



November 15, 2018

MEMORANDUM

To: Kristil Fossett, Ed. D., Instructional Director
Cluster 7

Leslie Lowe, Principal
Beltsville Academy

From: Michele Winston, CPA, Director
Internal Audit

Re: Financial Audit for Period July 1, 2014 through June 30, 2018

An audit of the financial records of Beltsville Academy was completed for the period July 1, 2014 through June 30, 2018. The audit indicates that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual for School Activity Funds (APM) and Board of Education policies and procedures. The exceptions noted are included in the attached report.

As the principal of the school, you will be responsible for preparing an action plan within **30** days, or by December 15, 2018 indicating steps that will be taken to ensure compliance with the APM. Please note that you are required to provide your action plan using the attached Microsoft word template. Please send a PDF and word version of your action plan and any other correspondence to the Internal Audit Office, Attention: Jerry Chandler, Business Analyst, email address: jerry.chandler@pgcps.org. A copy of your action plan should also be forwarded to Deborah Smalls, Business Operations Technician, email address: deborah.smalls@pgcps.org.

Enclosure

cc: Segun Eubanks, Ed. D, Board Chair
Monica Goldson, Ed. D, Interim Chief Executive Officer
Carolyn Boston, Vice Chair, Board of Education
Members, Board of Education
Erica Berry Wilson, Esq., Board Executive Director
Christian Rhodes, Chief of Staff
Helen Coley, Ed. D., Chief, School Support and Leadership
David Curry, Ed. D, Associate Superintendent, Middle Schools
Michael Herbstman, Chief Financial Officer
J. Michael Dougherty, Director Financial Services
Alanna Cooper, Internal Auditor II

Internal Audit Report

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Internal Auditor's Report

We have examined the Student Activity Funds of Beltsville Academy for the period July 1, 2014 through June 30, 2018. Beltsville Academy's principal is responsible for the administration of SAF. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and Governmental Accountability Office and, accordingly, included examining, on a test basis, evidence supporting SAF, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Our examination disclosed the following findings:

- *Mismanagement of Funds Received,*
- *Mismanagement of Disbursements,*
- *Administration of Voided Checks,*
- *Financial Reporting,*
- *Fundraiser Forms,*
- *Record Retention,*
- *Administration of Voided Checks,*
- *Restricted Fund Account Deficits,*
- *Sale of Competitive Foods and*
- *Management Oversight*

Individually or in the aggregate, these findings resulted in a material deviation from Board of Education (BOE) Policies and Procedures and the requirements of the Accounting Procedures Manual for School Activity Funds (APM).

In our opinion, except for the deviations from the criteria described in the preceding paragraph, the SAF referred to above, was administered in compliance with BOE policies and procedures and the APM, in all material respects, for the period ended June 30, 2018.



Michele Winston, CPA,
Director Internal Audit

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SUMMARY

The Internal Audit department completed an audit of the student activity funds (SAF) of Beltsville Academy for the period July 1, 2014 through June 30, 2018. The audit was performed as part of the annual audit plan.

The audit indicated that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual for School Activity Funds (APM) and Board of Education (BOE) policies and procedures.

Detailed findings from the current audit are cited on the following pages with accompanying recommendations for corrective action.

OBJECTIVES

The objectives of the audit were to determine the effectiveness of the system of internal controls and whether the school was in compliance with the policies and procedures of the APM and the BOE. It is important to recognize that, while the audit report focused on deficiencies, it was intended to be constructive. The audit was not designed and conducted to evaluate the effectiveness of the educational programs in the school. Therefore, the absence of comments related to the educational programs should not be construed to imply that these programs are either adequate or deficient.

SCOPE

The audit was based on our review of selected bank statements, financial reports, cancelled checks and voided checks and Monetary Transmittal Form (MTF) envelopes submitted by staff for the period July 1, 2014 through June 30, 2018. Also, selected receipts, disbursements and supporting documentation were reviewed for the said period.

