


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 4, 2012

MEMORANDUM

To: Mrs. Jennifer L. Connors, Principal
Rolling Terrace Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
December 1, 2008, 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 indicated 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 December 16, 2011, with you, Mr. Evan Bernstein, assistant principal, and Ms. Marion Williams, administrative secretary, we reviewed conditions described in our previous report dated February 2, 2009, and the status of present conditions. We noted you have assigned Mr. Bernstein oversight responsibility to improve accountability for field trips, and taken steps to encourage daily remittance of funds. Your awareness of the need for effective internal controls is appreciated. Our findings and recommendations appear below.

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*. We found instances in which staff collecting funds for trips were holding funds rather than remitting them timely to the administrative secretary (see MCPS Financial Manual p. 7-4), and instances in which a remittance slip was not being completed for each remittance. We provided a highlighted extract from the MCPS Financial Manual setting out the requirements for completion that can be used to train staff.

Review of field trip activities 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. 20-9).

Sponsors of school activities which involve the collection or disbursement of IAF should be provided an account statement for each month in which transactions have been recorded in their account. We recommend sponsors be given a monthly statement of their accounts and be required to verify that all transactions affecting the account have been correctly recorded. After any discrepancies are resolved, the statements should be signed and dated by the sponsors to attest to their accuracy. A procedure should be established to ensure that all statements are reviewed and returned (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;
- 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; and
- Monthly account transaction statements must be provided to sponsors to affirm correctness.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff, especially Ms. Williams. 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 Ms. Bronda L. Mills, community superintendent. The Office of School Performance will follow up on this audit.

RWP:HK:sd

Copy to:

Mr. Bowers
Dr. Lacey
Mr. Talley
Ms. Mills
Mrs. DeGraba
Mrs. Milwit
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Rolling Terrace Elementary School

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January 23, 2012

RECEIVED
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MEMORANDUM

To: Ms. Bronda Mills
Community Superintendent

From: Jennifer Connors, Principal
Rolling Terrace Elementary School

Subject: Response to Report on Audit of Independent Activity Funds for the Period December 1, 2008 through November 30, 2011

This Memorandum is being written at the request of Roger W. Pisha, Supervisor, Internal Audit, as a response to his Findings and Recommendations Report dated January 4, 2012.

The auditor's findings and recommendations centered on field trips and IAF funds. The areas of recommendation were regarding the following:

- Daily remittance of funds collected by sponsors and other authorized individuals for IAF to the administrative secretary utilizing MCPS form 280-34, Remittance Slip.
- Trip sponsors need to provide completed financial information to the administrative secretary at the completion of the trip with MCPS Form 280-4, Field Trip Accounting
- Provide each sponsor a monthly account statement in order to have all transactions verified and any discrepancies corrected.

I have worked with my Administrative Secretary, Ms. Williams and my Assistant Principal, Mr. Bernstein to implement the recommendations regarding field trips and other IAF accounts. Specifically:

1. Staff is using MCPS form 280-34, Remittance Slip, as the only way to submit funds to Ms. Williams. This document is now attached to the field trip collection envelopes distributed to teachers for each field trip. Mr. Bernstein is also providing staff both verbal and written reminders of this expectation.
2. Field trip sponsors are using MCPS form 280-41, Field Trip Accounting to provide completed financial information to Ms. Williams to close out each field trip. Each field trip also has an individual file to ensure the accounting procedures for field trips are properly completed.
3. Sponsors are receiving monthly statements of their IAF accounts. They are verifying the information and working with Ms. Williams to resolve any discrepancies. Each sponsor is signing the monthly statement and submitting them to Ms. Williams. Mr. Bernstein is following up with sponsors who do not follow through with this expectation

If you require additional information or to discuss this response with me, please feel free to contact me.