


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

December 12, 2019

MEMORANDUM

To: Mr. James A. Sweeney, Principal
Spark M. Matsunaga Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
July 1, 2016, through September 30, 2019

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, 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 November 20, 2019, meeting with you and Mrs. Margaret M. Murphy, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated August 25, 2016, 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

Cash and checks collected for IAF activities by sponsors and other authorized individuals must be remitted with MCPS Form 280-34, *Remittance Slip*, to the school administrative secretary on the day the funds are received. Your response to the prior audit report indicated that staff would be informed of the requirement to promptly submit funds on a daily basis. We found instances in which staff collecting funds were holding funds rather than remitting them timely to the administrative secretary.

We recommend that all staff who collect funds for school activities be reminded of remittance requirements (refer to *MCPS Financial Manual*, chapter 7, page 4).

Sponsors of field trips must have a complete class or club roster of student names and annotate how much each student paid, date paid, students who did not participate in the trip, and students who received waivers, scholarships or reduced fees. This data should be remitted to the administrative secretary at the completion of each trip, and compared to remittances recorded in the trip account history report. Your response to the prior audit report indicated that sponsors would provide a final complete accounting for each trip and this would be compared to the account history 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 history 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 by the administrative secretary with remittances recorded in activity accounts (refer to *MCPS Financial Manual*, chapter 20, page 10).

Notice of Findings and Recommendations

- Cash and checks (funds) collected by sponsors must be promptly remitted with MCPS Form 280-34 to the school administrative secretary (**repeat**).
- Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and to reconcile funds collected with the account history report (**repeat**).

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. Adrienne L. Morrow, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Dr. Morrow will indicate whether she 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.

MJB:GWB:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. McKnight

Dr. Navarro

Dr. Statham
Dr. Zuckerman
Mr. Civin
Dr. Johnson
Mr. Koutsos
Mrs. Camp
Mrs. Chen
Ms. Diamond
Dr. Morrow
Mr. Reilly
Mr. Tallur
Mr. Marella
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: December 12, 2019	Fiscal Year: December 12, 2019
School: Spark M. Matsunaga ES - 523	Principal: James Sweeney
OSSI Associate Superintendent: James Koutsos	OSSI Director: Dr. Adrienne Morrow
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>7/1/19-9/30/20</u>, strategic improvements are required in the following business processes :</p> <p>Money collected by sponsors of field trips</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Re-train staff on use of form 280-34 (done at staff meeting on Jan 6, 2020)	- James Sweeney, Principal - Margaret Murphy, Admin Secretary	Form 280-34		Daily by Admin Secretary	Forms completed/money turned in daily
Principal will complete School Finance Training Part 2	- James Sweeney, Principal	NA	NA	April 15, 2020	Course Certificate of Completion
Admin Secretary will meet with Field Trip Sponsors to review procedures and forms as field trips are planned	- Margaret Murphy, Admin Secretary - Field Trip Sponsor	Field Trip Calculator, 280-34, 280-41		As needed	Completed forms & accurate calculations
Admin Secretary will meet with grade level teams to demonstrate and train them on the new Excel Field Trip Accounting Form for ease of deposits.	- Margaret Murphy, Admin Secretary - Grade level teams	Field Trip Accounting Form		Reviewing print outs attached to 280-34 for accuracy	More accurate deposits and faster return on Final Field Trip Accounting Forms from teachers

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Admin Secretary and Field Trip Sponsor will complete the Field Trip Reconciliation Form after completion of field trip to get accurate information from teachers.	- Margaret Murphy, Admin Secretary - Field Trip Sponsor/Teacher		Field Trip Reconciliation Form and SFO & OSP reports	Admin Secretary, Visiting Book Keeper	Accurate Reconciliations before the end of the fiscal year

OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL	
<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Please revise and resubmit plan by _____
Comments:	
Director: <u>Adrienne L. Morrow</u>	Date: <u>2/6/2020</u>