


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

June 6, 2016

MEMORANDUM

To: Ms. Virginia A. de los Santos, Principal
White Oak Middle School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
July 1, 2014, through March 31, 2016

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 May 26, 2016, with you, Mr. Peter Crable, principal assistant and Ms. Susan Krisch, financial specialist, we reviewed the status of the conditions described in our prior audit report dated November 7, 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

MCPS Form 280-54, *Request for a Purchase*, is used to obtain principal approval to proceed with an intended purchase. The purpose of each disbursement must be fully explained on this form in order to properly record expenditures in appropriate accounts, and to ensure that

expenditures comply with IAF requirements. After the purchase is completed, the purchaser must submit the invoice or documented evidence of purchase, annotated to indicate the satisfactory receipt of the goods or services, to the financial specialist (see MCPS Financial Manual, pp. 20-6, 20-7). In our sample of disbursements, we again found invoices were not always signed and dated by the receiver. We recommend that documentation be attached to Form 280-54 or the purchase card statement to confirm the purchased was received in good order.

Sponsors of field trips should have a complete class or club roster of student names to annotate the amount each student paid, eligible students who did not participate in the trip, and students who received waivers, scholarships or reduced fees. Although trip accounting was prepared for all trips reviewed, we found that not all sponsors are providing completed data at the conclusion of each trip. Some sponsors used spreadsheets to record trip accounting, but did not include all the items found on MCPS Form 280-41, *Field Trip Accounting*. We recommend that sponsors use MCPS Form 280-41, or if using a spreadsheet, include all fields present on Form 280-41. All students eligible for the trip, whether or not they attended, should be listed on the field trip accounting form.

Summary of Recommendations:

- Purchase documents must be annotated to indicate satisfactory receipt of goods or services (repeat); and
- Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate and trip accounting must include all required fields.

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 Mrs. Diane D. Morris, director of middle schools. The Office of School Support and Improvement will follow up on this audit.

RWP:SY:sd

Copy to:

Dr. Zuckerman
Dr. Statham
Dr. Navarro
Dr. Williams
Mrs. Chen
Mrs. DeGraba
Mrs. Milwit
Mrs. Morris

Fiscal Management Action Plan

School: White Oak Middle School Principal: Virginia de los Santos

Approved by associate superintendent: _____ Date of approval: _____

Findings and Recommendations of School's Financial Report	Description of Resolution And Person(s) Responsible	Timeline	Evidence of Completion
Purchase documents must be annotated to indicate satisfactory receipt of goods or services.	The findings and recommendations will be shared with all receivers. Receivers will confirm all items purchased were received in good order. All packing slips signed by the receiver as evidence of receipt to all disbursements, including purchase card statements, will be attached.	Ongoing	Documentation to 280-54 will be properly annotated to indicate the satisfactory receipt of goods. P-Card holders will remit packing slips with monthly statements marked with receiving information.
Field trip records prepared by sponsor must provide comprehensive data to account for all students eligible to participate and trip accounting must include all required fields.	The findings and recommendations will be shared with all field trip sponsors. The financial specialist will place both the MCPS Form 280-41, Field Trip Accounting and the MCPS Excel Template, Field Trip Accounting in T-shared. Sponsors will be required to use one of the two forms provided. Field trip sponsors will be informed of the need to include all eligible students and all data fields.	Ongoing	Documentation will be recorded in the Field Trip Binder, only required forms will be accepted. All forms will show comprehensive data to account for all students eligible to participate and all required fields will be included. The staff handbook field trip information will have new wording to inform and emphasize the requirements.

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