Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

November 23, 2026

MEMORANDUM

To: Mr. Ahmed Adelekan, Principal
James Hubert Blake High School

From: Melvin A. Phillips, Supervisor, Internal Audit Unit

Subject: Report on Audit of Independent Activity Funds for the Period January 1, 2025, through September 30, 2026

Background

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. Principals are responsible for ensuring that the IAFs are administered in accordance with:

- Board Policy
- MCPS Regulation DIA-RA
- MCPS Financial Manual

James Hubert Blake High School, located in Silver Spring, Maryland, is a Northeast Consortium school serving approximately 1,750 to 1,800 students in grades 9 through 12. The academic curriculum integrates fine arts and humanities themes, guiding students from a comprehensive Ninth Grade Academy into specialized pathways like arts and humanities, communications, business, science and technology, or engineering and math. Outside the classroom, robust extracurriculars, competitive athletic programs (home of the Bengals), and extensive fine arts productions drive a high volume of financial transactions through the school's Independent Activity Fund (IAF). During the audit period, the fund was supported by annual commissions from the Interagency Coordinating Board (ICB), student pictures, and cell tower. At the time of the audit, Blake HS reported $351,390 in total IAF assets, including $209,751 held in the Centralized Investment Fund (CIF) earning a 3.28 percent interest rate. For the fiscal year ending June 30, 2026, the school generated $636,267 in total receipts against $586,881 in disbursements, yielding a $49,386 surplus. Structurally, the school utilizes the GoFan app for digital ticketing and gate receipts, though drama productions continue to collect cash at the door.

Audit Objective

The Internal Audit Unit (IAU) uses generally accepted auditing principles to provide an audit opinion on the school's financial activity by evaluating the adequacy of internal controls and

compliance with Board of Education (Board) policies and MCPS regulations and procedures. Specifically, the audit seeks to obtain reasonable assurance that:

- Evidence of fraud was not identified within the IAF.
- Funds are safeguarded against loss, misappropriation, or misuse.
- Transactions are accurately recorded and fairly reported in the school's financial records.
- Receipts and disbursements are appropriate, properly documented, and consistent with the intended purpose of the funds.
- Instances of misappropriation, misreporting, or waste, if they exist, are identified and evaluated for materiality.

The IAU is free from organizational impairments to independence. The IAU administratively reports directly to the chief of staff of the Office of the Board of Education and functionally reports to the Montgomery County Board of Education's Fiscal Management Committee.

Methodology

The audit is not designed to examine every transaction but instead relies on risk-based sampling and other generally accepted audit procedures to provide reasonable assurance. Audit procedures include interviews with key staff, a review of prior audit findings and the status of related action plans, testing of transaction samples, and an on-site assessment of internal controls and procedures.

Audit Opinion:

Clean Opinion

Based on the results of our audit, we found no evidence of fraud or material misappropriation, misreporting, or waste within the school's Independent Activity Fund (IAF). The financial activity reviewed was recorded accurately, expenditures were properly supported and aligned with student benefits, and internal controls were operating effectively. Accordingly, we provide reasonable assurance that the school's IAF is in compliance with Board policies and MCPS regulations and procedures.

Exit Conference:

At our October 19, 2026, exit conference with you; Mrs. Sandra P. Mantua, school business administrator; and Mrs. Dawn M. Jacob, school financial specialist, we reviewed the prior audit report dated February 18, 2025, and the status of the present conditions.

We thank you for your cooperation. Based on the **Clean** status of your IAF audit, an action plan is not required.

MAP:YSG:rg

Copy to:
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