MEMORANDUM

To:        Mrs. Carole A. Working, Principal  
           Quince Orchard High School

From:      Roger W. Pisha, Supervisor, Internal Audit

Subject:   Report on Audit of Independent Activity Funds for the Period  
           October 1, 2012, through February 28, 2014

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 May 13, 2014, with you, Mrs. Judy Yu, business administrator, and  
Mrs. Susan Yee, financial specialist, we reviewed the status of the conditions described in our  
prior audit report dated November 29, 2012, and the status of present conditions. We noted the  
progress made to improve conditions described in our previous report, such as consistent  
approvals for purchases and the inclusion of purchased equipment in the fixed asset inventory.  
This audit report presents the findings resulting from our examination of the IAF records and  
financial accounts for your school for the period designated above, and our recommendations for  
further improvement to strengthen internal controls.
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 MCPS Form 280-34, Remittance Slip, on the day the funds are received. We found instances in which staff collecting funds held funds rather than remitting them timely to the financial specialist. We recommend that all staff who collect funds for school activities be reminded of remittance requirements (see MCPS Financial Manual p. 7-4).

Summary of Recommendations

- Funds collected must be promptly remitted to the financial specialist.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff, especially Mrs. Yu and Mrs. Yee. 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. Christopher S. Garran, associate superintendent of high schools. The Office of School Support and Improvement will follow up on this audit.

RWP:VAD:sd

Copy to:
  Mr. Bowers
  Dr. Statham
  Dr. Schiavino-Narvaez
  Mr. Sanderson
  Dr. Garran
  Mrs. DeGraba
  Mrs. Milwit
  Mrs. Chen
Fiscal Management Action Plan

School: Quince Orchard High School
Principal: Mrs. Carole Working
Approved by community superintendent: 
Date of approval: 6/4/14

<table>
<thead>
<tr>
<th>Findings and Recommendations of School's Financial Report</th>
<th>Description of Resolution And Person(s) Responsible</th>
<th>Timeline</th>
<th>Evidence of Completion</th>
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</thead>
<tbody>
<tr>
<td>Cash and checks collected for IAF activities by sponsors and other authorized individuals must be remitted to the financial specialist together with MCPS Form 280-34 on the day funds are received.</td>
<td>The financial specialist holds a meeting during pre-service week to review the MCPS rules as they apply to the IAF. She will continue to do this. We will begin a monthly e-mail to the QO Private e-mail folder reminding all staff collecting funds that they must be remitted daily.</td>
<td>Immediately</td>
<td>Copies of the e-mails will be kept on file.</td>
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Note: A copy of the approved plan is to be sent to the Internal Audit Office, CESC, Room 11.