

**Prince George's County Public Schools  
Internal Audit Department  
School/Office: Kettering Middle School**

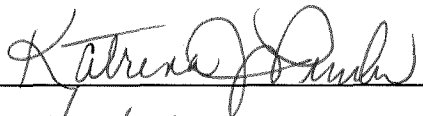
Response Date April 16, 2018

	<b>Findings</b>	<b>Recommendations</b>	<b>Concur Non- Concur Partially Concur</b>	<b>Action Plan</b>	<b>Corrective Action Date</b>	<b>Status Implemented Partially Implemented Not Implemented</b>
1.	<b><u>2018.01</u></b> <b><u>Missing</u></b> <b><u>Funds</u></b>	The recordkeeping staff must ensure that all funds remitted agree with the documentation provided prior to acceptance. Efforts should be made to recover missing funds from Employee A and Employee B. Otherwise, the recordkeeping staff is responsible for the missing funds of \$215.00.		A) Bookkeeper (Ms. Holmes) will verify all funds documented on MTF forms; Any form <del>with</del> <b>without</b> a monetary discrepancy will be returned to the submitting staff member for revision and re-submission; B) Bookkeeper notified staff of shortages at time of shortage and following audit – one has submitted (\$100) shortage, other (\$115) due by 4/30/18;	3/1/18	Implemented
2.	<b><u>2018.02</u></b> <b><u>Mismanagement of</u></b> <b><u>Funds Received</u></b>	A. Staff should be held accountable for ensuring that all funds received are remitted promptly to recordkeeping staff. Also, the recordkeeping staff should be held accountable for making timely deposits. B. Staff should be reminded of the requirement for adequately substantiating funds collected with MTFs and supporting documentation verifying source of funds. Recordkeeping staff should not accept MTFs that do not comply. C. The acting principal must require recordkeeping staff to ensure that each deposit is accompanied by a validated detailed deposit slip. Detailed validated deposit tickets should		A) Establish procedures for depositing collected funds in safe daily, with log entry by staff; Ms. Holmes will check safe daily for funds; B) Staff will be re-trained on procedures for handling money, counting, accurate MTF, deposit in safe; C) Principal will monitor deposit trail to ensure deposit compliance and adequate deposit slips in supply; D) Bookkeeper will remit Maryland State taxes regularly and promptly; E) Principal will review cash receipt files monthly to ensure all funds	3/1/2018	Implemented  Implemented  Partially Implemented  Partially Implemented

Principal Signature 

Date 4/16/18

		<p>be ordered in advance and retained as support of the MTF documentation.</p> <p>D. The recordkeeping staff must ensure that all applicable sales tax are accurately deducted and posted for all non-fundraising items sold. Subsequently these funds must be promptly remitted to the State of Maryland.</p> <p>E. The acting principal should complete a periodic review of cash receipt files to ensure compliance with Board policies and procedures (all funds are accurately documented, funds are remitted and deposited timely, documentation is attached to MTFs, validated deposit tickets are attached to each deposit and applicable sales tax is assessed for all non-fundraiser items sold).</p>		<p>are accurately documented, funds are remitted and deposited timely, documentation is attached to MTFs, validated deposit tickets are attached to each deposit and applicable sales tax is assessed for all non-fundraiser items sold;</p>		
3.	<b><u>2018.03 Segregation of Duties</u></b>	<p>a) Funds collected must be recorded on MTFs by school staff other than the recordkeeping staff.</p> <p>b) The recordkeeping staff should only verify the details reported on the MTF document and funds remitted.</p> <p>c) The acting principal should designate another individual, besides the secretary, to collect funds submitted directly to the school office and complete a MTF.</p> <p>d) All funds remitted to the recordkeeping staff must be accompanied with a MTF and appropriate documentation to substantiate funds.</p>		<p>A) Bookkeeper is directed not to receive funds not already on an MTF;</p> <p>B) Office staff, other than Ms. Holmes will receive funds remitted directly to the school and complete MTF;</p> <p>C) All fund collected by staff will be documented on MTF when submitting funds to the bookkeeper;</p>	3/1/18	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>
4.	<b><u>2018.04 Mismanagement of Disbursements</u></b>	<p>A. The acting principal should establish procedures to ensure that all disbursements are made in accordance with the requirements of the BOE.</p> <p>B. Reimbursements must be accurately processed by recalculating receipts submitted with the SFEF.</p> <p>C. Staff should be reminded that invoices and reimbursement requests are to be submitted</p>		<p>A) Principal will review BOE requirements for disbursements with the bookkeeper; Bookkeeper will receive support from D. Smalls;</p> <p>B) Bookkeeper is removed from office to provide time and space to accurately process receipts submitted with the SFEF;</p> <p>C) Staff reminded that invoices and</p>	3/1/18	<p>Partially Implemented</p> <p>Implemented</p> <p>Implemented</p>

