


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

February 1, 2012

MEMORANDUM

To: Dr. Debra S. Munk, Principal
Rockville High School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
June 1, 2010, through November 30, 2011

This audit report presents the results of our examination of the financial records, reports, and internal accounting controls relating to the Independent Activity Funds (IAF) for your school for the period designated above. The examination was made to evaluate the adequacy of accountability over these funds, compliance with applicable Montgomery County Public Schools (MCPS) policies and procedures, and effectiveness of IAF management.

In our meeting on January 26, 2012, with you, Mrs. Patricia Gamage, business administrator, and Mrs. Bernadette Rager, financial specialist, we reviewed conditions described in our previous report dated July 16, 2010, and the status of present conditions. Our findings and recommendations appear below.

Findings and Recommendations

In order to properly control receipts, cash and checks collected by sponsors for IAF activities should be remitted promptly to the financial specialist, and accompanied by a complete MCPS Form 280-34, *Remittance Slip*. Cash should be counted in the presence of the remitter, and a receipt that is supported by the remittance slip should be issued promptly. We again found instances in which funds were held rather than remitted and deposited on a daily basis by sponsors of field trips, fundraisers, AP exam fees and transcripts. We also noted that not all sponsors were using the most updated MCPS Form 280-34, and the financial specialist was not always signing or indicating receipt number on remittance slip. To improve controls, we recommend adoption of the procedures in the MCPS Financial Manual (see MCPS Financial Manual, p. 7-4).

Fund raising at the school must conform to the *Guidelines for Sponsoring an Independent Activity Fund Fund Raiser*. Although the sponsors are submitting fund raiser request and completion reports, and all requests are signed by the business administrator and you, most completion forms did not provide sufficient information to analyze results. Most reports did not include accurate figures for the total merchandise available for sale, selling prices, or remaining inventories, thus it was not possible to determine whether all sums collected were remitted to the financial specialist. We found one fund raiser where a portion of the sales proceeds was not deposited into the IAF checking account, but into the Music Booster private account. Following internal control procedures provides

for accountability of funds raised as well as the opportunity to evaluate the results at the conclusion of the event.

Sponsor of field trips should have a complete class or club roster of student names and annotate how much each student paid and when, students who did not participate in the trip, and students who received waivers, scholarships or reduced fees. This data should be turned in to the financial specialist at the completion of each trip, and compared to remittances recorded in the trip IAF account. The data should also be used to estimate future trips. We found not all sponsors are turning in 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 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 trip planning be reviewed to ensure established fees are commensurate with trip expenses (see MCPS Financial Manual, p. 20-9).

Summary of Recommendations

- Funds collected must be promptly remitted by sponsors to the financial agent using MCPS Form 280-34 (repeat);
- Fundraiser completion reports prepared by sponsors must provide sufficient information to analyze results; 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.

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. Donna S. Hollingshead, community superintendent. The Office of School Performance will follow up on this audit.

RWP:MJB:sd

Copy to:

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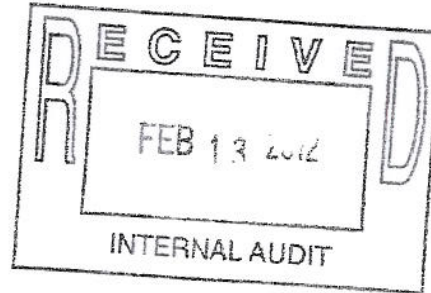
February 13, 2012

MEMORANDUM

To: Mr. Roger Pisha, Supervisor
Internal Audit

From: *DM*
Debra S. Munk, Principal

Subject: Response to Report on Audit of Independent Activity Funds
for the Period June 1, 2010 through November 30, 2011



The following steps are being taken as a result of the findings and recommendations stated in our audit report.

- Have stressed to several sponsors individually the necessity of submitting on a daily basis to the finance office all funds collected. Sent the updated Remittance Slip, MCPS Form 280-34, to all staff.
- Have received the updated Profit and Loss form from the audit department. Emailed this form to all fund raiser sponsors. Have reiterated to the music department that fund raisers that involve the students must have all funds remitted to the school and all expenses paid from the same account.
- Have sent out the Field Trip Accounting, MCPS Form 280-41, to all staff who conducted a field trip this year. Stressed the importance of submitting this as soon as they have completed collecting funds for the trip. Field trips are not being approved unless the new MCPS worksheet is attached.

If you have any questions, please do not hesitate to call me.

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Copy to:
Dr. Hollingshead