


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

May 21, 2019

MEMORANDUM

To: Mr. Everett M. Davis, Principal
Redland Middle School

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

Subject: Report on Audit of Independent Activity Funds for the Period
September 1, 2017, through February 28, 2019

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 May 7, 2019, meeting with you and Mrs. Barbara A. Dorsey, school financial specialist, we reviewed the status of the conditions described in our prior audit report dated October 19, 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

Cash and checks collected for IAF activities by sponsors and other authorized individuals must be remitted with MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*, to the school financial specialist on the day the funds are received (refer to *MCPS Financial Manual*, chapter 7, page 4). We found instances in which staff, collecting funds for field trips and other activities, were

holding funds rather than remitting them, in a timely manner, to the school financial specialist. We recommend that all staff who collect funds for school activities be reminded of remittance requirements.

Summary of Recommendations

- Cash and checks collected by sponsors must be promptly remitted with MCPS Form 280-34 to the school financial specialist (**repeat**).

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 Dr. Sarah E. Sirgo, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Dr. Sirgo will indicate whether she 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:HT: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

Dr. Sirgo

Mr. Tallur

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: May 25, 2019

Fiscal Year: May 25, 2019

School: Redland MS - 562

Principal: Everett Davis

OSSI

Associate Superintendent: Mrs. Dyson

OSSI

Director: Dr. Sirgo

Strategic Improvement Focus:

As noted in the financial audit for the period 2017-2019, strategic improvements are required in the following business processes :

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Mr. Davis & Ms. Dorsey will continue to remind staff of their remittance requirements, including remitting funds daily that are collected for field trips and other activities. These should be submitted to Ms. Dorsey.	Ms. Dorsey Mr. Davis	Meeting time (whole group & individual) Written reminders	Form 280-34 Written documentation for those who do not meet the expectation	Mr. Davis Mr. Niper monthly & more frequently as needed, pending calendar activity	

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OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL

Approved
 Please revise and resubmit plan by _____

Comments: _____

Director: Juan Sings Date: 5/28/19