MEMORANDUM

To: Mrs. Rachel DuBois, Principal
Bayard Rustin Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit Unit

Subject: Report on Audit of Independent Activity Funds for the Period
May 1, 2018, through June 30, 2018

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 and are charged with determining the manner in which funds are raised and
expended for activities such as field trips, admission events, and fund-raisers. They are responsible
for ensuring that the IAFs are administered in accordance with MCPS policies, regulations, and
procedures.

The 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 the 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.

At our July 2, 2018, meeting with you, Mrs. Kathryn C. West, assistant principal, and Mrs. Peggy
E. Thompson, school administrative secretary, we discussed MCPS policies and procedures
pertaining to the IAF and the opening of a new school. We noted that you established a School
Funds Online IAF account and received your new school start-up funds. It is recommend that you
attend School Finance Basic Training, Part I, and that Mrs. Thompson attend School Finance Basic
Training, Parts I and II. No response to this report is required.

RWP:SMY:ish

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