


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 4, 2012

MEMORANDUM

To: Mr. Leroy C. Evans, Principal
Col. Zadok Magruder High School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
June 1, 2010, through October 31, 2011

This audit report presents the results of our examination of the financial records, reports, and internal accounting controls relating to the Independent Activity Funds (IAF) for your school for the period designated above. The examination was made to evaluate the adequacy of accountability over these funds, compliance with applicable Montgomery County Public Schools (MCPS) policies and procedures, and effectiveness of IAF management.

In our meeting on December 16, 2011, with you, Ms. Joyce Offutt, business administrator, and Ms. Kristie Hughes, financial specialist, we reviewed conditions described in our previous report dated September 9, 2010, and the status of present conditions. Our findings and recommendations appear below.

Findings and Recommendations

Fund raising at the school must conform to the *Guidelines for Sponsoring an Independent Activity Fund Fund Raiser*. Each fund raiser should be approved by the principal in writing and the approval retained in the school finance office. Financial activities for each fund raising activity should be recorded in a separate account in the 800 series and a completion report prepared that analyzes the results (see MCPS Financial Manual, p. 20-11). We found several exceptions to the overall adherence to these guidelines. We noted that the request forms were approved by the business administrator and assistant principal without this authority delegated in writing from the principal. Completion forms did not analyze the results of each fund raiser, and were not given to the principal for review. We also noted that one fundraiser was not approved in advance. Following prescribed internal control procedures provides for accountability of funds raised as well as the opportunity to evaluate the results at the conclusion of the event.

Sponsors of field trips should have a complete class or club roster of student names and annotate how much each paid, date paid, students who did not participate in the trip, and students who received waivers, scholarships or reduced fees. This data should be submitted to the business

office at the completion of each trip, and compared to remittances recorded in the trip account reconciliation report. The data should also be used to estimate future trips. We found not all sponsors are turning in completed data at the conclusion of each trip, and that data is not being compared to the final account reconciliation report. We recommend trip sponsors use MCPS Form 280-41, *Field Trip Accounting*, or its equivalent, and provide complete data at the conclusion of each trip. This data must be reconciled with remittances recorded in activity accounts (see MCPS Financial Manual, p. 20-9).

During our review of receipts, we noted that funds collected from students and remitted to the financial specialist were not always accompanied by a remittance advice. MCPS Form 280-34, *Remittance Slip*, is required for student fees because it identifies the source and purpose of remittances and helps ensure that fees collected have been properly authorized. We recommend staff be required to prepare and submit this form with each remittance (see MCPS Financial Manual, p. 7-3).

Summary of Recommendations

- Fundraiser approval authority must be documented and completion reports must provide analysis of results;
- 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; and
- Funds must be remitted by sponsors to the financial agent using MCPS Form 280-34.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff, especially that of Ms. Offutt and Ms. Hughes. 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. Darryl L. Williams, community superintendent. The Office of School Performance will follow up on this audit.

RWP:MJB:GB:sd

Copy to:

Mr. Bowers
Dr. Lacey
Mr. Talley
Dr. Williams
Mrs. DeGraba
Mrs. Milwit
Mr. Doody

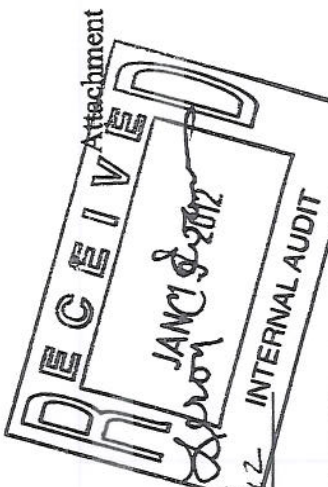
Fiscal Management Action Plan

School: Col. Zadok Magruder High School

Principal: Leroy C. Evans

Approved by community superintendent: Daphne Davis

Date of approval: 1/16/12



Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
<p>Findings: We found several exceptions to the overall adherence to the <i>Guidelines for Sponsoring an Independent Activity Fund Raiser</i>. We noted that the request forms were approved by the business administrator and assistant principal without this authority delegated in writing from the principal. Completion forms did not analyze the results of each fund raiser, and were not given to the principal for review. We also noted that one fundraiser was not approved in advance.</p> <p>Recommendations: Fundraiser approval authority must be documented and completion reports must provide analysis of results.</p>	<ul style="list-style-type: none"> Letter written delegating fund raiser approval authorization to Sherree Coleman, Assistant Principal. <p>Action by: Leroy Evans</p> <ul style="list-style-type: none"> We are now using the fund raiser completion report which was revised in June of 2011. Fund raisers will continue to be reviewed and analyzed by the School Financial Assistant (SFA) and School Business Administrator (SBA) then each form will be sent to the principal for review and approval. <p>Action by: Kris Hughes, Joyce Offutt, & Leroy Evans</p> <ul style="list-style-type: none"> Prior to the audit the fund raiser that did not have advance approval was resolved by the school business administrator and the principal. After discussion with audit staff a meeting was held with the sponsor to discuss how the fund raiser would be closed out and proper procedures. <p>Action by: Joyce Offutt & Leroy Evans</p>	<p>November 30, 2011</p> <p>December 16, 2011</p> <p>January 6, 2012</p>	<p>Memorandum</p> <p>Fund raiser completion forms</p> <p>Fund Raiser closed and completion form completed.</p>

<p>Findings: Sponsors of field trips should have a complete class or club roster of student's names and annotate how much each paid, students who did not participate in the trip, and students who received waivers, scholarships or reduced fees. This data should be submitted to the business office at the completion of each trip, and compared to remittances recorded in the trip account reconciliation report. We found not all sponsors are turning in completed data at the conclusion of each trip, and that data is not being compared to the final account reconciliation report.</p> <p>Recommendation: Trip sponsors use MCPS 280-41, <i>Field Trip Accounting</i>, or its equivalent, and provide complete data at the conclusion of each trip. This data must be reconciled with remittances recorded in activity accounts.</p>	<ul style="list-style-type: none"> • A process has been established to address sponsors who do not return their completed field trip accounting form #280-41. This process begins with notification from the SFA requesting the information, stating that non-compliance will result in notification to the principal. If no response is received a meeting will be set up between the principal and the field trip sponsor that did not fulfill his/her fiduciary responsibility. <p>Action by: Kris Hughes & Leroy Evans</p> <ul style="list-style-type: none"> • Once the 280-41 has been compared to the reconciliation report for deposits made the SFA will initial both sheets. <p>Action by: Kris Hughes</p>	<p>January 21, 2012</p>	<p>Field trip accounting form 280-41 and copy of email notification. Information will also be added to the Magruder High School Financial Management Manual given to staff.</p>
<p>Findings: We noted that funds collected from students and remitted to the financial specialist were not always accompanied by a remittance advice. MCPS Form 280-34, <i>Remittance Slip</i>, is required for student fees because it identifies the resource and purpose of remittances and helps ensure that fees collected have been properly authorized.</p> <p>Recommendation: Staff should be required to prepare and submit this form with each remittance</p>	<ul style="list-style-type: none"> • Instructions will be given to teachers/sponsors indicating that a remittance slip 280-34 is required for all funds collected from students in addition to class fees. <p>Action by: Kris Hughes</p>	<p>January 21, 2012</p>	<p>Both the 280-41 and the field trip account reconciliation report. Information will also be added to the Magruder High School Financial Management Manual given to staff.</p> <p>Copy of memo sent to staff. Information will also be added to the Magruder High School Financial Management Manual given to staff.</p>

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