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FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2019.01: Mismanagement of Funds Received

The following exceptions pertaining to the management of funds received were identified:

- A. ***Delinquent Deposits*** - There were **18** instances where funds were not deposited timely. Amounts up to **\$1,070.00** were held up to **32** days prior to deposit with the financial institution in some instances. Also, funds collected in June 2018 from school staff for students and vendor refund checks totaling **\$1,185.50** were found in the file cabinet during audit fieldwork. *(This condition was also noted in the previous audit as of June 30, 2013.)*
- B. ***Inadequate Documentation of Funds Received*** - There were **24** instances where the recordkeeping staff accepted MTFs that were inadequately documented. School staff omitted remittance data in section 2 of MTFs such as the monetary description and field trip name. Mandatory Ticket Reports were not provided to confirm funds remitted for athletic ticket sales.
- C. ***Year-End Monetary Transmittal Form Envelopes*** - The year-end MTF submission process was not operating as required by procedures outlined in the APM. There were **107** instances where the envelopes with pink and yellow copies of MTFs collected from staff were contained in a single envelope/box in numerical order for each fiscal year. The recordkeeping staff has access to the location where the year-end MTF envelopes were stored. *(This condition was also noted in the previous audit as of June 30, 2013.)*
- D. ***Incomplete Monetary Transmittal Form Log*** - The MTF log was not maintained during the audit period according to the standards of the APM. The names of the staff members and MTF issuance dates and amounts were not included on the MTF log.
- E. ***Changes on Monetary Transmittal Forms Improperly Made*** – There were **18** instances where changes made on MTFs did not include the initial of the preparer.

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- F. ***Sales Taxes*** – There were **18** instances where the school failed to collect sales tax for taxable items such as instructional materials, uniforms and food items and did not include sales taxes in the selling price. Sales taxes due to the state of Maryland were not remitted in these instances. ***(This condition was also noted in the previous audit as of June 30, 2013.)***
- G. ***Failure to Use Drop Safe*** - The school maintained funds collected from school staff in a location other than the school drop safe that was accessible to school staff members other than the principal and recordkeeping staff.
- H. ***Parent Teacher Association (PTA) Funds Comingled with Student Activity Funds*** - Funds totaling \$102.00 collected from a PTA event held in June 2018 were stored in a file cabinet along with SAF.

The APM provides the following guidelines regarding administration of funds received:

- A. All funds collected are required to be remitted to the recordkeeping staff on the day of collection. The recordkeeping staff is also required to make timely deposit of these funds, at least every other day.
- B. Staff members collecting funds are required to complete MTFs entirely and submit same to the recordkeeping staff along with funds collected. The following information must be included, 1) who collected funds; 2) when it was collected; 3) source of the collection; 4) the amount and form of the collection; and 5) the purpose of collections. Sections 1 and 2 of MTFs must be completed.
- C. Prior to departing the school at year-end, staff and program managers are required to submit the pink and yellow MTF remittance copies in sealed envelopes (with their signature over the seal) to the designated administrator. Year-end MTF envelopes should be stored in a location that is inaccessible to the bookkeeper.
- D. The recordkeeping staff is responsible for accounting for all MTFs issued to the school on a MTF log. This log should include a numerical list of the MTFs, the name of requester and dates the forms were issued, the dates returned to the recordkeeping staff and the total amounts of the MTFs.
- E. The top portion of the MTF states, “The bookkeeper will not accept this form if a pencil or white-out is used, changes are not initialed, funds are not exactly as indicated in Section 1...”

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- F. Unless specifically excluded or exempt from Maryland tax, all sales are subject to a 6% tax. These sales taxes are required to be remitted to the State of Maryland.
- G. Depository (drop) safes are required for every school. The safe should be bolted to the floor and placed in a location accessible to staff which will facilitate submission of funds in the recordkeeping staff's absence.
- H. Funds collected by outside/affiliated parent organizations should not be accounted for in the SAF. This includes booster clubs, advisory groups, 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.

Contributory factors in the mismanagement of funds received are as follows:

