IAF for the Period 5/1/17- 10/31/2018

I am in receipt of your audit report in reference to the aforementioned dates. On behalf of our school community, I would like to thank you for a thorough audit and a positive meeting on January 8, 2019, that included commendations and areas of opportunity. As a result of the findings, the following upgrades have been implemented at Paint Branch High School. I truly thank you for sharing your expertise and suggesting upgrades that can only help to strengthen our practices.

<i>Finding</i>	<i>Resolution</i>
Cash and checks collected by sponsors and others for IAF activities should be remitted promptly to the financial specialist.	A drop box has been installed in the main office work room to provide staff with unlimited access to deposit money in a secure location. The financial office continues to remind all staff of the policy and expectations to remit funds on a daily basis in writing and through the mandatory "Business Matters" training.
Sponsors must remit course fee funds to business office when collected and provide a final accounting worksheet with the entire class roster that includes annotations	Staff members who collect fees will be reminded in mandatory training that they are required to remit funds as collected and provide a final accounting worksheet that includes all students to the business office in our "Business Matters" documents and through individual emails. The business office will establish due dates for final worksheets and share them in writing with sponsors. In the event that a sponsor does not remit the final worksheet in a timely fashion, the business office will contact them directly.

Per the expectations of MCPS and the guidelines indicated in the MCPS Financial Manual, we will continue to make improvements.

Reviewed by:  2/21/19