

MCCPTA Audit into Financial Irregularities

FAQ

April 23, 2017

Q: How did the audit come about?

A: At MCCPTA Board of Directors meetings in February and March, members raised questions regarding financial reports. At a special meeting on March 23, the Board of Directors requested creation of an independent audit team to review MCCPTA's finances. The audit team was formed at the March 28, 2017 MCCPTA Delegates Assembly.

Q: Who comprises the audit committee?

A: Three PTA members volunteered to serve – Laura Stewart (Einstein Cluster), Stefania Clerici (Bethesda Chevy Chase Cluster) and Oriole Saah (Wheaton Cluster).

Q: What did the audit committee look for?

A: The audit team conducted a financial review of all activities between July 1, 2016 and March 31, 2017, looking for any suspicious activity.

Q: What were the findings of the audit?

A: The audit team discovered that, between July 1, 2016 and March 31, 2017, \$39,000 was improperly disbursed from the MCCPTA checking account. The audit team provided financial records and their findings to the Montgomery County Police Department Financial Crimes unit on April 21, 2017.

Q: What actions have been taken?

A: MCCPTA President Paul Geller provided MCCPTA financial records to the audit team to enable their investigation into any financial irregularities that have occurred. On April 10, 2017, Mr. Geller filed an initial report with the Montgomery County Police Department. The investigation is ongoing. MCCPTA continues to cooperate with all law enforcement agencies. MCCPTA also reported the incident to the bank to fully safeguard MCCPTA funds and remove inappropriate access to the account. MCCPTA receives ongoing support and guidance from Maryland PTA to ensure a full and appropriate resolution of this matter. The State's Attorney's Office has also been notified.

Q: Were local PTA units affected?

A: MCCPTA conducted an audit of membership dues paid by local PTA units to MCCPTA and found that, to the best of our knowledge, membership dues submitted to MCCPTA were properly deposited and accounted for. Two local units that received MCCPTA funds are reviewing their accounts for any irregularities.

Q: How can local PTAs trust that their membership fees will be handled properly going forward?

A: The MCCPTA Board of Directors is committed to fully and faithfully adhering to all fiduciary guidelines contained in its bylaws, MDPTA bylaws, and MDPTA's "Cash Transactions" standards and practices. Moreover, the board will immediately review a series of recommendations made by the audit team, designed to enhance MCCPTA's financial practices, and prevent any breach of its financial accounts in the future. MCCPTA is working closely with Maryland PTA to ensure that it is complying with bylaws and financial best practices.