


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

September 21, 2020

MEMORANDUM

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

From: Mary J. Bergstresser, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2019, through June 30, 2020

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 and MCPS regulations and procedures.

The IAF audits are conducted regularly to evaluate compliance with 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 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 September 10, 2020, virtual meeting with you; Ms. Nicole M. Kimball, school business administrator; and Mrs. Beverly L. White, school financial specialist, we reviewed the prior audit report dated March 13, 2019, 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

Review of field trip activities revealed that not all field trip sponsors are providing completed financial information to the financial agent 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 financial specialist when a trip is completed (refer to the *MCPS Financial Manual*, chapter 20, page 10). 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.

Notice of Finding and Recommendation

- 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.

Other matters were discussed 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 Dr. Sarah E. Sirgo, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools. Based on the audit recommendations, Dr. Sirgo will indicate whether she will conduct an electronic review of your action plan or schedule a time to meet in person with you, your business administrator, and your financial specialist to support you with developing a well-defined plan to address the findings.

MJB:RCM:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. McKnight

Dr. Johnson

Dr. Wilson

Mrs. Ahn

Mrs. Dyson

Mrs. Camp

Mrs. Chen

Mr. Marella

Dr. Sirgo

Mr. Tallur

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 9/21/2020	Fiscal Year: 9/21/2020
School: Col. Zadok Magruder HS - 510	Principal: Dr. Leroy C. Evans
OTLS Associate Superintendent: Dr. Cheryl Dyson	OTLS Director: Dr. Sarah Sirgo

Strategic Improvement Focus:

As noted in the financial audit for the period 1/1/2019-6/30/20, strategic improvements are required in the following business processes :

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.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Sponsors will be required submit rosters listing all students eligible for the trip prior to collection of funds. In addition, all staff will use a standard MHS field trip accounting spreadsheet in order to guarantee that all fee collection details are included in remittance submissions.	Sponsors	Process and accounting form included in sponsor field trip checklist.	Field trip approval and funds remittance process	Financial Specialist; immediately following field trip approval and when funds are remitted	Class rosters submitted and staff are using standard MHS Field Trip Accounting Spreadsheet.

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OFFICE OF TEACHING, LEARNING, AND SCHOOLS (OTLS) REVIEW & APPROVAL

Approved
 Please revise and resubmit plan by _____

Comments: _____

Director: *Sarah Ingo* Date: *9/27/20*