- A. The recordkeeping staff customarily made deposits at the end of the week once funds accumulated ensuring funds are not left in the building over the weekend. The recordkeeping staff was not informed when vendor refund checks were placed in the file cabinet in the instances of delinquent deposits. Funds maintained in the file cabinet from student activities, was an oversight.
- B. The recordkeeping staff customarily ensured the funds remitted by staff agreed with the amount documented on the MTF but failed to ensure the MTF documentation was accurate.
- C. The individual tasked with overseeing the collection of year-end MTF envelopes was a former recordkeeping staff and reportedly was familiar with the year-end MTF collection procedures. However, she reportedly could not recall why she did not follow the required year end MTF collection procedures in this instance.
- D. The recordkeeping staff was aware that an MTF log was required but she was not aware of the new format.
- E. There were 2 instances during the school year where one of the office staff was on extended leave resulting in the recordkeeping staff assuming additional duties. The recordkeeping staff was not available to review and process MTFs at the time they are remitted and was not diligent in returning MTFs to staff that did not provide initials with all MTF changes.
- F. The recordkeeping staff was not clear on which items were sales taxable and was not familiar with the latest policy on when to remit sales tax.
- G. The recordkeeping staff was aware of the drop safe upon her arrival and was never provided the combination. No steps were taken by the recordkeeping staff

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to obtain access. The principal did not implement the use of the drop safe for staff.

- H. The PTA requested that the principal store the funds collected from the most recent PTA event but never returned to retrieve the stored funds.

The audit trail for ensuring proper administration of cash receipts was compromised. As a result, internal controls for ensuring all SAFs collected were subsequently deposited was weakened and the potential for loss of assets increased. PTA funds can be inappropriately deposited in the SAF when funds are comingled. Fines can be assessed from the State of Maryland when sales taxes are not remitted.

Recommendation: The following is recommended for the principal and recordkeeping staff to properly manage funds received:

- A. The principal must ensure that deposits are prioritized and made at least every other day. The principal may accomplish this by ensuring new staff are notified via inter-office memorandum that holding funds is prohibited and establishing a daily timeline for remittance of funds to the recordkeeping.
- B. The principal must hold the current recordkeeping staff accountable for ensuring that supporting documentation provided with MTFs is reviewed for completeness and confirmed for accuracy prior to deposit. Staff should be retrained on accurate MTF completion and consistency of initialing changes made on MTFs. The recordkeeping staff should notify the principal when limited staff availability impacts her ability to fulfill SAF responsibilities.
- C. The principal should retrain the school accounting technician on the year-end MTF collection procedures or designate an administrator to this task. The assigned staff person should be held accountable for compliance. The principal should identify a location where recordkeeping staff does not have access for storage of MTF envelopes prior to the staff member performing the year-end MTF collection.
- D. The recordkeeping staff should read the APM to ensure she is aware of the current policies related to the required format for the MTF log and the assessment of sales taxes.
- E. The principal should provide the recordkeeping staff access to the drop safe. Also, staff members should be provided instructions on proper use of the drop safe. A log must be provided with the drop safe to record each staff member's name and date of the drop.

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- F. The principal must request that the PTA retrieve their funds and inform the PTA Officers that the school is prohibited from securing funds collected on their behalf.

2019.02: Mismanagement of Disbursements

The audit revealed the following exceptions pertaining to the management of disbursements:

- A. ***Inadequate Principal Approval*** – There were **17** instances where SFEFs reviewed during the audit period were not adequately approved by the principal. Staff made purchases prior to the principal's approval. SFEFs did not contain evidence of the principal's approval in certain instances.
- B. ***Delinquent Payments*** - There were **2** instances where disbursements were not issued to vendors by the due dates. These payments were made **6** and **29** days late.
- C. ***Sales Taxes Paid*** – There were **9** instances where sales taxes were paid for expenditures incurred on behalf of the school.

The APM provides the following guidelines relative to the administration of cash disbursements:

- A. Prior to ordering or purchasing goods or services, a SFEF must be completed, signed and dated (approved) by the principal.
- B. Invoices should be paid within 30 days of receipt or by the stated vendor due date. The principal should review invoices and statements for past due amounts and ensure that payments are made in a timely manner.
- C. Purchases made by schools and PGCPS are sales tax-exempt, if used in the conduct of school business. After the principal approves a purchase, a copy of the sales tax exempt certificate is required to be provided to staff for presentation to the vendor when making a school purchase.

Contributory factors in the mismanagement of disbursements are as follows:

- A. Since most school events and activities were customary and reoccurring and the principal was present and aware, staff were of the impression that they did not have to obtain pre-approval.
- B. Invoices received in the mail are given directly to the respective staff member to review the invoice for accuracy and submit to the recordkeeping staff for

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payment. School staff do not promptly review the invoice and return to ensure payments can be issued prior to the due dates.

- C. School staff failed to obtain the sales tax exemption card when making school purchases.

