


Office of Shared Accountability  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

March 4, 2016

MEMORANDUM

To: Dr. Stacy A. Ashton, Principal  
Burnt Mills Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period  
April 1, 2013, through December 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 February 29, 2016, with you, Mr. Troy Clarke, assistant principal, and Mrs. Carole Taylor, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated May 8, 2013, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2014, and that Mrs. Taylor assumed her position as of July 27, 2015. 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

Sponsors of field trips should have a complete class or club roster of student names to annotate the amount each student paid, eligible students who did not participate in the trip, and students who received waivers, scholarships or reduced fees. This data should be provided to the financial agent at the completion of each trip, and compared to remittances recorded in the trip account history report. The data also should be used to estimate future trips. We again found that not all sponsors are

providing completed data at the conclusion of each trip, and that data is not being compared to the final account history report nor used for planning future trips. We recommend trip sponsors use MCPS Form 280-41, *Field Trip Accounting*, or its equivalent, for recording of trip fees and provide complete data at the completion of each trip (see MCPS Financial Manual, p. 20-10).

Use of the MCPS purchasing card must be in accordance with the requirements of the MCPS *Purchasing Card Users Guide*. By the fifth of the following month, cardholders must use the online reconciliation program to identify, describe, and review transactions. Monthly statements must be printed and provided to the principal, with all purchase receipts and invoices attached. The principal must review each cardholder's transactions and approve them by the tenth of the following month, using the online reconciliation program. Transactions on the principal's cards are to be reviewed and approved by the associate superintendent. We found that cardholders had not promptly prepared their monthly statements, provided their purchase receipts, or reviewed their transactions in the online reconciliation program. We also found that the principal had not approved all transactions online. Action is needed to correct these conditions and bring purchasing card usage into conformity with MCPS requirements.

#### Summary of Recommendations

- Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and to reconcile funds collected with costs of the trip (repeat);
- Purchase card transactions must be documented, reviewed, and approved by the principal; and
- Purchase card transactions of the principal must be reviewed and approved by the respective associate superintendent.

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 Ms. Audra Fladung, director of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:RWB:sd

#### Copy to:

Dr. Zuckerman  
Dr. Statham  
Dr. Navarro  
Dr. Kimball  
Mrs. Chen  
Mrs. DeGraba  
Ms. Fladung  
Mrs. Milwit

**Fiscal Management Action Plan**

School: **Burnt Mills Elementary School**  
 Approved by Director of School Support and Improvement: *Agadony*

Principal: **Dr. Stacy A. Ashton**  
 Date of approval: 4/4/16

<b>Findings and Recommendations of School's Financial Report</b>	<b>Description of Resolution And Person(s) Responsible</b>	<b>Timeline</b>	<b>Evidence of Completion</b>
Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and reconcile funds collected with costs of the trip	Sponsors will provide complete class or club rosters and note how much each student has paid, to include the date, and any waivers or scholarships for students. Also, sponsors will include if a student is not attending the trip or activity. Sponsors will also provide this at the completion of the trip and compare remittance recorded to the trip account history report. The data will be used by the sponsors and administrative secretary to plan for future trips. Sponsors will plan carefully to ensure that they do not overcharge or undercharge for a trip for students. Sponsors will use MCPS Form 280-41 to record trip fees and provide complete data at the end of each trip. Trip planning will be reviewed by the administrative secretary and the principal to ensure that fees are appropriate.	As needed for field trips	Completed Form 280-41 and any additional documents relevant to each trip.
Purchase card transactions must be documented, reviewed, and approved by the principal	By the fifth of every month, cardholders must use the online reconciliation program to identify, describe and review transactions. Monthly statements will be printed and provided to the principal, with all purchase receipts and invoices attached. The principal will review each cardholder's transactions and approve them by the tenth of the following month.	Monthly	Signed and dated monthly statements
Purchase card transactions of the principal must be reviewed and approved by the respective associate superintendent	By the fifth of every month, the principal will use the online reconciliation program to identify, describe and review transactions. By the tenth of every month, statements will be reviewed by the principal and approved by the associate superintendent.	Monthly	Signed and dated monthly statements

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