


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

October 25, 2018

MEMORANDUM

To: Mr. Michael D. Bayewitz, Principal
Cloverly Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
September 1, 2017, through September 30, 2018

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. School 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 the IAFs are administered in accordance with Board of Education policies, MCPS regulations, and procedures.

The IAF audits are conducted regularly to evaluate compliance with policies, regulations, and procedures. Generally accepted audit procedures guide the work of the auditors who examine samples of the 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 any significant errors or omissions in the financial records are detected.

At our October 22, 2018, meeting with you and Mrs. Laura P. Wellen, school administrative secretary, we reviewed our prior audit report dated November 15, 2017, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2018. 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, date paid, eligible students who did not participate in the trip, and students who received waivers, scholarships, or reduced fees. This data, together with a list of all chaperones and volunteers, should be provided to the school administrative secretary at the completion of each trip and compared to remittances recorded in the trip account history report

(refer to *MCPS Financial Manual*, chapter 20, page 10). We found that sponsors were compiling the required fee information, but the data were not reconciled with trip history reports to assure all fees collected were remitted. We recommend that the data provided by field trip sponsors be compared to the final account history report to ensure all field trip fees were remitted.

Summary of Recommendations

- Field trip records prepared by sponsors must be compared to the final account history report to ensure all funds collected were remitted to the school administrative secretary.

Other matters were discussed, including continued attention to matters reported in our previous report, and satisfactorily resolved. We appreciate the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, using the attached form, please provide a written response to the Internal Audit Unit within 30 calendar days of this report. In your response, please share a detailed plan for addressing these issues, including appropriate staff training and support.

Prior to returning your completed audit action plan, please contact Mr. Brian W. Scriven, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Mr. Scriven will indicate whether he will conduct an electronic review of your action plan or schedule a time to meet in person with you and your school administrative secretary to support you with developing a well-defined plan to address the findings.

RWP:LAS:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Mr. Civin

Dr. Johnson

Mrs. Dyson

Mrs. Camp

Mrs. Chen

Ms. Diamond

Mr. Reilly

Mr. Tallur

Mr. Scriven

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: FY 2019

Fiscal Year: FY 2019

School: Cloverly ES - 308

Principal: Michael D. Bayewitz

OSSI

Associate Superintendent: Mrs. Dyson

OSSI

Director: Mr. Scriven

Strategic Improvement Focus:

As noted in the financial audit for the period 9/1/17 - 9/30/18, strategic improvements are required in the following business processes :

Field trip records prepared by sponsors must be compared to the final account history report to ensure all funds collected were remitted to the school administrative secretary.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
The admin. secretary will provide sponsors with a monthly statement of their accounts and they will verify the transactions, and that they are accurate.	Mrs. Wellen Mr. Bayewitz Field Trip Sponsors	MCPS Forms 280-34 280-41	Forms 280-34, 280-41	Ms. Wellen Mr. Bayewitz Field Trip Sponsors Visiting Bookkeeper	Signed and dated statements
The administrative secretary will send an email to sponsors requesting their signature on the statement. After resolution of any discrepancies, the statements will be signed and dated by the sponsors and kept on file	Ms. Wellen Mr. Bayewitz Field Trip Sponsors	MCPS Forms 280-34 280-41	MCPS Forms 280-34 280-41	Ms. Wellen Mr. Bayewitz Field Trip Sponsors Visiting Bookkeeper	Signed and dated statements
The administrative secretary will organize monthly statements in a binder that will be stored on the shelf adjacent to her desk.	Ms. Wellen	MCPS Forms 280-34 280-41	MCPS Forms 280-34 280-41	Ms. Wellen Mr. Bayewitz Field Trip Sponsors Visiting Bookkeeper	Signed and dated statements
The principal will remind teachers of these procedures at an upcoming staff meeting.	Mr. Bayewitz	MCPS Forms 280-34 280-41	MCPS Forms 280-34 280-41	Ms. Wellen Mr. Bayewitz Field Trip Sponsors Visiting Bookkeeper	Notes/agenda from upcoming meeting.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence


OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL

☒ **Approved**

☐ **Please revise and resubmit plan by _____**

Comments:

Director:



Date:

11/19/18