


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 28, 2019

MEMORANDUM

To: Mrs. Kimberly L. Lloyd, Principal
Burtonsville Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2016, through December 31, 2018

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 March 21, 2019, meeting with you and Mrs. Tagreed K. Dubbaneh, school administrative secretary, we reviewed our prior audit report dated February 12, 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

To properly control funds, all cash and checks collected by sponsors for IAF activities should be remitted promptly to the school administrative secretary. These funds should then be verified in the presence of the remitter, and a receipt that is supported by MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*, should be issued promptly (refer to *MCPS Financial Manual*, chapter 7, page 4). We found instances in which funds were held by sponsors rather

than being remitted on a daily basis to the school administrative secretary. To minimize the risk of loss and provide availability of funds to meet school needs, we recommend that all funds collected be remitted daily for prompt deposit to the school administrative secretary.

Field trips must be conducted in accordance with MCPS Regulation IPD-RA, *Travel-Study Programs, Field Trips, and Student Organization Trips*. Trip approval forms should be signed by the principal and the director of learning, achievement, and administration, when required, and retained for future reference. Sponsors of field trips should have a complete class or club roster of student names to annotate the amount each student paid, date paid, eligible students who did not participate in the trip, and students who received waivers, scholarships, or reduced fees. This data, together with a list of all chaperones and volunteers, should be provided to the school administrative secretary at the completion of each trip and compared to remittances recorded in the trip account history report. We found that not all sponsor collected funds were accurately posted into field trip accounts and that data was not being compared to the final account history report. We recommend that reconciliation be performed at the conclusion of field trips to identify potential discrepancies.

Summary of Recommendations

- Funds collected by sponsors must be promptly remitted to the school administrative secretary **(repeat)**.
- Field trip records that are 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 Mr. Brian W. Scriven, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Mr. Scriven will indicate whether he 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.

RWP:BK:ish

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Mr. Civin

Dr. Johnson

Mrs. Dyson

Mrs. Camp

Mrs. Chen

Ms. Diamond

Mr. Reilly

Mr. Scriven

Mr. Tallur

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 2018	Fiscal Year: 2018
School: Burtonsville ES - 302	Principal: Kimberly L. Lloyd
OSSI Associate Superintendent: Cheryl Dyson	OSSI Director: Brian Scriven
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>1-1-16 - 12-31-18</u>, strategic improvements are required in the following business processes : Funds collected by sponsors must be promptly remitted to the school AS. Field trip records that are prepared by sponsors must provide comprehensive data.</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Funds collected by sponsors must be promptly remitted to the school ad secretary.	Kimberly Lloyd and Tagreed Dubbaneh	Spread sheet	Spread sheet of all staff members who are collecting money from students.	Tagreed Dubbaneh Daily	Any staff member who has not turned in money by noon will be contacted to report to the office to turn in any funds collected.
Field trip records that are 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.	Tagreed Dubbaneh	Comp. data form	Analyze comprehensive data form for completion and accuracy.	Tagreed Dubbaneh Before all field trips	Meet with any staff member who needs assistance with filling out the comprehensive form.
			Analyze accounting field trip form (280-41) for completion and accuracy.	Tagreed Dubbaneh at the conclusion of activities for reconciliation	Meet with any staff member who needs assistance with filling out form 280-41.

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

Approved
 Please revise and resubmit plan by _____

Comments:

Director: *Quinn W. Quinn* Date: *5/30/19*