Mismanagement of disbursements reduces assurance that purchases were made in accordance with BOE policy and procedures. The risk of insolvency and fraud is present when appropriate approval is not obtained prior to purchases being made; expenditures are not adequately documented and checks are not timely processed.

Recommendation: The principal and recordkeeping staff must perform the following to improve the administration of disbursements:

- A. The principal must communicate to staff the requirement for pre-approval of all expenditures. Staff should be held accountable for compliance.
- B. The recordkeeping staff must inform staff members making school purchases, that they are required to perform a review of invoices and return timely for vendor payment. The principal must ensure that staff members are held accountable for compliance.
- C. School staff must be reminded that should obtain the school's sales tax exemption certificate to ensure the sales tax exemption status is obtained for all school purchases.

2019.03: Administration of Voided Checks

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

- A. *Unavailable Voided Checks* - There were **15** instances where voided checks could not be located.
- B. *Voided Checks Not Entered in the Accounting System* - There were **7** instances where voided checks were not entered into the accounting system. *(This condition was also noted in the previous audit as of June 30, 2013.)*

The APM section 6.12 *Record Retention* requires all SAF records to be retained for a period of 7 years and or until audited, including the current fiscal year. This includes, but is not limited to, financial reports, bank statements, receipts, disbursement authorities, Monetary Transmittal Forms, School Funds Expenditure Forms, cancelled checks and

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contracts. The APM also requires the recordkeeping staff to prepare and record all financial transactions.

Section 3.2.2, Bookkeepers/Financial Secretaries requires the recordkeeping staff or financial secretary to accurately record and report the school's financial transactions.

According to the recordkeeping staff, the instances of unrecorded voided checks occurred during the former recordkeeping staff's tenure. The recordkeeping staff was unaware that voided checks were not maintained with the financial records.

The principal and recordkeeping staff did not follow the policies and procedures specified by the BOE regarding retention of disbursement documentation. Inappropriate administration of voided checks exposes the school to fraud, waste, and abuse of its resources.

Recommendation: The principal and recordkeeping staff should ensure that they are aware of the location of all financial records. The principal should periodically review the check sequence via the SFO check register to ensure all check have been entered in SFO.

2019.04: Financial Reporting

The following exceptions relative to financial reporting were noted:

- A. ***Insolvency Report Not Properly Completed*** - The recordkeeping staff did not complete the *Insolvency Report* during the audit period. Unpaid bills were consistently indicated as \$0, without preparation of the Unpaid Bills Determination Spreadsheet.
- B. ***Monetary Transmittal Form Numbers Entered Inaccurately*** - There were 17 instances where the recordkeeping staff entered MTF numbers inaccurately in SFO.
- C. ***Approval of Funds Transfers*** - There were 40 instances where evidence of approval could not be obtained to substantiate funds transferred between fund accounts.
- D. ***Inaccurate Principal Sponsored Activities (PSA) Transfers*** - The recordkeeping staff allotted a portion of fundraiser proceeds from student clubs and activities to the PSA fund account. Funds totaling approximately \$177.00 collected for a SGA apparel fundraiser was incorrectly transferred to PSA fund account.

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The APM provides the following guidance pertaining to SAF financial reporting:

- A. Section 5.2, *Financial Reporting Requirements*, states that the Insolvency Report should be completed monthly and requires the recordkeeping staff to record data to calculate the school's solvency. The recordkeeping staff must manually calculate the value of unpaid bills that existed at the end of each reporting period for both restricted and unrestricted funds to complete the report.
- B. Section 3.2.2, *Bookkeepers/Financial Secretaries*, requires the recordkeeping staff or financial secretary to accurately record and report the school's financial transactions.
- C. Section 4.5.4.2 *Transfers Between Restricted and Unrestricted/Net Accounts* states that transfers between restricted accounts are only authorized if reviewed and approved by the principal.
- D. The APM section 9.6 *Principal-Sponsored Activities for Staff* states, that discretionary expenditures incurred by the principal on behalf of school staff are grouped in the accounting category "Principal-Sponsored Activities." Expenditures for authorized Principal-sponsored activities are restricted to the funds available from the sources named below. 1) One hundred percent (100%) of vending commission from machines located in the staff lounge; 2) Twenty-five percent (25%) of vending commissions from student-accessed machines up to the first \$50,000 and then 10% of any amount exceeding \$50,000. 3) Fifteen percent (15%) of school-wide fundraiser profits, including picture commissions; 4) Up to twenty-five (25%) percent of senior class residual funds.

