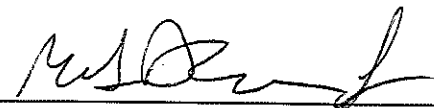


**Prince George's County Public Schools
Internal Audit Department
School/Office: CMIT North**

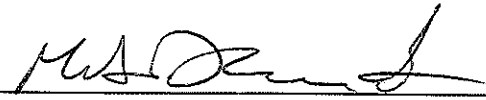
Response Date 01/08/2018

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	<u>Status</u> Implemented Partially Implemented Not Implemented
1.	<u>2018.01:</u> <u>Comingling of Funds with Affiliated Organization (PTO)</u>	The School and the PTO should take steps to transfer ownership of the fundraiser to the PTO and write a check for the remaining Giant Fundraiser balance to the PTO.	Concur	PTO will be informed that any fundraiser or activity must be completed in either the PTO's name or the school's name. To prevent comingling of funds, PTO will no longer take over a fundraiser initiated by the school.	10/05/2017	Implemented
2.	<u>2018.02:</u> <u>Administration of Voided Checks</u>	The bookkeeper should review the APM to become familiar with the BOE policies and procedures and requirements pertaining to voided checks.	Concur	Going forward, the bookkeeper will ensure to enter voided checks in the system, even if the check was not used. Also, the proof sheet will be signed by the Principal to ensure approval was provided.	10/05/2017	Implemented
3.	<u>2018.03:</u> <u>Fundraiser Forms</u>	The bookkeeper should review the APM to become familiar with the BOE policies and procedures and requirements pertaining to fundraisers as documented in the Administrative Policy 5135.1	Concur	In this case, the fundraiser completion form was not completed. Although the Accounting Procedures Manual does not state the exact forms to complete, the bookkeeper will adhere to the AP 5135.1, which outlines the required forms.	10/05/2017	Implemented

Principal Signature 

Date 1/8/2018

4.	<u>2018.04:</u> <u>Delinquent</u> <u>payment of</u> <u>vendor invoices</u>	The bookkeeper must ensure vendor payments are issued timely, within 30 days of receipt or by due date on the invoice.	Concur	All bills will be paid at the time due, as it has been in the past years. The bookkeeper will be mindful of invoices that may soon become outstanding.	10/05/2017	Implemented
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Principal Signature 

Date 11/8/2018

Confidential

PBA _____ Approved by _____

Date 10/5/2017

W/P No F

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**CMIT North Middle/High School
Audit of Student Activity Funds
Finding Sheet
For the Period July 01, 2016 – August 31, 2017**

2018.01: Comingling of Funds with Affiliated Organization (PTO)

Condition:

There was comingling of Student Activity Funds with the school's PTO. The PTO fundraiser through Giant was deposited in the school's checking account. Also, the school paid for the outstanding balance of the Yearbook which the PTO was responsible for.

Criteria:

The APM Section 6.0, *Affiliated Organizations*, states that, funds collected by outside/affiliated parent organizations should not be accounted for in the SAF. This includes booster clubs, advisory groups, Parent Teacher Associations (PTA), and Parent Teacher Student Association (PTSA). These funds shall be handled by that organization and cannot be commingled with the funds of the school. At no time shall the school allow outside groups or organizations to use the school's name or letterhead or tax exempt number. Neither should they obligate the school or use the school's checking account to deposit or disburse funds.

Cause:

According to the bookkeeper, the PTO took over responsibility of the Yearbook when the teacher in-charge of the Yearbooks left the school.

Effect:

The school could be held liable for liabilities of affiliated organizations.

Recommendation:

The school and the PTO should take steps to transfer ownership of the fundraiser to the PTO and write a check for the remaining Giant Fundraiser balance to the PTO.

Auditor _____ Date _____

Principal _____ Date _____

Bookkeeper _____ Date _____

By signing this form, you agree that the findings for the audit period 07/1/2016 – 08/31/2018, which is the basis for the audit report, has been discussed with you in detail. Copies of the findings have been provided to the school for their records.

