


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

August 13, 2014

MEMORANDUM

To: Ms. M. Catherine Long, Principal
Ritchie Park Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
September 1, 2010, through June 30, 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 July 31, 2014, with you, Mrs. Mary Ellen Dixon, assistant principal, and Mrs. Dianna Baum, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated October 25, 2010, 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

MCPS Form 280-54, *Request for a Purchase*, is used to obtain principal approval to proceed with an intended purchase (see MCPS Financial Manual, p. 20-5). The purpose of each disbursement must be fully explained on this form in order to properly record expenditures in

appropriate accounts, and to ensure that expenditures comply with IAF requirements. In our random sample of disbursements, we again found that prior approval was not consistently obtained. By requiring prior approval, the principal retains control over the expenditure of IAF funds. We recommend that Form 280-54, be prepared by staff and signed by the principal at the time verbal approval is sought so that purchase orders and invoices bear a date subsequent to the approval date.

Summary of Recommendations

- Purchase requests must be approved by the principal prior to procurement (repeat).

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of Mrs. Baum, which greatly facilitated our audit. 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. Donna S. Hollingshead, associate superintendent of elementary schools. The Office of School Support and Improvement will follow up on this audit.

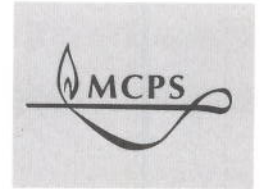
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Copy to:

Mr. Bowers
Dr. Navarro
Dr. Statham
Mr. Sanderson
Dr. Hollingshead
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Ritchie Park Elementary School

1514 Dunster Road • Rockville, Maryland 20854 • 301-279-8475




Office of the Principal

September 4, 2014

MEMORANDUM

To: Roger Pisha, Supervisor, Internal Audit

From: Catherine Long, Principal 

Subject: Response to the Report on Audit of Independent Activity Funds for the Period of September 1, 2010, through June 30, 2014

I am writing in response to the recent audit of our Independent Activity Funds. During our preservice meetings this August, 2014, I reviewed with staff their responsibility to complete MCPS Form 280-54, *Request for a Purchase*, prior to making a purchase. I also reminded them that when prior verbal approval is given for purchases under \$100, they must indicate this on the form. This information is included in the Ritchie Park staff handbook and staff were reminded that they are responsible for all information in the handbook.

I appreciate the auditor's recognition of Mrs. Diana Baum, that in addition to the challenge of handling her many other daily responsibilities, she has accurately maintained our IAF records in accordance with MCPS policies, regulations and procedures.

Please contact me at 301-279-8475 if you have any questions.

Copy to:
Dr. Hollingshead