


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

June 28, 2013

MEMORANDUM

To: Ms. Charlotte W. Boucher, Principal
John Poole Middle School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
September 1, 2011, through April 30, 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 13, 2013, with you, and Mrs. Mary Phillips, financial specialist, we reviewed the status of the conditions described in our prior audit report dated November 14, 2011, 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

Cash and checks collected for IAF activities by sponsors and other authorized individuals must be remitted to the financial specialist together with a completed MCPS Form 280-34, *Remittance Slip*, on the day the funds are received. We found instances in which staff collecting funds were holding rather than remitting them timely to the financial specialist, and not always completing the remittance

slip properly. Remittances received should, in turn, be promptly deposited into the school's bank account. In addition, all remittances on hand must be deposited before each weekend or holiday. We recommend that all staff who collect funds for school activities be reminded of remittance requirements (see MCPS Financial Manual p. 7-4).

MCPS Regulation DMB-RA, *Control of Admission Receipts*, provides procedures for the accounting for sales of admission tickets. 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. While receipts from most events were properly controlled, we found one drama event in which concessions, basket sales, and change fund were combined with ticket sales. We found another drama event in which a ticket report was not prepared in order for us to reconcile ticket sales to cash receipts. We also noted that the ticket controller did not initiate Form 280-50 at the time tickets were given to the admission manager. We recommend that admission to all events be controlled in accordance with the above cited regulation.

Summary of Recommendations

- Funds collected by sponsors must be promptly remitted using MCPS Form 280-34 to the financial agent for timely deposit to the bank; and
- Admission events must be conducted in accordance with MCPS Regulation DMB-RA (repeat).

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff, especially that of Mrs. Phillips. 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:MJB:sd

Copy to:

Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Mr. Sanderson
Dr. Williams
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Fiscal Management Action Plan

School: John Poole Middle School

Principal: Charlotte Boucher

Approved by associate superintendent: *Raymond White*

Date of Approval: 7/5/13

Findings and Recommendations of School's Financial Report	Description of Resolution and Person(s) Responsible	Timeline	Evidence of Completion
<p>1. Funds collected by sponsors must be promptly remitted using MCPS form 280-34 to the financial agent for timely deposit to the bank</p>	<p>1. Principal has discussed the deposit procedures with the financial assistant and reinforced the need to ensure proper documentation as well as timely deposits</p> <p>2. Financial assistant has prepared refresher training for teachers to be delivered during pre-service. She will meet with sponsors as occasions requiring collection of money are anticipated in order to review procedures and provide appropriate forms in advance.</p>	<p>1. immediate</p> <p>2. preservice week and throughout the academic year</p>	<p>1. Appropriately dated deposits</p> <p>2. preservice week agendas and submission of correct forms properly completed throughout the year</p>
<p>2. Admission events must be conducted in accordance with MCPS Regulation DMB-RA</p>	<p>2. Principal has met with the drama club sponsor and the financial assistant to clarify expectations about admission events. Procedures for selling tickets when productions are moved to the high school auditorium have been revised. The financial assistant will meet with the sponsors as occasions requiring tickets are anticipated in order to review procedures and provide appropriate forms in advance.</p>	<p>2. immediate and throughout the year as ticketed events occur.</p>	<p>2. Appropriate forms will be submitted and procedures will be documented.</p>

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