


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

June 25, 2015

MEMORANDUM

To: Ms. Elaine L. Chang-Baxter, Principal
Garrett Park Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
July 1, 2011, through April 30, 2015

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 June 18, 2015, with you, and Mrs. Jacqueline Konkus, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated August 9, 2011, 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 school activities involving the collection of disbursement of IAF should be provided an account history report each month in which transactions have been recorded in their account and or have a balance. We found this essential internal control procedure was not always being used. We noted that the administrative secretary did not routinely provide sponsors with a monthly account history report when required, and found that when issued not all sponsors were verifying and returning them. We recommend sponsors be given a monthly statement of their accounts and be required to verify that all transactions affecting the account have been correctly recorded. After any

discrepancies are resolved, the statements should be signed and dated by the sponsor to attest to their accuracy. A procedure should be established to ensure that all statements are reviewed and returned (see MCPS Financial Manual, p. 20-9).

Cash and checks collected by sponsors and other authorized individuals for IAF activities must be remitted to the administrative secretary on the day they are received, and must be accompanied by MCPS Form 280-34, *Remittance Slip*. We again found instances in which staff collecting funds for field trips were holding funds rather than remitting them timely to the administrative secretary (see MCPS Financial Manual, p. 7-4). We recommend that all staff who collect funds for school activities be reminded of remittance requirements.

Review of field trip activities again revealed that not all trip sponsors are providing completed financial information to the 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 administrative secretary when a trip is completed. 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 Form 280-41, or equivalent, and follow the procedures outlined above (see MCPS Financial Manual, p. 20-10).

Summary of Recommendations

- Monthly account history reports must be provided to sponsors for affirmation of transaction correctness and returned to the administrative secretary;
- Funds collected by sponsors must be promptly remitted intact with MCPS Form 280-34 to the administrative secretary (repeat); and
- 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 appreciated the cooperation and assistance of Mrs. Konkus, which greatly facilitated our audit. 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. Donna S. Hollingshead, associate superintendent of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:GB:sd

Copy to:

Dr. Zuckerman	Mr. Sanderson
Dr. Statham	Mrs. Chen
Dr. Navarro	Mrs. DeGraba
Dr. Hollingshead	Mrs. Milwit

Garrett Park Elementary School
4810 Oxford Street
Kensington, MD 20895

Office of the Principal

July 23, 2015

MEMORANDUM

To: Dr. LaVerne Kimball, Associate Superintendent
Dr. Donna Hollingshead, Former Associate Superintendent
Ms. Bronda Mills, Director

From: Elaine L. Chang-Baxter, ^{ELC}Principal

Subject: Response to Report of Audit of Independent Activity Funds for Period July 1, 2011
through April 30, 2015

Please find attached my proposed action steps in response to the Report of Audit of Independent Activity funds for Period July 2, 2011 through April 30, 2015 at our school.

I am really excited about the hiring of our new administrative secretary and am confident we will be able to address the concerns stated within the report.

Please feel free to meet with me regarding any questions or concerns.

Copy to:
School File

Fiscal Management Action Plan

School: Garrett Park E.S.

Principal: Elaine Chang-Baxter

Approved by associate superintendent:

Brandon A. Neale
Director 7/25/15

Date of approval: 7/25/15

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
<p>Monthly account history reports must be provided to sponsors for affirmation of transaction correctness and returned to the administrative secretary.</p>	<p>Our new administrative secretary and I will set up a monthly monitoring plan to ensure the collection of signed account history reports.</p> <p>Also, per the suggestion of our auditor, we will revise the names of some of the account managers.</p>	<p>Meet with administrative secretary 7/27/15.</p> <p>Account managers will be changed when our administrative secretary has access to SFO and learns how to change the names.</p>	<p>Monthly following the bookkeeper's visits.</p>
<p>Funds collected by sponsors must be promptly remitted intact with MCPS Form 280-34 to the administrative secretary.</p>	<p>I have some people lined up to help support our new administrative secretary the first couple of times she handles funds collected by sponsors so that she knows what to do.</p>	<p>We are inviting in a retiree the first time funds are gathered to sit with our new administrative secretary to make sure she knows what to do. We will continue to have someone sit with her until she is comfortable doing this on her own and knows what to do.</p>	<p>First deposit along with filed paperwork.</p>
<p>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 trips.</p>	<p>I have some people lined up to help support our new administrative secretary the first couple of times she handles field trip funds so that she knows what to do.</p> <p>We will re-visit field trip paperwork expectations during pre-service. Should any staff member not be in compliance following the pre-service training, I will meet with the staff member directly, noting concerns to the staff member's file.</p>	<p>Pre-service</p>	<p>Pre-service agenda and talking points along with a flip chart. These have not been created yet but will be closer to the start of pre-service.</p>

Note: A copy of the approved plan is to be sent to the Internal Audit Office, URSC, Suite 3380