


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

March 20, 2015

MEMORANDUM

To: Mr. Norman L. Coleman, Principal
Cannon Road Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
March 1, 2011, 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 March 17, 2015 with you, and Mrs. Susan Warner, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated April 11, 2011, 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

To minimize the risk of loss, cash and checks collected by sponsors for IAF activities should be remitted promptly to the administrative secretary for receipt and deposit in the bank (see MCPS Financial Manual, p.7-4). A review of records disclosed that several field trip sponsors were not

following this procedure. We recommend staff be encouraged to remit funds collected for IAF activities to the administrative secretary in accordance with MCPS policy and procedures.

The review of field trip activities again revealed that not all field trip sponsors are providing completed financial information to the administrative secretary at the completion of a trip. Sponsors should record cost and fee information for each field trip on MCPS Form 280-41, *Field Trip Accounting*, or equivalent, and submit the data to the administrative secretary when a trip is completed (see MCPS Financial Manual, p. 20-9). The record of names of participants and sums collected strengthens internal controls by enabling the reconciliation of receipts to sums recorded in the field trip account. We recommend all sponsors be required to use Form 280-41, or equivalent, and follow the procedures outlined above.

Summary of Recommendations

- Funds collected by sponsors must be promptly remitted to the administrative secretary; and
- 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).

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 Dr. Myra J. Smith, associate superintendent of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:AB:sd

Copy to:

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

CANNON ROAD ELEMENTARY SCHOOL

901 Cannon Road
SILVER SPRING, MARYLAND 20904
301-989-5662



Norman L. Coleman
Principal

Candace M. Ross
Assistant Principal

May 1, 2015

MEMORANDUM

To: Roger W. Pisha, Supervisor, Internal Audit

From: Norman L. Coleman, Principal *NLC 5/1/15*

Subject: Response to Report on Audit of Independent Activity Funds for the
Period March 1, 2011, through January 31, 2015

The information below is in response to the audit *Findings and Recommendations* listed in Cannon Road Elementary Schools report dated March 20, 2014.

Findings:

- *To minimize the risk of loss, cash and checks collected by sponsors for IAF activities should be remitted promptly to the administrative secretary for receipt and deposit in the bank (see MCPS Financial Manual, p.7-4). A review of records disclosed that several field trip sponsors were not following this procedure.*
- *The review of field trip activities again revealed that not all field trip sponsors are providing completed financial information to the administrative secretary at the completion of a trip. Sponsors should record cost and fee information for each field trip on MCPS Form 280-41, Field Trip Accounting, or equivalent, and submit the data to the administrative secretary when a trip is completed.*

Response:

The administrative secretary will continue to instruct staff on the proper procedures for providing completed financial information to the school administrative office, particularly stressing the use of MCPS Form 280-41. During pre-service day meetings with grade level teams, the administrative secretary will review all procedures for proper field trip accounting and the proper collection of cash and checks by sponsors for IAF activities. Periodic reminders of procedures will be published in our "Cougar Tracks" staff bulletin and emails will be sent to staff that are not correctly following the procedures with a copy to the principal.

If additional information is required please do not hesitate to contact me or Susan Warner, administrative secretary.

NLC:slw