


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 24, 2013

MEMORANDUM

To: Mrs. Jennifer L. Webster, Principal
Thomas W. Pyle Middle School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
July 1, 2011, through December 1, 2012

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 teleconference on January 4, 2013, with you and Mrs. Mary Baur, financial specialist, we reviewed the status of the conditions described in our prior audit report dated September 2, 2011, and discussed further actions needed to strengthen the accountability for IAF resources. 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

As part of our review of field trips, we noted an accumulation of funds in the general field trip account. Our analysis indicates these funds were fees collected from students in excess of the amount required to offset trip expenses. Field trip fees should be calculated as nearly as possible

to exactly offset trip expenses (see MCPS Finance Manual, p. 20-9). We recommend that field trip fee calculations are closely scrutinized and that future trips be subsidized using current excess funds until they are exhausted.

Summary of Recommendations

- Field trip planning should be reviewed to ensure established fees are commensurate with trip expenses (repeat).

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, community superintendent. 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

Dr. Marks

Dr. Garran

Mrs. DeGraba

Mrs. Milwit

Mrs. Chen

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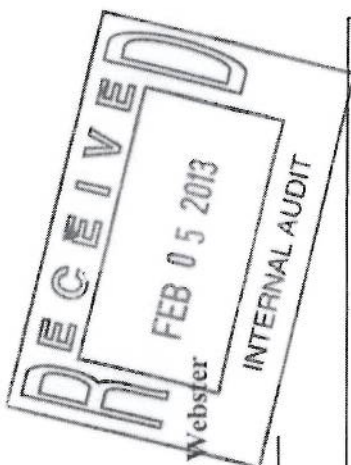
Fiscal Management Action Plan

School: Thomas W Pyle MS

Principal: Jennifer Webster

Approved by community superintendent: 

Date of approval: 2/1/13



Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
<p>Finding: Accumulation of funds in the general field trip account due to amount collected from students in excess of amount required to offset expenses.</p> <p>Recommendation: Field trip planning should be reviewed to ensure established fees are commensurate with trip expense and future trips be subsidized using current excess funds.</p>	<p>Resolution: The "Field Trip Expense Calculator" form provided by the county will be used and reviewed in planning all trips to ensure fees commensurate with expenses. As recommended, excess funds will be used to subsidize future trips and fund activities/items that will promote the general welfare, education and morale of students.</p> <p>Persons Responsible: Principal, Financial Specialist, Field Trip Sponsor(s)</p>	Ongoing	Each field trip file will contain an expenses calculator form and the general field trip account will reflect a reduction in balance.

Note: A copy of the approved plan is to be sent to the Internal Audit Office, CESC, Room 11.