According to the recordkeeping staff, MTF numbers may have been entered inaccurately due to constant interruptions while processing financial information in SFO. The recordkeeping staff was unclear about the accurate completion of the Unpaid Bills Determination Worksheet and which SFO documents were required to be approved and maintained. The recordkeeping staff was under the impression that the principal is entitled to receive a portion of all fundraisers for staff activities.

The principal's ability to promptly verify the school's solvency status and identify individual transactions may be impacted. Students did not receive the maximum benefit of funds available. PSA available funds could not be confirmed when the proper treatment of transactions is not followed. Also, financial statements could be misstated when unapproved transactions are entered in SFO.

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Recommendation: The following must be performed to improve financial reporting:

- A. The principal and recordkeeping staff should collaboratively review open invoices during the monthly financial reporting process to ensure the Unpaid Bills Determination Spreadsheet is completed properly.
- B. The recordkeeping staff must be diligent in ensuring all financial transactions are entered accurately. The principal should assess the recordkeeping staff's schedule to identify uninterrupted time can be provided to complete SAF tasks and entry into SFO to ensure accuracy. The recordkeeping staff should review the APM related to the PSA account. Funds totaling \$177.00 must be transferred from PSA to the SGA account. The recordkeeping staff should contact the Accounting and Financial Reporting Office for assistance with this transfer.
- C. The Accounting and Financial Reporting Office should use the trimester reporting process as an opportunity to provide feedback and to train recordkeeping staff to fully understand the reporting requirements.
- D. The principal must ensure all funds transfer journal entries are submitted for approval prior to processing in SFO. Evidence of this authorization must be retained.

2019.05: Fundraiser Forms

The Fundraiser Request and Authorization Form, Fundraiser Completion Report, and annual reports summarizing school fundraisers were not completed for all fundraisers held during the audit period.

Administrative Procedure 5135.1, *Fundraising* requires the completion of Fundraiser Request and Authorization Forms, the Fundraiser Completion Report and the annual reports that summarized fundraising events held by the school.

The recordkeeping staff and some school staff were aware of the requirement to complete fundraiser forms but failed to complete them in each instance. 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 principal should provide training to the school staff on Administrative Procedure 5135.1, *Fundraising* to ensure they are familiar with the requirements related to fundraising activities. The principal must ensure that the recordkeeping staff and fundraising sponsors are held accountable for compliance.

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2019.06: Record Retention

There were 27 cancelled checks that could not be located.

The APM section 6.12 *Record Retention* states that all SAF records must be retained for a period of 7 years and or until audited, including the current fiscal year. This includes, but is not limited to, financial reports, bank statements, receipts, disbursement authorities, MTFs, SFEFs, cancelled checks and contracts.

Cancelled checks were not available for review because the recordkeeping staff reportedly sent cancelled check images to the Accounting and Financial Reporting Office and did not maintain copies at the school. Internal Audit was unable to obtain the cancelled checks from the Accounting and Financial Reporting Office. The evidence that funds were collected or expended in compliance with BOE policies and procedures could not be confirmed.

Recommendation: The recordkeeping staff must review the APM to familiarize herself with the policies and procedures related to the retention of financial records. Copies of cancelled check images should be maintained at the school when original documentation is requested by the Accounting and Financial Reporting Office.

2019.07: Administration of Vending Contracts

The school does not have a copy of the current vending contract for the 2 vending machines located at the school.

Administrative Procedure 5135.2, *Principal's Contracting Authority*, requires the principal, as an agent of the BOE, to approve and sign all agreements and contracts entered into for all school activities. Additionally, the APM, Section 9.8, *Vending Machine Sales*, states, "all schools with vending machines must have a signed contract stipulating commissions due to the school and frequency that these commissions are remitted."

According to the recordkeeping staff, the vendor did not provide the school with a new contract for the current school year.

Failure to have a formal vending contract in place constitutes non-compliance with BOE policies and procedures. There is an increased risk of inadequate maintenance of the machines and insufficient commission revenue without a formal agreement with the vending company.

