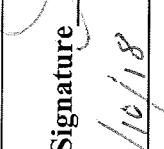


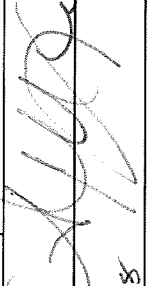
**Prince George's County Public Schools
Internal Audit Department
School/Office: Hollywood Elementary School**

Response Date: June 29, 2018; revision & resubmission July 10, 2018

Findings	Recommendations	Concurrently	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
<p>1. <u>2018.01 Mismanagement of Funds Received</u></p>	<p>The principal must ensure that internal controls are implemented, including periodic review of financial records, to ensure that all funds received are remitted and deposited timely. The principal and bookkeeper should plan the purchase and funding of future agenda books to ensure the source and use of funds are matched. When it is determined that the students will purchase the agenda books, then the funds collected should be posted to the Restricted Agenda Books account and a disbursement from that same account for the purchase should be evident.</p>	<p>Concurrently</p>	<ul style="list-style-type: none"> The Bookkeeper and Principal will have monthly meetings after receiving the bank statement; and review all deposits to ensure they were deposited to the correct account(s). As for the agenda books, when the agenda books are purchased through Oracle, students will not be charged. This is the plan moving forward; however, if a change is needed/required, the agenda books will be purchased through the School Checking Account and students will be charged. Bookkeeper will ensure that funds received are being deposited to the correct account. To ensure that all funds are received to match the Money Transmittal Form (MTF), the bookkeeper will not accept any funds without a receipt/summary of funds/register total/financial report, to ensure that the amount on the report matches the amount on the MTF. Bookkeeper will pay closer attention, and I will go through the MTF's monthly to ensure the deposits match the MTFs received. As for the money that was found, the school has purchased a safe. Staff will be required to drop money (properly secured) into the drop safe, instead of having unaccounted funds lingering without being accounted for. Bank Deposits will be made on a daily basis and will not be held overnight. There will be a designated time to make bank deposits. Money under \$50 is allowed to stay overnight in the safe, however, it must be deposited the next day. 	<p>March 19, 2018</p>	<p>Implemented</p>

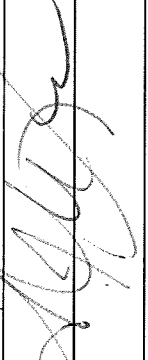
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2.	<p><u>2018.02</u> <u>Mismanagement of Disbursements</u></p>	<p>A. The principal should establish procedures to ensure that all disbursements are made in accordance with the APM. B. The recordkeeping staff should ensure that all invoices, including reimbursement requests, are processed timely. Staff should be reminded that invoices and reimbursement requests are required to be submitted timely for payment.</p>	<ul style="list-style-type: none"> • Bookkeeper and Principal met and discussed the new regulations that will be shared with all staff upon their return for the 2018-2019 school year (proper procedure). • Staff will be informed that all purchases must be approved before purchase and all receipts must be submitted within 10 business days of purchase for reimbursement. Staff will be notified both verbally and in writing, the policies of reimbursements to ensure that all reimbursements are being processed within 30 days. • As for invoices, they will be given to the Principal first, for review and then the invoices must be paid within 20 days of receipt. • Principal will no longer sign reimbursement checks written for herself. There are three (3) active signers on the account to avoid this from happening. Previously, there were only two (2) signers forcing the principal to sign her own reimbursement checks. 	<p>March 19, 2018</p> <p>Implemented</p>
3.	<p><u>2018.03 Depository Safe Not on School Premises</u></p>	<p>The principal should ensure that a drop safe is purchased and installed in a location that is accessible to staff. A safe log should be established to document when individuals place funds in the drop safe. The principal should complete periodic reviews of the safe and safe log to ensure compliance.</p>	<ul style="list-style-type: none"> • A drop safe was purchased on April 22nd, 2018. A work order (Work Order Number: 190274) has been submitted for it to be bolted in place. Once bolted, the staff will be notified of the drop box procedure and proper usage. • Bookkeeper will check the drop safe daily (each morning) and follow proper procedure for receiving money & MTF documents. There will be a safe log for staff members to note if any monies were dropped in the safe and this will be monitored by Administration and the Bookkeeper daily. 	<p>April 22, 2018</p> <p>Implemented Partially – waiting for work Order to be completed</p>
4.	<p><u>2018.04 Transactions Not Properly Recorded</u></p>	<p>Due care should be exercised when recording transactions to ensure correct posting and accurate financial reporting. The principal should complete periodic reviews of receipts and disbursements to ensure</p>	<ul style="list-style-type: none"> • The Bookkeeper and Principal have discussed ways to prevent money from not being accounted for. • Bookkeeper will never receive/accept money without a MTF nor will she receive a MTF without the supporting documentation that will support the monetary amount on the MTF. • The Principal will review all deposits prior to the amounts being posted in School Funds Online (SFO) to ensure that they are 	<p>March 19, 2018</p> <p>Implemented</p>

