


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

June 14, 2017

MEMORANDUM

To: Mrs. Susan Shenk, Principal  
Travilah Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period  
March 1, 2014, through April 30, 2017

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 and are charged with determining the manner in which funds are raised and expended for activities such as field trips, admission events, and fund-raisers. They are responsible for ensuring that the IAFs are administered in accordance with MCPS policies, regulations, and procedures.

The 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 the 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.

At our June 2, 2017, meeting with you and Mrs. Patricia W. Hairston, school administrative secretary, we reviewed the status of the conditions described in our prior audit report dated April 17, 2014, 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

Review of field trip activities reveal that not all field trip sponsors are providing completed financial information to the school 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 school administrative secretary when a trip

is completed (refer to *MCPS Financial Manual*, chapter 20, page 10). The record of the names of participants and funds collected submitted by the sponsor strengthens internal controls by enabling the reconciliation of these funds to the amounts recorded in the field trip account. We recommend all sponsors be required to use MCPS Form 280-41 or equivalent, and follow the procedures outlined above.

Aggregate school expenditures of general funds for the procurement of refreshments in connection with meetings and staff appreciation items may not exceed \$60 per full-time equivalent (FTE) per fiscal year without the prior written authorization from the chief operating officer (COO) (refer to *MCPS Financial Manual*, chapter 20, page 5). We found that you exceeded the total amount allowed in Fiscal Year 2016, without the approval of the COO. We recommend that you adhere to the MCPS requirements for these transactions.

#### 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 (**repeat**).
- Total combined expenditures for staff appreciation and meeting refreshments may not exceed \$60 per FTE per fiscal year without prior approval of the COO.

Other matters were discussed and satisfactorily resolved. We appreciate 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 Unit within 30 calendar days of this report through Ms. Loretta M. Favret, director of school support and improvement of elementary schools. In your response, please share a detailed plan for addressing these issues, including appropriate staff training and support. The Office of School Support and Improvement will follow up on this audit.

RWP:RCM:lsh

#### Copy to:

Members of the Board of Education  
Dr. Smith  
Dr. Navarro  
Dr. Statham  
Dr. Zuckerman  
Mr. Civin  
Dr. Johnson  
Dr. Kimball  
Mrs. Camp  
Mrs. Chen

Ms. Diamond  
Ms. Favret  
Mr. Tallur  
Mr. Ikheloa





June 21, 2017

## MEMORANDUM

To: Mr. Roger W. Pisha, Supervisor, Internal Audit

From: <sup>SJS</sup> Susan J. Shenk, Principal

Subject: Audit of Independent Activity Funds for March 1, 2014 through April 30, 2017

The purpose of this memorandum is to respond to the finding of Richard Minor, Internal Auditor during the recent audit of Independent Activity Funds (IAF) for Travilah Elementary School for the period of March 1, 2014 through April 30, 2017.

Mrs. Patricia Hairston, administrative secretary and the principal met with Mr. Minor to discuss the areas of concern and make corrections.

- Accounting of field trips has been reviewed with all teachers and sponsors. Training will take place again during preservice and individually throughout the year, as needed. They have been instructed to record the cost and fee information for each trip on the correct MCPS forms and submit these forms to the administrative secretary. The names of the students eligible to participate will be listed and the teachers will reconcile the funds collected with the cost of the trip.
- Careful calculation and accounting for refreshments for staff meetings and staff appreciation of \$60 per staff FTE per fiscal year will be done. All expenses for staff meetings and staff appreciation will be recorded in the appropriate account to enable monitoring of these sums.

Meeting with Mr. Minor was a pleasure. His knowledge and expertise was extremely helpful. We appreciate the care he took while investigating our records and his professionalism and competence is outstanding.

Copy to:  
Ms. Loretta Favret, Director of School Support and Improvement

## Fiscal Management Action Plan

School: Travilah Elementary School

Approved by Director of School Support and Improvement: Loretta Favret *LF*

Principal: Susan J. Shenk

Date of approval: 6/26/17

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
<p><b>Field trip accounting</b> 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 trip.</p>	<p>Sponsors will use MCPS Form 280-41 to provide complete class rosters and note how much each student has paid, include the date, and any waivers or scholarships for students. At the completion of the trip, sponsors will check to make sure that the trip account history report matches with the funds they have collected. Sponsors will plan carefully to ensure that they do not overcharge or undercharge for a trip for students. Sponsors to record trip fees and provide complete data at the end of each trip. Trip planning will be reviewed by the administrative secretary and the principal to ensure that fees are appropriate.</p> <p>The administrative secretary will keep all supporting documentation for each field trip together.</p> <p>Person(s) Responsible: Administrative secretary, Teachers, sponsors, principal</p>	<p>Pre-service and individually throughout the year, as needed.</p>	<p>Completed Form 280-41 and any additional documents relevant to each trip.</p> <p>Final balances verify that trip expense was appropriately calculated</p>
<p><b>Staff Appreciation and Staff Refreshments</b> Total combined expenditures for staff appreciation and meeting refreshments may not exceed \$60 per FTE per fiscal year without prior approval of the COO.</p>	<p>Careful calculation and accounting for refreshments for staff meetings and staff appreciation of \$60 per staff FTE per fiscal year will be done. All expenses for staff meetings and staff appreciation will be recorded in the appropriate account to enable monitoring of these sums.</p> <p>Administrative secretary will keep all supporting documents for staff refreshments and staff appreciation.</p> <p>Person(s) Responsible: Administrative secretary, principal</p>	<p>Yearly calculations of staff appreciation allocation will be completed at the beginning of the school year.</p>	<p>Documentation of expenses will be recorded in IAF <i>meeting refreshments</i> and <i>staff appreciation</i> accounts.</p>

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