MEMORANDUM

To: Dr. Michael J. Doran, Principal
    Thomas S. Wootton High School

From: Roger W. Pisha, Supervisor, Internal Audit

Subject: Report on Audit of Independent Activity Funds for the Period
         April 1, 2013, through February 28, 2015

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 12, 2015, with you, Mr. Philip Hill, business administrator, and
Mrs. Hsiao-Ying Wu, financial specialist, we discussed actions needed to strengthen the
accountability for IAF resources. 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

Cash and checks collected by sponsors for IAF activities should be remitted promptly to the
financial specialist together with the current version of MCPS Form 280-34, *MCPS Remittance
Slip*. The funds should be counted in the presence of the remitter, and a receipt that is supported
by the remittance advice should be issued promptly (see MCPS Financial Manual, p. 7-4). We found that some sponsors held funds collected rather than remitting them to the financial specialist on the day received. To improve cash management internal controls, we recommend reminding these sponsors of the above procedures.

Summary of Recommendations

- Funds collected must be promptly remitted to the financial specialist.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff, especially Mr. Hill and Mrs. Wu. 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. Christopher S. Garran, associate superintendent of high schools. The Office of School Support and Improvement will follow up on this audit.

RWP:VAD:sd

Copy to:
  Dr. Zuckerman
  Dr. Navarro
  Dr. Statham
  Dr. Garran
  Mr. Sanderson
  Mrs. Chen
  Mrs. DeGraba
  Mrs. Milwit
# Fiscal Management Action Plan

**School:** Thomas S. Wootton HS  
**Principal:** Michael Doran  
**Approved by associate superintendent:**  
**Date of approval:** 6/25/15

<table>
<thead>
<tr>
<th>Findings and Recommendations of School's Financial Report</th>
<th>Description of Resolution And Person(s) Responsible</th>
<th>Timeline</th>
<th>Evidence of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff holding onto funds</td>
<td>Continue to meet with each staff member who holds onto funds. Review and remind all faculty about the policy in dealing with fundraisers and the money collected during pre-service week.</td>
<td>Ongoing</td>
<td>Ongoing</td>
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