

Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 31, 2014

MEMORANDUM

To: Mrs. Stephanie D. Brant, Principal
Gaithersburg Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit *R. Pisha*

Subject: Report on Audit of Independent Activity Funds for the Period
July 1, 2010, through December 31, 2013

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 January 28, 2014, with you, and Mrs. Rosa Baxter, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated September 13, 2010, 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

We noted several checks that had been issued to staff for making purchases that had been signed by the principal prior to a dollar amount being entered on them. No checks will be signed prior to completion of date, payee, and amount entered on them (see MCPS Financial Manual,

p. 20-5). Use of the school purchasing card, with its pre-approved limits, would improve controls over such purchases.

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 the 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

- Checks will not be signed and released by the principal until fully completed; 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 Mrs. Baxter, which greatly facilitated our audit. 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:GB:sd

Copy to:

Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Mr. Sanderson
Dr. Smith
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Gaithersburg Elementary School

35 North Summit Avenue
Gaithersburg, Maryland 20877-2994
(301) 840-7136 Fax (301) 548-7524



March 3, 2013

Re: IAF Audit
July 1, 2010 through December 31, 2013

Mr. Roger Pisha, Supervisor, Internal Audit

Dear Mr. Pisha:

We are in receipt of the Findings Report regarding our IAF Audit for the period July 1, 2010 through December 31, 2013.

Ms. Rosa Baxter, Administrative Secretary and I have met and discussed the findings/recommendations made by Mr. George Beall, auditor. We understand and concur with Mr. Beall's recommendations and will make every effort to comply. No checks will leave the school without proper endorsement to the specific merchant. At our next staff meeting we will once again stress to our staff the importance of them completing accurate financial student payments to be turned into the Administrative Secretary at the completion of the field trip.

We would like to THANK Mr. George Beall, auditor for his time, efforts and recommendations in making sure that our school IAF accounts are clear and accurate. Mr. Beall provided us with meaningful suggestions which we are confident will benefit us in the future. We THANK him for his expertise.

Sincerely,

A handwritten signature in cursive script, appearing to read "S. Brant".

Stephanie Brant, Principal

A handwritten signature in cursive script, appearing to read "Rosa M. Baxter".

Rosa M. Baxter, Administrative Secretary

Copy to:

Dr. Myra J. Smith, Associate Superintendent

GAITHERSBURG ELEMENTARY

Fiscal Management Action Plan

School: GAITHERSBURG ELEMENTARY

Principal: STEPHANIE D. BRANT

Stephanie D. Brant, Ed

Approved by community superintendent: _____

Date of approval: 3/17/14

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
<p>Checks issued to staff for making purchases that have been signed prior to making the purchases</p> <p>Not all field trip sponsors are providing completed financial information to the administrative secretary at the completion of a trip</p>	<p>Checks will no longer be signed prior to making the actual purchases. Merchants will be contacted to place an order and obtain an actual total amount for the purchase – Stephanie Brant, and Rosa Baxter</p> <p>Ms. Baxter will speak at a staff meeting next week – to explain and clarify to all classroom teachers the proper procedures for collection of Field Trip data and monies.</p>	<p>IMMEDIATELY and always</p> <p>Present Time</p>	