


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

March 6, 2015

MEMORANDUM

To: Mrs. Victoria Casey, Principal
Whetstone Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
May 1, 2011, through January 31, 2015

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 February 26, 2015, with you, and Mrs. Eva Brooks, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated June 28, 2011, 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 by sponsors and other authorized individuals for IAF activities must be remitted to the administrative secretary on the day they are received, and must be accompanied by MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*. We

again found instances in which staff collecting funds for trips were holding funds rather than remitting them timely to the administrative secretary (see MCPS Financial Manual p. 7-4). We recommend that all staff who collected funds for school activities be reminded of remittance requirements. In addition, we found sponsors submitting funds for yearbook and spirit wear were not using MCPS Form 280-34, as required (see MCPS Financial Manual P. 7-3).

Review of field trip activities again revealed that not all 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. 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 (see MCPS Financial Manual, p.20-9).

Summary of Recommendations

- Funds collected by sponsors must be promptly remitted with MCPS Form 280-34 to the financial agent (repeat); 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. Brooks, 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. LaVerne G. Kimball, associate superintendent of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:GB:sd

Copy to:

Dr. Navarro
Dr. Statham
Dr. Zuckerman
Mr. Sanderson
Dr. Kimball
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Fiscal Management Action Plan

Principal: Victoria A. Casey

School: Whetstone Elementary School

Approved by ^{W. S. Casey} community superintendent: [Signature] Date of approval: 4/14/15

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
Funds collected by sponsors must be promptly remitted with MCPS Form 280-34 to the financial agent	Reminders of fiscal practices are shared to all sponsors when an activity begins and reminder emails will be sent via e-mail throughout the course of the activity. Fiscal reminders are presented during pre-service week – Eva Brooks	March 25, 2015 & August 25-29, 2015	*Financial reminder to sponsors *Pre-service presentation attached
Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and reconcile funds collected with costs of the trip	Reminders of fiscal practices are shared to all sponsors when an activity begins and reminder emails will be sent via e-mail throughout the course of the activity. Fiscal reminders are presented during pre-service week – Eva Brooks	March 25, 2015 & August 25-29, 2015	* Financial reminder to sponsors *Pre-service presentation attached

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