


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

December 2, 2013

MEMORANDUM

To: Ms. Carol L. Goddard, Principal
Gaithersburg Middle School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
March 1, 2012, through October 31, 2013

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 November 26, 2013, with you, and Mrs. Deborah Delore, financial specialist, we reviewed the status of the conditions described in our prior audit report dated April 30, 2012, 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 should keep records of the names of trip participants with the amount collected from each, and provide this information to the financial specialist when all fees have been collected. MCPS Form 280-41, *Field Trip Accounting*, or an equivalent accounting form, should be used for this purpose. We again found that the data required to enable reconciliation of field trip accounts was not always provided. We recommend Form 280-41 be provided to the financial specialist when all fees have been collected (see MCPS Financial Manual, p. 20-9).

During our review of receipts, we noted an instance in which the financial specialist was absent from school on several consecutive days during which time remittances from sponsors were allowed to accumulate in the school. We recommend that an additional member of your staff be identified who can perform the tasks of receiving remittances and making bank deposits during the absence of the financial specialist in order to avoid accumulation of funds in the school (see MCPS Financial Manual, p. 7-2).

During our review of fund-raising activities, we noted one in which the results fell far short of raising the money as expected. We recommend that before any future fund-raising activity is approved, the request be accompanied by sufficient details to enable you to determine that controls are in place to assure the correct remittance of all anticipated funds (see MCPS Financial Manual, p, 20-12).

Summary of Recommendations

- 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);
- Funds received from sponsors must be promptly verified, receipt issued, and funds deposited in the bank; and
- Fund-raiser requests and completion reports prepared by sponsors must provide sufficient information to analyze results.

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 office within 30 days of this report, with a copy to Dr. Darryl L Williams, associate superintendent of middle schools. The Office of School Support and Improvement will follow up on this audit.

RWP:LS:sd

Copy to:

Mr. Bowers
Dr. Statham
Dr. Schiavino-Narvaez
Mr. Sanderson
Dr. Williams
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

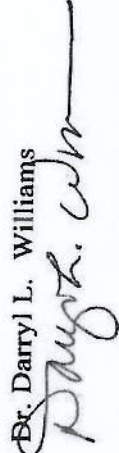
Fiscal Management Action Plan

School: Gaithersburg Middle School

Principal: Carol Goddard



Approved by associate superintendent: Dr. Darryl L. Williams



Date of approval: 12/20/13

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
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 trip.	All eligible students participating in field trip are listed on the Independent Activity Fund Remittance Slip (MCPS Form 280-34) with attached Field Trip Accounting (MCPS Form 280-41) for each deposit. Data is calculated from this information to reconcile field trip. After field trip is completed, the auditor suggested that sponsor provide the financial specialist with a comprehensive spreadsheet containing all student participation data to assist in reconciling the field trip.	Field trip accounting procedures will be reiterated and teachers will be asked to maintain and submit an excel spreadsheet or Field Trip Accounting Form (MCPS Form 280-41) containing all student participation data for upcoming field trips.	FY14 and forward will show evidence of improved field trip data collection.
Funds from sponsor must be promptly verified a deposited by the financial specialist.	Due to illness, the financial specialist was out for 6 days during collection of field trip funds. An additional staff member (Attendance Secretary) will be trained to receive and deposit funds at the bank in the event of the financial specialist would be out	Attendance Secretary will be trained January 2014	In the event of the financial specialist being unavailable, the Attendance Secretary will receive and deposit school funds.
Fund-raiser request and completion reports prepared by sponsors must provide sufficient information to analyze results	Annual candy bar sale fell short of raising money expected in FY13. Sale had two sponsors. No definite explanation of shortage. Candy is kept in secure closet. Possible that funds were not turned in by students to sponsor. Poor record keeping and obligations not issued by a sponsor.	Fund-raiser guidelines was reiterated to sponsors. The importance of accurate record keeping and determined controls to avoid shortage in anticipated funds was discussed.	Sufficient details and determined controls will be reviewed and discussed before approving future fund-raisers.