


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 28, 2018

MEMORANDUM

To: Mrs. Katherine W. Lertora, Principal
Rock Terrace School

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

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2017, through February 28, 2018

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 and are charged with determining the manner in which funds are raised and expended for activities such as field trips, admission events, and fund-raisers. They are responsible for ensuring that the IAFs are administered in accordance with MCPS policies, regulations, and procedures.

The 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 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 there is compliance with MCPS policies, regulations, and procedures and that any significant errors or omissions in the financial records are detected.

At our March 23, 2018, meeting with you and Ms. Christina L. Cedeno, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated January 26, 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

Use of the MCPS purchasing card must be in accordance with the requirements of the MCPS *Purchasing Card Users Guide*. By the fifth business day of the following month, cardholders must use the online reconciliation program to identify, describe, and review transactions. Monthly statements must be printed and provided to the principal, with all purchase receipts and invoices

Mrs. Katherine W. Lertora

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March 28, 2018

Dr. Navarro
Dr. Statham
Dr. Zuckerman
Mr. Civin
Dr. Johnson
Dr. Williams
Mrs. Camp
Mrs. Chen
Ms. Diamond
Mr. Scriven
Mr. Tallur
Mr. Ikheloa

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 2018

Fiscal Year: 2018

School: Rock Terrace School SSAP - 916

Principal: Katherine Lertora

OSSI

Associate Superintendent: Darryl Williams

OSSI

Director: Brian Scriven 

Strategic Improvement Focus:

As noted in the financial audit for the period 2017-2018, strategic improvements are required in the following business processes :

Purchase card must comply with the MCPS Purchasing Card User's Guide.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Cardholders and principal put monthly calendar reminders to review (and approve) purchases prior to the 10th day of each month.	JP Morgan cardholders, Principal	JP Morgan Online Tool Electronic Calendar	Electronic Calendar	Principal, monthly	Calendar reminders
Cardholders maintain receipts in central location and print account landscape of the purchases they have reviewed for principal to review and approve by the 10th day of each month.	JP Morgan cardholders, Principal	JP Morgan Online Tool Receipts	Binders with receipts and account landscapes of purchases for each account	Principal, monthly	Binders with receipts and account landscapes of purchases for each account

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Strategic Improvement Focus:

As noted in the financial audit for the period 2017-2018, strategic improvements are required in the following business processes :

IAF must be managed in accordance with sound accounting practices and effective internal control procedures.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Bistro lunch tickets sold to staff members will be recorded by the ticket numbers sold on the remittance records.	Bistro Sponsor Administrative Secretary	Numbered Lunch Tickets Remittance Forms	Remittance Forms	Weekly by Administrative Secretary Monthly by principal	Remittance Records with tickets sold
Lunch Tickets given to administrative secretary to record on ticket report. End of the year turn in all unsold tickets to reconcile the account.	Bistro Sponsor Administrative Secretary	Numbered Lunch Tickets, Ticket Report	Ticket Report	Administrative Secretary beginning and end of school year	Numbered Lunch Tickets, Ticket Report
Bistro and Horticulture Sponsors selling items at special events (i.e. bake sale or plants at Farmers Market) will maintain a record of number of each item sold and cost of the items to submit with the remittance form	Bistro and Horticulture Sponsors Administrative Secretary	Sales list - items and cost	Summary list of sales - items and cost of items sold daily	Bistro and Horticulture Sponsors Administrative Secretary- for special events	Summary lists and remittance forms, sponsor financial binders

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence

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

Approved
 Please revise and resubmit plan by _____

Comments:

Director: B. W. Seim Date: 6/5/18