


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

June 28, 2013

MEMORANDUM

To: Dr. Barbara A. Jasper, Principal
Sequoyah Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
October 1, 2009, through March 31, 2013

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 June 17, 2013, with you, and Mrs. Cory Herzog, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated November 20, 2009, 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 other authorized individuals for IAF activities must be remitted to the administrative secretary on the day they are received, and must be accompanied by MCPS Form 280-34, *Remittance Slip*. We found instances in which staff

collecting funds for trips were holding rather than remitting them timely to the administrative secretary (see MCPS Financial Manual p. 7-4). We recommend that all staff who collected funds for school activities be reminded of remittance requirements.

Fund raising at the school must conform to the *Guidelines for Sponsoring an Independent Activity Fund Fund Raiser*. We found that there was a lack of adherence to the approval and completion reporting guidelines. Following these internal control procedures provides for accountability of funds raised as well as the opportunity to evaluate the results at the conclusion of the event. Each fund raiser should be approved by the principal in writing and the approval retained in the school office. Financial activities for each fund raising activity should be recorded in a separate account in the 800 series and a completion report prepared that analyzes the results. Completion reports should also be retained in the school office (see MCPS Financial Manual, p. 20-11).

Summary of Recommendations

- Funds collected by sponsors must be promptly remitted using MCPS Form 280-34 to the administrative secretary; and
- Fund raising must conform to *Guidelines for Sponsoring an IAF Fund Raiser*.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of Mrs. Herzog 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. Myra J. Smith, associate superintendent of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:GB:sd

Copy to:


Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Mr. Sanderson
Dr. Smith
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Sequoyah Elementary School
17301 Bowie Mill Road, Derwood, Maryland 20855
Phone: (301) 840-5335 Fax: (301) 840-5356

July 12, 2013

MEMORANDUM

To: Mr. Roger W. Pisha, Supervisor
Internal Audit

From:  Bobbi Jasper, Ph.D.
Principal, Sequoyah Elementary School

Subject: Response to Report on Audit of Independent Activity Funds for the
Period October 1, 2009, through March 31, 2013

It will be emphasized to staff that all cash and checks collected by sponsors and other authorized individuals for IAF activities must be remitted to the administrative secretary on the day they are received and must be accompanied by MCPS Form 280-34, *Remittance Slip*. We will review the procedures referenced in the MCPS Financial Manual with all staff members during pre-service days.

Any future fund raising activities will conform to the *Guidelines for Sponsoring an Independent Activity Fund Fund Raiser*. All internal control procedures will be adhered to in order to ensure accountability of funds raised, as well as the opportunity to evaluate the results at the conclusion of the event. All fund raisers will have prior approval and said approval will be retained in the school office. Financial activities for each fund raising activity will be recorded in the appropriate account and a completion report will be prepared that analyses the results with a copy of said report retained in the office.

Mrs. Cory Herzog, administrative secretary, and I will work together to see that these matters are satisfactorily resolved. Mrs. Herzog has been doing an exceptional job keeping the office records and procedures in order after a long stream of substitutes in that position. I am confident that she will keep the staff on task regarding these important matters.

BAJ/ch

Copy to:

Dr. Myra J. Smith

Fiscal Management Action Plan

School: Sequoyah ES
 Approved by community superintendent: _____
 Principal: Bobbi Jasper, Ph.D.
 Date of approval: _____

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
Cash and checks must be remitted to the administrative secretary on the same day they are received.	Procedures for money collection will be reviewed during pre-service In-Service with staff. Person(s) responsible – Principal, Administrative Secretary, Staff/Sponsors	Immediately and throughout the year.	All money is remitted and received the same day it is received.
Fundraisers must conform to guidelines for sponsoring an Independent Activity Fund Raiser.	Review procedures and guidelines with staff regarding approval and completion during pre-service days. Person(s) responsible – Principal, Administrative Secretary, Staff/Sponsors	Throughout the year.	Completed forms with Principal approval and review.

Note: A copy of the approved plan is to be sent to the Internal Audit Office, CESC, Room 11.