


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 3, 2017

MEMORANDUM

To: Ms. Laurie C. Jenkins, Supervisor
Outdoor Environmental Education Programs

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

Subject: Report on Audit of Independent Activity Funds for the Period
October 1, 2015, through December 31, 2016

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 fund-raisers. They are responsible for ensuring that the IAFs are administered in accordance with MCPS policies, regulations, and procedures.

The 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 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 there is compliance with MCPS policies, regulations, and procedures, and that any significant errors or omissions in the financial records are detected.

At our meeting on February 28, 2017, with you and Ms. Joanna O. Miller, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated November 13, 2015, 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. We noted that Ms. Miller began her duties in this position on August 22, 2016.

Findings and Recommendations

During our review of receipts, we noted that funds collected by staff and remitted to the administrative secretary were not always accompanied by MCPS Form 280-34: *Independent Activity Fund (IAF) Remittance Slip*. MCPS Form 280-34 is required to document the source and purpose of

plan for addressing these issues including appropriate staff training and support. The Office of School Support and Improvement will follow up on this audit.

RWP:DKH:lsh

Copy to:

Members of the Board of Education
Dr. Smith
Dr. Navarro
Dr. Statham
Dr. Zuckerman
Mr. Civin
Dr. Johnson
Dr. Lang
Dr. Williams
Mrs. Camp
Mrs. Chen
Ms. Diamond
Dr. Minus
Mr. Tallur
Mr. Ikheloa

Outdoor Environmental Education Programs
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

April 1, 2017

MEMORANDUM

To: Internal Audit Office

From: Laurie C. Jenkins, Supervisor *LW*

Subject: Response to Report on Audit of Independent Activity Funds for October 1, 2015, through December 31, 2016

I appreciate the time spent by the auditor in working with the second new administrative secretary in a year at Outdoor Environmental Education Programs (OEEP) and helping to advise us on how to move forward more efficiently and using correct procedures.

Specifically, I will:

- Review the expectation that all OEEP staff sponsoring an activity promptly remit funds collected with Form 230-34 to the administrative secretary;
- Review and monitor the expectation that funds remitted by OEEP sponsors be promptly verified and receipted by the administrative secretary;
- Ensure that MCPS Form 280-71A: *Information on School-Based Small Grant Award* be completed for each new small grant, and that a process be created locally to monitor the grants to ensure compliance with the grant terms;
- Ensure that grant accounts with no transaction activity are closed and consolidate with those with a similar purpose.

If you have any questions, please feel free to contact me by e-mail or by telephone at, 240-740-1404.

LCJ:jm

Copy to:
Dr. Eric Minus
Mr. Scott Murphy