MEMORANDUM

To: Mr. Travis J. Wiebe, Principal
   Wyngate Elementary School

From: Mary J. Bergstresser, Acting Supervisor, Internal Audit Unit

Subject: Report on Audit of Independent Activity Funds for the Period
         August 1, 2016, through July 31, 2019

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. School 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 the IAFs are administered in accordance with Board of Education policies, MCPS
regulations, and procedures.

The IAF audits are conducted regularly to evaluate compliance with 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 any significant errors
or omissions in the financial records are detected.

At our September 25, 2019, meeting with you and Mrs. Colleen M. Copeland, school
administrative secretary, we reviewed the status of the conditions described in our prior audit
report dated September 21, 2016, 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

Cash and checks collected for IAF activities by sponsors and other authorized individuals must be
remitted with MCPS Form 280-34, Independent Activity Fund (IAF) Remittance Slip, to the
administrative secretary on the day the funds are received. We found instances where funds were
held by sponsors until the end of the week. We recommend that all staff who collect funds for
school activities be informed of remittance requirements (refer to MCPS Financial Manual, chapter 7, page 4).

Review of field trip activities revealed that not all field trip sponsors are providing completed financial information to the school administrative secretary at the completion of a trip. Sponsors must 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 see (refer to MCPS Financial Manual, chapter 20, page 10). 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. All sponsors are required to use MCPS Form 280-41 or equivalent, and follow the procedures outlined above.

**Summary of Recommendations**

- Cash control of school funds must be in accordance with chapter 7 of the MCPS Financial Manual (repeat).
- 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).

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, using the attached form, please provide a written response to the Internal Audit Unit within 30 calendar days of this report. In your response, please share a detailed plan for addressing these issues, including appropriate staff training and support.

Prior to returning your completed audit action plan, please contact Mrs. Michelle E. Schultze, director of learning, achievement, and administration, Office of School Support and Improvement. Based on the audit recommendations, Mrs. Schultze will indicate whether she will conduct an electronic review of your action plan or schedule a time to meet in person with you and your school administrative secretary to support you with developing a well-defined plan to address the findings.

MJB:RCM:Jsh

Attachment

Copy to:

<table>
<thead>
<tr>
<th>Members of the Board of Education</th>
<th>Dr. Johnson</th>
<th>Mr. Tallur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Smith</td>
<td>Mr. Koutsos</td>
<td>Mrs. Schultze</td>
</tr>
<tr>
<td>Dr. McKnight</td>
<td>Mrs. Camp</td>
<td>Mr. Marella</td>
</tr>
<tr>
<td>Dr. Navarro</td>
<td>Mrs. Chen</td>
<td>Ms. Webb</td>
</tr>
<tr>
<td>Dr. Statham</td>
<td>Ms. Diamond</td>
<td></td>
</tr>
<tr>
<td>Dr. Zuckerman</td>
<td>Mr. Reilly</td>
<td></td>
</tr>
</tbody>
</table>
### FINANCIAL MANAGEMENT ACTION PLAN

**Report Date:** October 2, 2019  
**Fiscal Year:** October 2, 2019

**School:** Wyngate ES - 422  
**Principal:** Travis J. Wiebe

**OSSI:**  
**Associate Superintendent:** James Kouostos  
**Director:** Michelle Schultze

**Strategic Improvement Focus:**

As noted in the financial audit for the period 8/1/16-7/31/19, strategic improvements are required in the following business processes:

- Cash control of school funds; field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate and to reconcile funds

<table>
<thead>
<tr>
<th>Action Steps</th>
<th>Person(s) Responsible</th>
<th>Resources Needed</th>
<th>Monitoring Tools / Data Points</th>
<th>Monitoring: Who &amp; When</th>
<th>Results/Evidence</th>
</tr>
</thead>
</table>
| Expectations for field trips including cash control and accounting procedures reviewed with field trip coordinators and team leaders for each grade level team (pre-service) | Administrative secretary | MCPS Forms 280-41; field trip packets | MCPS Forms - | Administrative secretary; principal  
Periodically (during and after each field trip) | Thorough and complete accounting for each field trip; cash and checks submitted upon receipt |
<p>| Field trip checklist created and attached to the folder for each field trip | Administrative secretary | Checklist (see attached) | Checklist | Administrative secretary; principal | Field trip accounting and required documentation are accounted for prior to closing out the field trip |
| Presentation to full staff at staff meeting (10/21/19) by Ann Myers, visiting bookkeeper to review expectations for staff and accountability | Ann Myers | See agenda | Field trip reminders document | Administrative secretary; principal | Field trip accounting and cash control managed effectively and efficiently |
| School Financial Training Part I (February 3, 2020) | Principal | | | | Successful completion of course every three years |</p>
<table>
<thead>
<tr>
<th>Action Steps</th>
<th>Person(s) Responsible</th>
<th>Resources Needed</th>
<th>Monitoring Tools / Data Points</th>
<th>Monitoring: Who &amp; When</th>
<th>Results/Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMS Refresher Course (two half day sessions; November 8 and 15, 2019)</td>
<td>Administrative Secretary</td>
<td></td>
<td></td>
<td></td>
<td>Successful completion of course</td>
</tr>
</tbody>
</table>

**OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL**

☐ Approved  ☐ Please revise and resubmit plan by ____________
Comments: [Signature]  Date: 10-29-19