Principal Signature 

Date 4/16/18

		<p>timely for payment. Requests for payments should be thoroughly reviewed to ensure accurate and timely payments.</p> <p>D. The recordkeeping staff must ensure that the appropriate Reimbursement/Refund Vendor option is used when issuing checks through SFO. Refunds to parents must be processed using the Refund Vendor option.</p> <p>E. The acting principal should establish procedures to ensure that requests and information regarding payments processed for services rendered are issued directly to service providers, captured in the school's accounting system and forwarded to the Accounts Payable department for issuance of IRS Form1099 MISC to the recipient.</p> <p>F. Due care should be exercised when recording transactions to ensure correct posting and accurate financial reporting.</p>		<p>reimbursement requests are to be submitted to principal for review prior to expenditure; payments will be disbursed accurately and in a timely manner;</p> <p>D) Bookkeeper will issue parent refunds through Refund Vendor Option;</p> <p>E) Principal will review/approve requests for payments to ensure payments are issued directly to service providers, and appropriate documentation is forwarded to Accounts Payable;</p> <p>F) Principal will review/monitor posting and financial reporting monthly;</p>		<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>
5.	<b><u>2018.05</u></b> <b><u>Records</u></b> <b><u>Management</u></b>	<p>A. Cancelled checks and disbursements should be filed in numerical order.</p> <p>B. Deposit documentation should be filed in date order. C. The acting principal should ensure that BOE guidance is followed to ensure adherence to records management requirements. The acting principal should complete periodic reviews to ensure that financial records are adequately maintained. The recordkeeping staff should be held accountable for compliance.</p>		<p>A) Bookkeeper will file cancelled checks and disbursements in numerical order;</p> <p>B) Bookkeeper will maintain deposit documentation in date order;</p> <p>C) Acting principal will monitor implementation monthly; Bookkeeper will receive support from D. Smalls;</p>	3/1/2018	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>
6.	<b><u>2018.06</u></b> <b><u>Security</u></b> of <b><u>Student</u></b> <b><u>Activity Funds</u></b>	<p>A locksmith or the safe company should be immediately contacted to change the combination/lock on the drop safe. Only the principal and recordkeeping staff should have access to the drop safe contents. The safe should be opened daily to ensure timely processing of transactions. A safe log should be established to document when individuals</p>		<p>A) Safe company contacted to re-set combination;</p> <p>B) Only principal and bookkeeper have new safe combination;</p> <p>C) Safe log established, and principal will review weekly;</p> <p>D) Staff retrained on protocols/procedures for handling funds;</p>	3/1/2018	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p> <p>Implemented</p>

