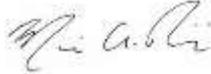


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 27, 2026

MEMORANDUM

To: Mr. Gregory Miller, Principal
Walt Whitman High School

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

Subject: Report on Audit of Independent Activity Funds for the Period
October 1, 2024, through January 31, 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
- MCPS Business Center Memoranda and Tools

Walt Whitman High School (WWHS) was founded in 1962 and is located in Bethesda, Maryland and is part of the Walt Whitman Cluster. WWHS serves over 2,000 students in grades 9, 10, 11, and 12, and nearly 200 staff members. WWHS receives donations from athletic and non-athletic booster clubs and MCPS Education Foundation grants to support the school's athletics program and other school sanctioned groups. During the audit period, the booster clubs contributed more than \$111,000 to athletics and more than \$25,000 to non-athletic activities. The school received over \$30,000 in grants from the MCPS Education Foundation. In addition, the school's student government association (SGA) held multiple fundraisers and raised over \$19,000 to benefit a local nonprofit organization. The school also received annual commissions from the Interagency Coordinating Board (ICB) and student pictures to support student initiatives and activities. WWHS reported total IAF assets of \$550,509 as of January 31, 2026. Of this balance, \$405,479 is in the Centralized Investment Fund (CIF), which pays a 3.28 percent annual interest rate. For the fiscal year ended June 30, 2025, the school reported total receipts of \$718,352 and total disbursements of \$635,058, resulting in a surplus of \$83,294.

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

No evidence of fraud or material misappropriation, misreporting, or waste was identified within IAF. The financial activity reviewed was recorded accurately, expenditures were properly supported and aligned with student benefit, and internal controls were operating effectively. Accordingly, we provide reasonable assurance that the school's IAF are in compliance with Board policies and MCPS regulations and procedures.

Exit Conference:

At our March 13, 2026, exit conference with Mr. Gregory Miller, principal, Mrs. Danielle R. Fus, school business administrator, and Ms. Christina J. Bagley, school financial specialist, we reviewed the prior audit report dated December 12, 2024, 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:HT:rg

Copy to:

Members of the Board of Education

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