


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

April 30, 2015

MEMORANDUM

To: Mr. William M. Gregory, Principal
Sherwood High School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
February 1, 2013, through January 31, 2015

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 April 30, 2015, with you, Mrs. Linda Berkheimer, business administrator, and Mrs. Cynthia Saul, financial specialist, we reviewed the status of the conditions described in our prior audit report dated March 27, 2013, and discussed further actions needed to strengthen the accountability for IAF resources. 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 for IAF activities should be remitted promptly to the financial specialist together with the current version of MCPS Form 280-34, *MCPS Remittance*

Slip. The funds should be counted in the presence of the remitter, and a receipt that is supported by the remittance advice should be issued promptly (see MCPS Financial Manual, p. 7-4). We again found that some sponsors held funds collected rather than remitting them to the financial specialist on the day received. To improve cash management internal controls, we recommend reminding these sponsors of the above procedures.

Summary of Recommendations

- Funds collected must be promptly remitted to the financial specialist (repeat).

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff, especially Mrs. Berkheimer and Mrs. Saul. 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. Christopher S. Garran, associate superintendent of high schools. The Office of School Support and Improvement will follow up on this audit.

RWP:VAD:sd

Copy to:

Dr. Zuckerman
Dr. Navarro
Dr. Statham
Dr. Garran
Mr. Sanderson
Mrs. Chen
Mrs. DeGraba
Mrs. Milwit

Sherwood High School


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(301) 924-3200 • FAX (301) 924-3220



May 1, 2015

MEMORANDUM

To: Mr. Roger Pisha, Supervisor, Internal Audit

From: William M. Gregory, Principal 

Subject: Audit of Independent Activity Funds (IAF) for the Period
February 1, 2013 through January 31, 2015

Please find attached a Fiscal Management Action Plan in response to the “Findings and Recommendations” from the financial audit of Sherwood High School’s Independent Activity Funds (IAF) for the period February 1, 2013 through January 31, 2015.

I would like to express my appreciation for meeting with me, Mrs. Linda Berkheimer, Business Administrator, and Mrs. Cindy Saul, Financial Specialist on April 30, 2015 to discuss our concerns regarding the findings and recommendations from this audit period. I would also like to thank Mrs. Ginny Denning, Internal Auditor, for her time and expertise in conducting the audit.

WMG:lb
Attachments
Copy to: Dr. Christopher S. Garran

