


Office of Shared Accountability  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

May 12, 2015

MEMORANDUM

To: Dr. Michael J. Doran, Principal  
Thomas S. Wootton High School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period  
April 1, 2013, through February 28, 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 May 12, 2015, with you, Mr. Philip Hill, business administrator, and Mrs. Hsiao-Ying Wu, financial specialist, we discussed actions needed to strengthen the accountability for IAF resources. 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 for IAF activities should be remitted promptly to the financial specialist together with the current version of MCPS Form 280-34, *MCPS Remittance Slip*. The funds should be counted in the presence of the remitter, and a receipt that is supported

by the remittance advice should be issued promptly (see MCPS Financial Manual, p. 7-4). We found that some sponsors held funds collected rather than remitting them to the financial specialist on the day received. To improve cash management internal controls, we recommend reminding these sponsors of the above procedures.

#### Summary of Recommendations

- Funds collected must be promptly remitted to the financial specialist.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff, especially Mr. Hill and Mrs. Wu. 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. Christopher S. Garran, associate superintendent of high schools. The Office of School Support and Improvement will follow up on this audit.

RWP:VAD:sd

#### Copy to:

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

**Approved by associate superintendent:**

6/25/15

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