**CMIT North Middle/High School
Audit of Student Activity Funds
Finding Sheet
For the Period July 01, 2016 – August 31, 2017**

2018.02: Administration of Voided Checks

The following exceptions were noted relative to administration of voided checks:

- ***Voided Check Proof Sheets Not Approved*** - There were **5** instances where voided checks proof sheets were not approved by the principal.
- ***Voided Checks Not Entered in the Accounting System*** - There were **5** instances where voided checks were not entered into the accounting system.

Criteria:

The 2008 School Accounting Manual Section 4.5.3 on *Cash Disbursements, Voiding Checks*, provides the following guidelines regarding the administration of checks, “when voiding a check, the physical check must still be accounted for. The word “VOID” is required to be written across the face of the check. The signature portion of the check must be cut off and destroyed. The check must also be voided in the computer. A SFEP should also be completed and approved by the principal, noting the check was voided.”

Cause:

The bookkeeper was not aware that the voided checks proof sheets were required to be approved by the principal. Also, the bookkeeper was not aware that checks that were voided due to printing errors were still required to be entered in SFO.

Effect:

The principal and bookkeeper did not follow the policies and procedures specified by the BOE regarding administration of checks. Inappropriate administration of checks exposes the school to fraud, waste, and abuse of its resources. Failure to properly void checks could result in unauthorized check use and negotiation.

Auditor _____ Date _____

Principal _____ Date _____

Bookkeeper _____ Date _____

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Confidential

PBA _____ Approved by _____
Date 10/5/2017
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**CMIT North Middle/High School
Audit of Student Activity Funds
Finding Sheet
For the Period July 01, 2016 – August 31, 2017**

Recommendation:

The bookkeeper should review the APM to become familiar with the BOE policies and procedures and requirements pertaining to voided checks.

Auditor _____ Date _____

Principal _____ Date _____

Bookkeeper _____ Date _____

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**CMIT North Middle/High School
Audit of Student Activity Funds
Finding Sheet
For the Period July 01, 2016 – August 31, 2017**

2018.03: Fundraiser Forms

Condition:

The Fundraiser Completion Form Cheerleaders fundraiser held and the Annual Fundraiser Summary Report were not completed in FY2017.

Criteria:

Administrative Procedure 5135.1, *Fund Raising* requires the completion of Fundraiser Request and Authorization Forms, the Fundraiser Completion Form and the Annual Fund Raising Summary Report for fundraising events held by schools.

Cause:

The bookkeeper was not aware that a fundraiser completion report and the annual fundraiser summary reports were required to be completed.

Effect:

Financial records are not complete and profit/loss ratio of fundraisers conducted could not be determined. The school is not in compliance with the Administrative Policy 5135.1 regarding administration of fundraising events.

Recommendation:

The bookkeeper should review the APM to become familiar with the BOE policies and procedures and requirements pertaining to fundraisers as documented in Administrative Policy 5135.1.

Auditor _____ Date _____

Principal _____ Date _____

Bookkeeper _____ Date _____

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**CMIT North Middle/High School
Audit of Student Activity Funds
Finding Sheet
For the Period July 01, 2016 – August 31, 2017**

2018.04: Delinquent payment of vendor invoices

Condition:

There were 2 instances during the audit period where payments to vendors were not made timely.

Criteria:

Invoices should be paid within 30 days of receipt. The Principal should review invoices and statements for past due amounts and ensure that payments are made in a timely manner.

Cause:

In one instance, the bookkeeper was not aware that there was an outstanding check until the system was rendered unavailable for end of year close out by TRA. In the other instance, the check was school was not aware about this obligation for Yearbook since the PTO was in-charge of the Yearbook.

Effect:

Delinquent payments of invoices could force the vendor to place the BOE's account with a collection agency where significant collection fees could be assessed.

Recommendations:

The bookkeeper must ensure vendor payments are issued timely, within 30 days of receipt or by due date on the invoice.

Auditor _____ Date _____

Principal _____ Date _____

Bookkeeper _____ Date _____

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