

# REGULATION

## MONTGOMERY COUNTY PUBLIC SCHOOLS

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**Related Entries:** DIA-RB, DIA-EA  
**Responsible Office:** Superintendent of Schools  
Reporting and Regulatory Accountability

### Accounting for Financial Operations/Independent Activity Funds

#### I. PURPOSE

To set forth the procedures for the audit of independent activity funds held by individual schools

#### II. PROCEDURES

The *Manual of Policies and Procedures for Administering Independent Activity Funds* provides procedures and designates persons responsible for the handling of these funds. The manual recognizes the principle that, unless otherwise specifically designated, Independent Activity Funds belong to the student body currently in attendance and may not be used to benefit staff or particular student groups. Copies of the manual may be obtained from the Department of Reporting and Regulatory Accountability (DRRA) or from the MCPS Web site.

#### FUNCTIONS OF THE INTERNAL AUDIT STAFF

Montgomery County Public Schools maintains an internal audit program as one means of providing the superintendent, deputy superintendents, associate superintendents, community superintendents, department, office, division directors, and staff with information to control the financial operations for which they are responsible. Responsibility for directing this internal audit program is assigned to the director of the DRRA who oversees that:

- A. Selected organizational units (schools and central offices) are periodically examined to see if they are performing their planning, accounting, custodial, and control functions in compliance with management instructions, applicable policies and procedures, and in a manner consistent with the *Public School Laws of Maryland* and overall MCPS objectives and written regulations of the school system.

- B. Audits are conducted in conformity with the American Institute of Certified Public Accountants standards and guidelines wherever possible and where they do not conflict with current laws.
- C. The results of the auditor's examination and recommendations for improvement of fiscal procedures are reported directly to the audited unit, the next level of administration above the audited unit, and to the superintendent as needed.
- D. Actions taken by the responsible administrator of the audited unit to correct conditions reported in the auditor's findings are reviewed to determine if they resolve those findings satisfactorily. If they do not, further discussions will be held with the administrator of the audited unit.

The audit report shall request the comments of the administrator of the audited unit on the findings in the report. The administrator shall normally provide written comments to the Internal Audit Unit with a copy to the next higher level within 30 days from receipt of the report. Such comments shall include either a description of corrective actions planned or taken or an explanation of why the administrator believes no corrective action is needed. Failure to comply with the 30-day provision shall be reported to the community superintendent or immediate supervisor who will be responsible for ensuring that the appropriate action is initiated by the operating unit.

To the extent laws and regulations allow, the director of the DRRA and the staff of internal auditors have full, free, and unrestricted access to all MCPS records, properties, and personnel.

**Regulation History:** Formerly Regulation No. 280-2, revised October 1982; reprinted April, 1988; revised October 22, 2003; revised June 20, 2006.