


Office of Shared Accountability  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

May 14, 2015

MEMORANDUM

To: Mrs. Carole A. Sample, Principal  
Jones Lane Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period  
July 1, 2011, through March 31, 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 May 13, 2015 with you, and Mrs. Kathleen Ray, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated September 28, 2011, and the status of present conditions. We commend you for progress made on internal controls in the areas of expenditure approval and monthly monitoring of financial transactions. 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 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*. Although we noted improvement from the prior audit period, we again found that a staff member collecting field trip funds did not remit 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

- Funds collected by sponsors must be promptly remitted 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. Ray, 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. LaVerne G. Kimball, 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  
Dr. Statham  
Dr. Navarro  
Dr. Kimball  
Mr. Sanderson  
Mrs. Chen  
Mrs. DeGraba  
Mrs. Milwit

# Jones Lane Elementary School



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May 26, 2015

## MEMORANDUM

**To:** Mr. Roger W. Pisha, Supervisor, Internal Audit

**From:** Carole A. Sample, Principal *cks*  
Jones Lane Elementary School

**Subject:** Response to Report of Audit of Independent Activity Funds for the Period July 1, 2011 through March 31, 2015.

Thank you for your summary of findings and recommendations of the examinations of the financial records, reports, and internal accounting controls relating to the independent Activity Funds (IAF) for Jones Lane Elementary School for the period July 1, 2011 through May 31, 2015.

As required to complete the process and in response to the final audit report of May 14, 2015, I am sending a formal response to you within the required thirty days allowed. An action plan to address the findings and recommendations is attached.

We appreciate that you acknowledged in the report that all other matters that were discussed in the audit findings were clarified and/or satisfactorily resolved.

We are pleased that this recent audit shows continuous improvement with the record keeping at Jones Lane Elementary School. I am especially pleased that this audit showed that the two areas cited for improvement were anomalies of a few and not indicative of the majority of our staff members and sponsors who are regularly compliant with all required and mandated MCPS policies, regulations, and procedures, for school financial records and reports.

We thank Mr. George Beall for this comprehensive audit and acknowledgment of the efforts of Mrs. Kathleen Ray, administrative secretary, who assisted in providing all necessary documentation. We have begun to implement the recommendations for the two areas cited and continue to closely monitor all procedures already in place.

Cc: Dr. Kimball

