


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

August 5, 2016

MEMORANDUM

To: Dr. Kenneth L. Marcus, Principal
Rolling Terrace Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
May 1, 2015, through June 30, 2016

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 the IAFs are administered in accordance with MCPS policies, regulations, and procedures.

The 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 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 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 August 4, 2016, with you and Mrs. Anna W. Tredway, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated June 22, 2015, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2015. 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 again revealed that not all field trip sponsors are providing completed financial information to the school 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 school administrative secretary when a trip is completed (refer to *MCPS Financial Manual*, chapter 20, page 9). The record of 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 MCPS Form 280-41, or equivalent, and follow the procedures outlined above.

Summary of Recommendations

- 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 your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, please provide a response to the Internal Audit Unit within 30 calendar days of this report, with a copy to Mr. Matthew A. Devan, director of school support and improvement of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:AMB:lsh

Copy to:

Members of the Board of Education

Dr. Smith

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Dr. Kimball

Mrs. Chen

Mrs. DeGraba

Mr. Devan

Ms. Diamond

Mr. Ikheloa

Fiscal Management Action Plan

School: Rolling Terrace Elementary School

Principal: Kenneth Marcus

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
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.	<p>Resolution:</p> <ul style="list-style-type: none"> • During pre-service, teachers will be trained on field trip procedures and the necessary paperwork • When field trips are scheduled, administrators will work with their designated teams to remind them of the process • Paperwork will be checked for the necessary information when turned in <p>Person(s) Responsible: Administrative Secretary or Financial Agent, Field Trip Sponsors, Administrators</p>	Throughout the school year	Accurate paperwork

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