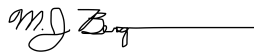


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

June 10, 2021

MEMORANDUM

To: Mr. Mark E. Craemer, Principal
Darnestown Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
February 1, 2018, through April 30, 2021

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 and 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 June 2, 2021, meeting with you; Mrs. Anna M. O'Dwyer, school administrative secretary (secretary) and Mrs. Deborah Delore, visiting bookkeeper, we reviewed the prior audit report dated April 10, 2018, 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

Sponsors of field trips must have a complete class or club roster of student names and annotate how much each student paid, date paid, 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, must be provided to the secretary at the completion of each trip and compared to remittances recorded in the trip account history report (refer to the *MCPS Financial*

Manual, chapter 20, page 10). We found that not all trips had approvals on file, sponsors were not always providing completed data at the conclusion of each trip, and that data was not being compared to the final account history report. We recommend that all sponsors be required to use MCPS Form 280-41: *Field Trip Accounting*, or equivalent, and follow the procedures outlined above. In addition, we recommend that the secretary completes a reconciliation of the field trip activity as soon as the final comprehensive data is received from the sponsor.

Notice of Findings and Recommendations

- Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate and the secretary must reconcile funds collected with an account history report.
- Field Trip records must be maintained for five (5) fiscal years plus the current year.

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 action plan, 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 Ms. Nicole A. Sosik, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools, for written approval of your plan. Based on the audit recommendations, Ms. Sosik will indicate whether she will conduct an electronic review of your action plan or schedule a time to meet in person with you and the secretary to support you with developing a well-defined plan to address the findings.

MJB:PJM:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. McKnight

Mrs. Ferrell

Dr. Wilson

Mrs. Williams

Mr. Koutsos

Mrs. Chen

Mr. Klausling

Mr. Marella

Ms. Sosik

Mr. Reilly

Mr. Tallur

Ms. Web

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: FY22	Fiscal Year: FY22
School: Darnestown ES - 351	Principal: Mark Craemer
OTLS Associate Superintendent: James Koutsos	OTLS Director: Nicole Sosik

Strategic Improvement Focus:
 As noted in the financial audit for the period 2/1/18-4/30/21, strategic improvements are required in the following business processes :

1) Field trip records prepared by sponsors must provide comprehensive data to account for all students and the secretary must reconcile funds collected with an acct. history rpt.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Every field trip sponsor will be required to use MCPS Form 280-41, Field Trip Accounting. Sponsors will be required to provide completed data at the conclusion of each trip.	Field trip sponsors	MCPS Form 280-41	Financial files for each field trip will include completed 280-41s.	The principal will review field trip files each quarter.	
Field trip records will be maintained for five (5) fiscal years plus the current year. Files will be boxed, labeled by year, and stored in the records closet next to room 002.	Administrative secretary	Boxes, labels.	Annual inspection of the records closet to occur each June. At least 5 years of files will be present.	Principal Annually in June	
Administrative secretary will complete a reconciliation of the field trip activity as soon as the final comprehensive data is received from the sponsor.	Administrative secretary	Comprehensive data in the form of MCPS Form 280-41s from sponsors.	Financial files for each field trip will include a completed account history report.	The principal will review field trip files each quarter.	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence

OFFICE OF TEACHING, LEARNING, AND SCHOOLS (OTLS) REVIEW & APPROVAL	
<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Please revise and resubmit plan by _____
Comments: _____	
Director: <u> <i>Nicole Sosik</i> </u>	Date: <u> 6/21/2021 </u>