MEMORANDUM

To: Dr. Margaret Pastor, Principal
   Stedwick Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
         May 1, 2015 through December 31, 2017

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 February 8, 2018, meeting with you, Miss DeAngela Z. Hill, assistant principal; and
Mrs. Diane F. Adams, school administrative secretary, we noted that there were no findings
contained in our prior audit report dated May 21, 2015, as well as this one. You and your staff are to
be commended. No response to this report is required.

RWP:GWB:1sh

Copy to:
   Members of the Board of Education
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