Principal Signature Katrina P. Pender

Date 4/16/18

		place funds in the drop safe. The acting principal should complete periodic reviews of the safe and safe log.				
7.	<b><u>2018.07</u></b> <b><u>Monthly</u></b> <b><u>Financial</u></b> <b><u>Reporting</u></b>	The acting principal must implement procedures to ensure that the required statements and documentation necessary for timely completion of monthly reports are made available to the recordkeeping staff to ensure compliance with the Board's reporting requirements. Recordkeeping duties must be organized in a manner that provides sufficient time for report preparation. The acting principal must promptly review bank statements and final reports to facilitate reporting compliance.		A) Principal will ensure that required statements and documentation are available to bookkeeper to ensure completion and submission of monthly reports in a timely manner; Bookkeeper will receive support from D. Smalls; B) Office duties adjusted to facilitate adequate time to perform bookkeeping duties in a timely manner;	3/1/2018	Implemented  Implemented
8.	<b><u>2018.08</u></b> <b><u>Administration</u></b> <b><u>of Contracts</u></b>	The acting principal must establish procedures to ensure that contracts are established, adhered to, and maintained on file in compliance with BOE policies and procedures. Staff must be made aware that principal has sole fiduciary authority for entering contracts on behalf of the school. All contracts must be forwarded to Purchasing and Supply Services for retention. The acting principal should consult with Purchasing and Supply Services to identify an alternate vending company in absence of a contract.		A) All contracts will be reviewed, and if appropriate, approved by the principal, in accordance with BOE policies and procedures; B) All contracts will be forwarded to Purchasing and Supply Services for retention.	3/1/2018	Implemented  Implemented
9.	<b><u>2018.09</u></b> <b><u>Principal</u></b> <b><u>Sponsored</u></b> <b><u>Activity (PSA)</u></b> <b><u>Fund Account</u></b> <b><u>Deficit</u></b>	The acting principal should work towards the elimination of this deficit. This can be accomplished by discontinuing expenditures from the PSA fund account and only transferring authorized vending and fundraising profit proceeds until the deficit is completely resolved.		A) Discontinue spending from the PSA fund; B) Transfer authorized vending and fundraising profits to PSA account;	3/1/2018	Implemented  Implemented

Principal Signature *Katrina J. Paul*

Date 4/16/18

10.	<b><u>2018.10</u></b> <b><u>Unauthorized</u></b> <b><u>Transfer of</u></b> <b><u>Funds</u></b>	The acting principal must implement procedures to ensure that only allowable transfers are completed with appropriate documentation and approval from the acting principal or the Accounting and Financial Reporting Office. Review of financial reports and fundraiser documentation must be performed to ensure that transfers are performed as required.		A) Acting principal and/or Accounting will approve all allowable transfers with appropriate documentation; B) Acting principal will review and approve all fundraiser documentation to ensure that required transfers are made;	3/1/2018	Implemented  Implemented
11.	<b><u>2018.11</u></b> <b><u>Administration of</u></b> <b><u>Voided Checks</u></b>	The following is recommended for compliance with policies and procedures for appropriate management of voided checks: A. The acting principal should establish and document procedures to ensure that there is proper administration of voided checks. B. Voided checks should have completed SFEF or VCPS on file signed by the acting principal attached and entered into SFO. C. The acting principal should complete a periodic review of voided checks to ensure compliance with BOE policies and procedures. All check signers must take the time to get familiar with the policy and procedures set forth in the APM regarding voiding checks.		A) Bookkeeper will deface all voided checks and file in numerical order; B) The acting principal will sign SFEF for voided checks; C) The acting principal will review voided checks monthly to ensure compliance with BOE policies; Acting principal and bookkeeper will review policy and procedures regarding voided checks;		Partially Implemented  Partially Implemented  Partially Implemented
12.	<b><u>2018.12</u></b> <b><u>Year-End</u></b> <b><u>Monetary Transmittal</u></b> <b><u>Form Envelope</u></b> <b><u>Process</u></b>	Staff must be reminded of their responsibility for MTF envelope submission. Staff members must be held accountable for submitting their MTF envelopes as part of the year-end check out process. The acting 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 acting principal or designee should ensure that all end of year MTF envelopes are collected, sealed and retained in a secure place until reviewed by Internal Audit.		A) Staff will be re-trained regarding the required submission of MTF envelopes for EOY checkout; B) All MTF's will be collected by administration and retained in the office vault;	3/2018 and 5/2018  6/2018	Implemented  Implemented

Principal Signature Katrina J. Smith

Date 4/16/18

13.	<b><u>2018.13 Fundraiser Reports Not Completed</u></b>	The acting principal must establish procedures to ensure approval and completion of fundraising reports. The acting 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 auditor review.		A) All fundraiser sponsors must complete and submit completion of fundraising reports to acting principal for review; B) All fundraising completion reports will be maintained on file by bookkeeper;	3/1/2018	Implemented  Implemented
-----	--	---	--	--	----------	--------------------------------

Principal Signature Katrina J. Smith

Date 4/16/18