


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

August 4, 2014

MEMORANDUM

To: Mr. Leroy C. Evans, Principal
Col. Zadok Magruder High School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
May 1, 2013, through May 31, 2014

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 July 17, 2014 with you, Miss. Joyce Offutt, business administrator, and Ms. Kristie Hughes, financial specialist, we reviewed the status of the conditions described in our prior audit report dated June 28, 2013, 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 have a complete class or club roster of student names and annotate how much each student and chaperones paid, date paid, eligible students who did not participate in the trip, and students who received waivers, scholarships or reduced fees. This data should be

provided to the financial specialist at the completion of each trip, and compared to remittances recorded in the trip account reconciliation report. The data should also be used to estimate future trips. We found not all sponsors are submitting completed data at the conclusion of each trip, and that data is not being compared to the final account reconciliation report nor used for planning future trips. We also found instances when sponsors held money, and trips that were not appropriately priced resulting in fees collected that exceeded sums needed to pay for a trip. We recommend trip sponsors use MCPS Form 280-41, *Field Trip Accounting*, or its equivalent, for recording of trip fees and provide complete data at the completion of each trip. We further recommend that sponsors be counseled to promptly remit funds collected, and that trip planning be reviewed to ensure established fees are commensurate with trip expenses (see MCPS Financial Manual, p. 20-9).

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.

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. Christopher S. Garran, associate superintendent of high schools. The Office of School Support and Improvement will follow up on this audit.

RWP:MJB:sd

Copy to:

Mr. Bowers
Dr. Navarro
Dr. Statham
Mr. Sanderson
Dr. Garran
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen

Edmund
9/6/14

Attachment

Fiscal Management Action Plan

School: Magruder HS

Principal: Leroy Evans

Approved by community superintendent: [Signature] Date of approval: 9/22/14

| 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 the trip. | <ul style="list-style-type: none"> School Business Administrator (SBA) and School Financial Specialist (SFS) presented at the pre-service staff meeting and reviewed MCPS policies and procedures related to sponsors financial responsibilities including field trips. The SFS prepared and will issue an information packet for each sponsor of a field trip. The packet includes all forms and detailed instruction for completing the field trip in accordance with MCPS policies and procedures. Check list regarding the handling of funds and timely deposits shared with all staff and also posted in our T:Staff shared folder. | August 21, 2014 | Agenda |
| | | August 25, 2014 | Packet |
| | | August 25, 2014 | Check list |
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Note: A copy of the approved plan is to be sent to the Internal Audit Office, CESC, Room 11.