


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

May 18, 2015

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
March 1, 2014, through March 31, 2015

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 8, 2015 with you, Mrs. Judith Yu, business administrator and Mrs. Susan Yee, financial specialist, we reviewed the status of the conditions described in our prior audit report dated May 22, 2014, 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

Fund-raising at the school must conform to the *Guidelines for Sponsoring an Independent Activity Fund Fund-Raiser*. Although sponsors are submitting a fund-raiser request form for your approval to conduct an activity, they are not always submitting a completion report at the

conclusion of the activity. Some sponsors submitted a completion report months after conclusion of the activity while others still had not submitted one at the time of audit even though sales ceased in October 2014. A completion report for an activity involving the sale of items should include the total number of items for sale and cost of each, selling prices, and any remaining inventories to determine whether all funds collected were remitted to the financial specialist. We noted that some of the completion reports received did not contain sufficient information to properly evaluate the results of the activity. We recommend sponsors submit a completion report promptly at the conclusion of an activity and follow the procedures contained in *Guidelines for Sponsoring an IAF Fund-Raiser*.

Summary of Recommendations

- Fund-raising must conform to *Guidelines for Sponsoring an IAF Fund-Raiser*.

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. Christopher S. Garran, associate superintendent of high schools. The Office of School Support and Improvement will follow up on this audit.

RWP:MJB:sd

Copy to:

Dr. Zuckerman
Dr. Statham
Dr. Navarro
Dr. Garran
Mr. Sanderson
Mrs. Chen
Mrs. DeGraba
Mrs. Milwit

RECEIVED

MAY 27 2015

Attachment

Fiscal Management Action Plan

School: Quince Orchard High School

Principal: Carole Working

Approved by associate superintendent: 

Date of approval: 6/24/15

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
Some fundraisers were not closed out in a timely manner and some did not provide sufficient information to properly evaluate the results.	Staff will be required to submit a completion report for each fundraiser within 30 days of the end date. The Financial Specialist will send reminder e-mails as needed after the month end close. We will attach all notes/work done during the analysis of each fundraiser in order to reflect the work done to evaluate the results. In addition, we will require inventory reports for all remaining merchandise. Financial Specialist and overview by Business Administrator	Immediately	Revised fundraiser request forms, monthly e-mails will be retained for audit review, inventory reports will be kept on hand and all work done to analyze the results of each fundraiser will be attached to the completion reports.

Carole Working
5-21-2015

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