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		<p>transactions are posted accurately. The recordkeeping staff must be held accountable for accurately recording financial transactions.</p>		<p>being recorded into the proper account. If Bookkeeper has additional questions that cannot be addressed/understood, Bookkeeper will reach out for support via a specialist from School Accounting.</p>		
<p>5. <u>2018.05</u> <u>Principal Sponsored Activity (PSA) Fund Account Deficit</u></p>	<p>The principal should work towards the elimination of this deficit. This can be accomplished by discontinuing expenditures from this account and only transferring authorized vending and fundraising profit proceeds until the deficit is completely resolved. The principal and recordkeeping staff should review the APM to ensure that expenses are posted accurately to reflect the balance on each account.</p>	<ul style="list-style-type: none"> Principal will not be sponsoring any activities, requiring PSA funding, until the Principal Sponsored Account (PSA) deficit is reconciled/cleared/no longer has a negative balance. Bookkeeper and Principal will meet and review (monthly) the books/documents to ensure all profits from fundraisers are being transferred correctly. Bookkeeper and Principal are working on sponsoring additional fundraisers this school year to help decrease the PSA deficit. 		<p><i>In Progress</i></p>		<p>Partially Implemented</p>
<p>6. <u>2018.06</u> <u>Unauthorized Transfer of Funds</u></p>	<p>The principal must implement procedures to ensure that only allowable transfers from the PY Carryover account are completed with appropriate documentation and approval the Accounting and Financial Reporting Office. Review of financial reports and fundraiser documentation must be performed by the principal to ensure that transfers are performed as</p>	<ul style="list-style-type: none"> Principal discussed with the Bookkeeper, any transfers from Prior Year Carryover (PYC) we will only be initiated by the Principal and proper protocol will be followed/adhered to. Use of PYC funds will be the last result (after exhausting all funds from fundraisers) unless it is at the beginning of the year when it is allowed. Bookkeeper and Principal will refrain from doing any transfers from PYC, unless it is absolutely necessary. 		<p>March 19, 2018</p>		<p>Implemented</p>

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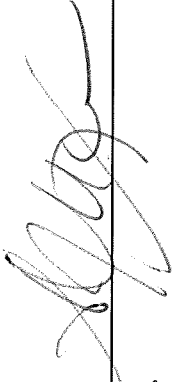
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<p>7. <u>2018.07</u> <u>Administration of Voiced Checks</u></p>	<p>required. A. The principal should establish and document procedures to ensure that there is proper administration of voiced checks. B. Voiced checks should be properly mutilated, have a completed VCPS on file, signed by the principal and entered into SFO. C. The principal should complete a periodic review of voiced checks to ensure compliance with BOE policies and procedures. All check signers must take the time to become familiar with the policy and procedures set forth in the APM regarding voiding checks.</p>	<p>Bookkeeper is aware that all <i>voiced checks</i> will be properly voided through SFO and be marked as voided checks. Bookkeeper is also aware that all voided checks must have a VCPS on file, attached to the voided check, and signed by both the Bookkeeper and Principal. Principal will review voiced checks monthly to ensure proper protocol is being followed/adhered to. Voiced checks will have the signature line removed from the check, once they are voided.</p>	<p>March 19, 2018</p>	<p>Implemented</p>
<p>8. <u>2018.08</u> <u>Year-End Monetary Transmittal Form Envelope Process</u></p>	<p>Staff must be reminded of their responsibility for MTF envelope submission. Staff members must be held accountable for including all MTFs in their MTF envelopes as part of the year-end check out process. The principal should require a copy of the Receiptee History report to be provided to the administrator responsible for collecting MTF envelopes at year-end. The</p>	<p>New Staff will receive initial training on the Monetary Transmittal Form Envelope Process and Returning/ Existing Staff will have a refresher course regarding the Monetary Transmittal Form Envelope Process. The Receiptee History report will be mandatory to ensure that all MTF's are being accounted for. All MTF envelopes are stored in a secure place not accessible to the Bookkeeper or anybody, other than the Principal.</p>	<p>June 20, 2018</p>	<p>Partially Implemented</p>

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		<p>principal or designee should ensure that all end of year MTF envelopes are collected, sealed and retained in a secure place, not accessible to the bookkeeper, until reviewed by Internal Audit.</p>			
<p>9. <u>2018.09 Fundraiser Reports Not Completed</u></p>	<p>The principal must establish procedures to ensure completion and approval of fundraising reports. The principal or designee should complete required fundraiser reports at the end of the each school year to summarize fundraising activities held. Required reports must be maintained on file for public and internal audit review.</p>	<ul style="list-style-type: none"> • The Bookkeeper is now aware of the Fundraiser reports that need to be completed and submitted to the Principal by the end of each Fiscal year. Principal will retain a copy and all additional copies will be retained in file for access. • When there are other fundraisers not ran by the Principal, for example <i>Scholastic Book Fair</i>, the coordinator will fill out the Fundraiser Authorization Report before beginning the fundraiser. Upon receipt the form, Principal will then approve or deny the fundraiser. If approved, once the fundraiser has come to an end, the coordinator will fill out a Fundraiser Completion Form. • At the conclusion of all the fundraisers, the Bookkeeper will complete an Annual Fund Raising Summary Report. 		<p>June 20, 2018</p>	<p>Partially Implemented</p>

Principal Signature 

Date 7/18/18