


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

December 8, 2014

MEMORANDUM

To: Mrs. Sherilyn R. Moses, Principal
Ronald McNair Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
August 1, 2012, through November 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 December 5, 2014, with you, and Ms. Sherrin Sharpe, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated September 7, 2012, and the status of present conditions. It should be noted that your appointment as principal was effective May 14, 2014. 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

Controls over cash receipts need improvement. Staff collecting funds for field trips and other activities should remit those funds to the administrative secretary on the day collected. The administrative secretary should promptly count funds and issue a receipt to the remitter. These receipts must be deposited promptly, and all receipts must be deposited on the last working day of each month and before each weekend or holiday (see MCPS Financial Manual, p.7-4). We noted that receipts were not always promptly issued and funds not promptly deposited. Large and infrequent

deposits increase the possibility of loss of funds, diminish the schools ability to fund activities, and are contrary to sound financial management. We recommend prompt receipting and depositing of funds.

Summary of Recommendations

- Funds remitted by sponsors must be promptly verified and receipted, prior to being deposited in the bank by the administrative secretary.

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. Laverne G. Kimball, associate superintendent of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:LS:sd

Copy to:

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



RONALD McNAIR ELEMENTARY

13881 Hopkins Road • Germantown, Maryland 20874

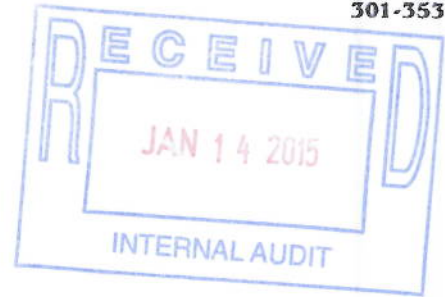
301-353-0854

MEMORANDUM

To: Roger W. Pisha, Supervisor, Internal Audit

From: Mrs. Sherilyn R. Moses, Principal
Ronald McNair Elementary School

Subject: Response to Report on Audit of Independent Activity Funds for the Period
August 1, 2012, through November 30, 2014



Please review my response to the findings and recommendations from your examination of the IAF records and financial accounts for Ronald McNair Elementary for the time period indicated above. Your comments are welcome.

Findings and Recommendations:

Controls over cash receipts need improvement. Staff collecting funds for field trips and other activities should remit those funds to the administrative secretary on the day collected. The administrative secretary should promptly count funds and issue a receipt to the remitter. These receipts must be deposited promptly, and all receipts must be deposited on the last working day of each month and before each weekend or holiday (see MCPS Financial Manual, p.7-4). We noted that receipts were not always promptly issued and funds not promptly deposited. Large and infrequent deposits increase the possibility of loss of funds, diminish the schools ability to fund activities, and are contrary to sound financial management. We recommend prompt receipting and depositing of funds.

Summary of Recommendations:

Funds remitted by sponsors must be promptly verified and receipted, prior to being deposited in the bank by the administrative secretary.

I will implement the plan to improve and strengthen internal controls. I truly appreciate the patience and guidance of Mr. Larry A. Scollick, J.D, MCPS Internal Auditor, during our audit period. The wealth of knowledge he shared with us has already proven to be extremely helpful in streamlining the administration of our IAF's in accordance with MCPS policies, regulations, and procedures.

SRM/sls
Copy to:
Dr. Kimball

Fiscal Management Action Plan

School: Ronald McNair Elementary School

Principal: Sherilyn R. Moses

Approved by community superintendent: Dr. LaVerne Kimball

Date of approval:

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
<p>Receipts were not always promptly issued and funds not promptly deposited. Large and infrequent deposits increase the possibility of loss of funds, diminish the schools ability to fund activities, and are contrary to sound financial management. We recommend prompt receipting and depositing of funds.</p>	<ul style="list-style-type: none"> • Funds remitted by sponsors must be promptly verified and receipted, prior to being deposited in the bank by the administrative secretary. • Administration will communicate to staff a 2:00 p.m. deadline for delivering funds to the office. • Administrative secretary will complete deposits promptly with all receipts being deposited on the last working day of each month and before each weekend or holiday. • Administrative secretary will utilize the 2:00 p.m. - 3:00 p.m. additional secretarial personnel allocation to receipt and deposit funds. 	<p>December 2014 – December 2016</p>	<p>Receipts and bank deposit slips</p>