MEMORANDUM

To: Mr. Christopher S. Berry, Principal
   James Hubert Blake High School

From: Roger W. Pisha, Supervisor, Internal Audit

Subject: Report on Audit of Independent Activity Funds for the Period
         July 1, 2012, through February 28, 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 April 10, 2014, with you, Mrs. Kathryn Vargo, business administrator and
Mrs. Pamela Money, financial specialist, we reviewed the status of the conditions described in our
prior audit report dated September 5, 2012, and commend you for your efforts to eliminate those
concerns. During the course of our examination, we discussed and resolved with your business staff
several issues that did not represent material internal control weaknesses. No response to this audit
report is required.

RWP:DKH:sd

Copy to:
   Mr. Bowers         Dr. Garran
   Dr. Statham        Mrs. DeGraba
   Dr. Schiavino-Narvaez Mrs. Milwitt
   Mr. Sanderson      Mrs. Chen