


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

October 2, 2019

MEMORANDUM

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

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

Subject: Report on Audit of Independent Activity Funds for the Period
August 1, 2016, through July 31, 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 September 25, 2019, meeting with you and Mrs. Colleen M. Copeland, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated September 21, 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, *Independent Activity Fund (IAF) Remittance Slip*, to the administrative secretary on the day the funds are received. We found instances where funds were held by sponsors until the end of the week. We recommend that all staff who collect funds for

school activities be informed of remittance requirements (refer to *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 must 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 *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. All sponsors are required to use MCPS Form 280-41 or equivalent, and follow the procedures outlined above.

Summary of Recommendations

- Cash control of school funds must be in accordance with chapter 7 of the MCPS Financial Manual **(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 costs of the trip **(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 Mrs. Michelle E. Schultze, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Mrs. Schultze 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:RCM:lsh

Attachment

Copy to:

Members of the Board of Education
Dr. Smith
Dr. McKnight
Dr. Navarro
Dr. Statham
Dr. Zuckerman

Dr. Johnson
Mr. Koutsos
Mrs. Camp
Mrs. Chen
Ms. Diamond
Mr. Reilly

Mr. Tallur
Mrs. Schultze
Mr. Marella
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: October 2, 2019	Fiscal Year: October 2, 2019
School: Wyngate ES - 422	Principal: Travis J. Wiebe
OSSI Associate Superintendent: James Koustos	OSSI Director: Michelle Schultze
<p>Strategic Improvement Focus: As noted in the financial audit for the period <u>8/1/16-7/31/19</u>, strategic improvements are required in the following business processes :</p> <p>Cash control of school funds; field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate and to reconcile funds</p>	

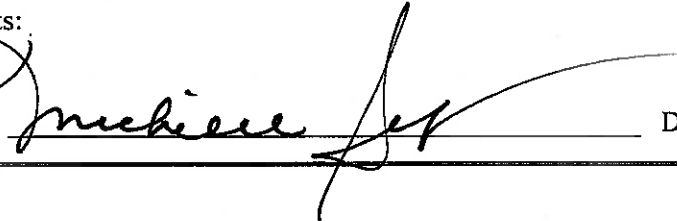
Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Expectations for field trips including cash control and accounting procedures reviewed with field trip coordinators and team leaders for each grade level team (pre-service)	Administrative secretary	MCPS Forms 280-41; field trip packets	MCPS Forms -	Administrative secretary; principal Periodically (during and after each field trip)	Thorough and complete accounting for each field trip; cash and checks submitted upon receipt
Field trip checklist created and attached to the folder for each field trip	Administrative secretary	Checklist (see attached)	Checklist	Administrative secretary; principal	Field trip accounting and required documentation are accounted for prior to closing out the field trip
Presentation to full staff at staff meeting (10/21/19) by Ann Myers, visiting bookkeeper to review expectations for staff and accountability	Ann Myers	See agenda	Field trip reminders document	Administrative secretary; principal	Field trip accounting and cash control managed effectively and efficiently
School Financial Training Part I (February 3, 2020)	Principal				Successful completion of course every three years

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
FMS Refresher Course (two half day sessions; November 8 and 15, 2019)	Administrative Secretary				Successful completion of course

OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL

Approved Please revise and resubmit plan by _____

Comments:

Director: 

Date: 10-29-19