


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

September 21, 2016

MEMORANDUM

To: Mr. Travis J. Wiebe, Principal  
Wyngate Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period  
January 1, 2015, through July 31, 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 September 8, 2016, with you and Mrs. Deborah Teicher, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated January 30, 2015, and the status of present conditions. It should be noted that your appointment as principal was effective July 1, 2016. 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

Disbursement of IAF must be controlled in a number of ways. All purchases must be approved in advance and in writing using MCPS Form 280-54: *Independent Activity Fund Request for a Purchase*. After the purchase is completed, the purchaser should submit the invoice or

documented evidence of purchase, annotated to indicate the satisfactory receipt of the goods or services, to the school administrative secretary. Once again, we found numerous instances indicating weaknesses in controls, including documentation that was missing or inadequate, receipts not notated when required to certify receipt of goods or services, and receipts not marked "paid" at the time a check is issued. In addition, we believe it would be helpful if all disbursements have all documentation filed in check number order. We recommend action be taken to correct these conditions and bring purchasing into conformity with MCPS requirements (refer to the *MCPS Financial Manual*, chapter 20, page 4).

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 administrative secretary on the day the funds are received. We found instances in which funds were remitted with a remittance slip that was incomplete in that they referred to a document "attached" which was missing or improperly filed. We recommend that all staff who collect funds for school activities be reminded of remittance requirements (refer to the *MCPS Financial Manual*, chapter 7, page 4).

Review of field trip activities 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 see (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 MCPS Form 280-41: *Field Trip Accounting* or equivalent, and follow the procedures outlined above.

#### Summary of Recommendations

- Purchase documentation must be adequate to support disbursements (**repeat**).
- Cash control of school funds must be in accordance with chapter 7 of the *MCPS Financial Manual*.
- 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 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 Dr. Sarah E. Sirgo, director of school support and improvement of elementary schools. In your response, please share a

detailed plan for addressing these issues including appropriate staff training and support. The Office of School Support and Improvement will follow up on this audit.

RWP:LAS:lsh

Copy to:

Members of the Board of Education

Dr. Smith

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Dr. Johnson

Mr. Civin

Dr. Kimball

Mrs. Camp

Mrs. Chen

Mrs. DeGraba

Ms. Diamond

Dr. Sirgo

Mr. Ikheloa

Fiscal Management Action Plan

School: Wyngate ES  
 Approved by Director of School Support and Improvement:



Principal: Travis Wiebe  
 Date of approval: 10/11/14

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
<p>Purchase Request Approval                      Purchase requests not consistently pre-approved</p>	<p>At the time that verbal approval is sought from the principal, Form 280-54 will be prepared and signed by both requesting staff and the principal. The principal will ensure detailed documentation/rationale of the purchase is attached to the request prior to signing. The invoices for the purchase will be signed and dated by the receiver.                       Staff members who do not secure advance approval, will not receive reimbursement for purchases.                       Person(s) Responsible: Administrative secretary, principal, staff requesting purchase.                      The administrative secretary for pre-service provided all staff a memo and samples of how to request funds. The administrative secretary spoke to staff at subsequent staff meeting (9/26/16) to share the finding of the audit and review process</p>	<p>Immediately</p>	<p>See attached materials provided to staff at pre-service week.</p>
<p>Documenting Reimbursements                      Invoices not marked paid</p>	<p>All supporting documentation 280-54 must be attached with the reimbursement check. Once check has been signed, the administrative secretary will mark the original receipt "paid." Documents will be filed with disbursements for the month.                      Person Responsible: Administrative Secretary</p>	<p>Immediately</p>	<p>See attached 28-54 samples with receipts. Field trip disbursements to be kept with monthly disbursements</p>
<p>Independent Activity Funds: Field Trips                      Cash control of school funds must be in accordance of chapter 7 of the MCPS Financial Manual</p>	<p>Staff members when providing form 280-34 will now provide a running record with every deposit on the day funds were received. Staff were provided directions and samples in their pre-service week folder and Administrative Secretary spoke again to this need at subsequent staff meeting (9/26/16). Staff were provided with an excel template to use in conjunction with 280-34.                      Person(s) Responsible: Classroom teachers</p>	<p>Immediately</p>	<p>See attached materials provided to staff at pre-service week, as well as recent 280-34 remittance.</p>
<p>Field trip accounting                      Sponsors must provide completed financial information to the school administrative secretary at the completion of a trip.</p>	<p>Field trip sponsors will collect either form 280-41 or the excel version and work in conjunction with the Administrative Secretary to create a final reconciliation.                       Person(s) Responsible: Administrative secretary and field trip sponsor responsible.</p>	<p>In process – first field trip of the year to be completed 10/14.</p>	<p>See attached daily field trip accounting.</p>

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