


Office of Shared Accountability  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

May 9, 2014

MEMORANDUM

To: Ms. Marlene R. Kenny, Principal  
Carl Sandburg Learning Center

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period  
November 1, 2011, through January 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 April 28, 2014 with you, and Mrs. Amy Knestout, administrative secretary, we reviewed the status of the conditions described in our prior audit report dated January 4, 2012, 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

To ensure that students are not overcharged for field trip participation, the sponsor is responsible to calculate the cost of a trip so that the total amount of fees collected from students for the trip neither generates a profit nor incurs a loss for the activity (see MCPS Financial Manual, p. 20-9).

We noted that fees collected for the field trips analyzed exceeded the costs needed to pay for the trips. When requesting a field trip using the Department of Transportation's WebTrips system, acceptance of the fund source "SPD Special Schools" results in no cost to the school for the buses. Due to staff not being aware that the expense of buses for the school field trips was paid for by the Office of Special Education and Student Services (OSESS), this cost was routinely entered into the field trip calculator that determined an amount to charge students that was greater than necessary to pay expenses for field trips. We recommend that sponsors be apprised to enter zero cost for buses in the field trip calculator when this expense is funded by OSESS to yield a total cost that more closely aligns fees to be collected with costs for the trips so that students are not overcharged.

#### Summary of Recommendations

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

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. Myra J. Smith, associate superintendent of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:MS:sd

Copy to:

Mr. Bowers  
Dr. Statham  
Dr. Schiavino-Narvaez  
Mr. Sanderson  
Dr. Smith  
Mrs. DeGraba  
Mrs. Milwit  
Mrs. Chen

# Carl Sandburg Learning Center

June 26, 2014

## MEMORANDUM

To: Roger W. Pisha, Supervisor, Internal Audit  
From: Marlene R. Kenny, Principal  
Subject: Response to IAF Audit Report

Our IAF financial records were complete and in good condition. Following is the response to Mrs. Shull's recommendations:

- Field trip planning should be reviewed to ensure established fees are commensurate with trip expenses. We were unaware that the special education department resulted in a no cost to the school for buses.

Mrs. Shull noted the following items as receiving positive feedback:

- Cash receipts – all money is deposited daily as needed
- Fundraisers are completed with specific and required paperwork

I meet with our visiting bookkeeper and/or Ms. Amy Knestout bi-weekly to review our IAF records and reports to ensure accuracy and appropriate following of the MCPS guidelines and policies.

I sincerely appreciate Mrs. Shull's review and efforts in a thorough audit of our records. His expertise is greatly appreciated.

Copy to:

Dr. Myra Smith