


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

December 4, 2014

MEMORANDUM

To: Mr. Carlos Hamlin, Principal
Thomas Edison High School of Technology

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
August 1, 2013, through October 31, 2014

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 November 25, 2014, with you, Mrs. Janice Johnson, interim business administrator, and Mrs. Barbara Baliles, financial specialist, we reviewed the status of the conditions described in our prior audit report dated October 21, 2013, and commend your financial staff for their efforts addressing these concerns. During the course of our examination, we noted much improvement in the areas of monthly reports and account transfers, purchases, timely remittance of funds, field trip accounting, fund-raiser completion reports, and recording of transactions in the IAF accounting software system. We encourage continued monitoring of account activity and compliance in these areas. Chapter 20 of the MCPS Financial Manual provides guiding principles to direct sound decision-making and actions for administering the IAF.

We discussed and resolved with your financial staff several other issues that did not represent material internal control weaknesses. The cooperation and assistance of your staff was appreciated. No response to this audit report is required.

RWP:MJB:sd

Copy to:

Mr. Bowers
Dr. Navarro
Dr. Statham
Mr. Sanderson
Dr. Garran
Mrs. DeGraba
Mrs. Milwit
Mrs. Chen