Recommendation: The principal should review the APM to become familiar with the requirements of school contracts and specific policies and procedures pertaining to the

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administration of vending machines. The principal must ensure that a current vending machine contract is obtained, renewed annually, and maintained on file in accordance with BOE policies and procedures.

2019.08: Restricted Fund Account Deficits

The following restricted fund accounts had deficits which aggregated to approximately **(\$5,588.95)** as of June 30, 2018.

<u>Account #</u>	<u>Account Description</u>	<u>Amount</u>
312.00	Computer Club	(\$566.92)
420.00	Field Trips	(\$219.18)
420.40	8 th Grade Field Trip	(\$3,095.87)
480.00	Yearbook	(\$1,706.98)
	Total	(\$5,588.95)

According to the APM, the principal as the fiduciary agent for SAF, should ensure all accounts are solvent at all times.

The recordkeeping staff was not present at the school at the time the deficits were created and was unable to provide further explanation.

SAF is not used efficiently when overspending occurs in restricted accounts. Students are not receiving maximum benefit from funds that should be available to them.

Recommendation: The principal should draft a letter to the Accounting and Financial Reporting Office detailing how the accounts resulted in the deficit status and request assistance with identifying sources of funds to transfer from other solvent or dormant accounts to resolve.

2019.09: Sales of Competitive Foods

The audit revealed that student clubs are selling candy and snack to the students as fundraisers during the school day.

Administrative Procedure 3542.44, *The Access and Sale of Competitive Foods and Foods of Minimal Nutritional Value in Schools Outside of the Department of Food and Nutrition Services Program* provides guidance to schools concerning food or candy sold during the school day. Competitive foods are described as “any food sold in competition with the School Breakfast Program and National School Lunch Program and foods sold

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to students or given to students other than those offered through the school meal program are competitive foods.”

The recordkeeping staff was of the impression that the sale of certain food items such as pizza was permitted; however, candy and snack items cannot be sold during the school day. There is the potential for non-compliance with federal guidelines for governance of Child Nutrition Programs.

Recommendation: The principal and recordkeeping staff must read and familiarize themselves with AP 3542.44 and inform all school staff that food sales during the school day is prohibited.

2019.10: Management Oversight

The principal did not administer proper oversight relative to periodic review of deposits and expenditures; financial reporting; and fiscal management. The principal failed to implement the action plan from the prior audit as evidenced by 3 repeat findings and 6 new findings.

The principal is the fiduciary agent for the Student Activity Funds. In this role, the principal is responsible for ensuring that these funds are administered in accordance with Prince George’s County Public Schools policies and procedures and spent to provide the maximum benefit possible to the students. It is also important that the principals, who are ultimately responsible for these funds, be aware that the success of the internal control system rests largely with them.

Several BOE policies and procedures as established in the Accounting Procedures Manual were not followed. This resulted in internal controls being compromised and significant improvement required for administration of SAF.

Recommendation: The principal should take some time to read the APM and adopt a more hands-on approach with respect to administration of the school’s finances. The following 5 basic principles must be incorporated into the school’s policies and procedures, to achieve the internal control objectives:

- Clearly Defined Lines of Authority and Responsibility,
- Segregation of Duties,
- Maintenance of Adequate Documentation and Records,
- Limited Access to Assets, and
- Independent Checks on Performance.

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STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Beltsville Academy was issued for the period ended June 30, 2013. During that period, the principal was in her current position. The current recordkeeping staff's tenure began in July 2016. The following findings were noted as a result of that audit and the current status is indicated below.

- **Failure to Pay for Services Rendered through the Board's Oracle Financial System** – Controls appear to be working.
- **Sales Tax not Collected and/Remitted to the State of Maryland** - Condition still exists. See **2019.01** regarding *Mismanagement of Funds Received*.
- **Failure to Ensure Vendors were Added to the Oracle Financial System-** Controls appear to be working.
- **Year-end Monetary Transmittal Forms Not Returned** – Condition still exists. See **2019.01** regarding *Mismanagement of Funds Received*.
- **Voided Checks not Entered into QuickBooks Financial System-** Condition still exists. See **2019.03** regarding *Administration of Voided Checks*.
- **Lack of Inventory Documentation**– Controls appear to be working.

ACKNOWLEDGEMENT

We would like to thank the principal and staff of Beltsville Academy for their cooperation and assistance during the audit.