


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

March 11, 2016

MEMORANDUM

To: Mrs. Deborah C. Ryan, Principal
Rosemary Hills Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2013, through January 31, 2016

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 March 10, 2016, with you and Mrs. Susan Katz, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated February 22, 2013, 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 by sponsors and others for IAF activities should be remitted promptly to the administrative secretary together with MCPS Form 280-34, *MCPS Remittance Slip*. 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 found that staff collecting funds were holding rather than remitting them to the administrative secretary on a daily basis. To minimize the risk of loss and provide availability of funds to meet school needs, all funds collected should be remitted to the administrative secretary daily for prompt deposit.

Summary of Recommendations

- Funds collected by sponsors must be promptly remitted to 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 Mrs. Cheryl Smith, director of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:AMB:sd

Copy to:

Dr. Zuckerman
Dr. Statham
Dr. Navarro
Dr. Kimball
Mrs. Chen
Mrs. DeGraba
Mrs. Milwit
Mrs. Smith

Fiscal Management Action Plan

Response to Internal Audit of Independent Activity Funds (January 1, 2013 – January 31, 2016)

School: Rosemary Hills Elementary School/794

Principal: Debbie Ryan

Date Submitted: March 18, 2016

Approved by community superintendent: _____

Date of approval: 04.18.16

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
<p>Staff collecting funds were holding rather than remitting them to the administrative secretary on a daily basis.</p> <p>To minimize the risk of loss and provide availability of funds to meet school needs, all funds collected should be remitted to the administrative secretary daily for prompt deposit.</p> <p>Cash and checks collected by sponsors and others for IAF activities should be remitted promptly to the administrative secretary together with MCPS Form 280-34, MCPS Remittance Slip.</p> <p>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.</p>	<p>1. Review/regenerate proper procedures with all staff members. (Debbie Ryan/Susan Katz)</p>	<p>-Procedures effective immediately.</p> <p>-Review procedures at the April 4, 2016 ILT meeting.</p>	<p>-Email to all staff via Rosemary Hills Private on March 17, 2016 (see attached email).</p> <p>-Verbal verification with sponsors when field trips are established and is included with our Internal Field Trip Checklist.</p>

Note: A copy of the approved plan is to be sent to the Internal Audit Office, Upcounty Regional Services Center, suite 3380.

Ryan, Deborah C

From: Ryan, Deborah C
Posted At: Thursday, March 17, 2016 4:51 PM
Conversation: Collection of Funds & Turning in Money
Posted To: Rosemary Hills ES

Subject: Collection of Funds & Turning in Money

Dear Staff,

As a reminder, when you collect money for any school activities (i.e., field trips, fundraisers) you must complete the top line of the *Independent Activity Fund (IAF) Remittance Slip, MCPS Form 280-34*, (cash, checks, and total amount collected that day). Write the date and the number of checks, and sign at the bottom of the form. Clip the form to your collection chart with the money collection envelope and turn it in to Susan every day by the end of your lunch/recess. **Please do NOT send money to the office with students.** This information is also included on the Field Trip Checklist that Susan gives you each time you request approval for a field trip.

If you have any questions, please ask Susan or Debbie. Thank you for adhering to these procedures.

Deb

Debbie Ryan
Principal
Rosemary Hills Elementary School
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debbie_c_ryan@mcpsmd.org