

Prince George's County Public Schools  
 Internal Audit Department  
 School/Office: B. Stoddert MS

Response Date November 2, 2018

Findings	Recommendations	Concur Non-Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
<p>1. <u>2019.01 Missing Funds</u></p>	<ul style="list-style-type: none"> <li>Employee and Labor Relations should pursue restitution and determine appropriate disciplinary action against the recordkeeping staff for funds totaling \$34,946.07 that could not be traced to a bank deposit and for violation of BOE policy 0109, Fraud, Waste and Abuse.</li> <li>Employee and Labor Relations should review the circumstances and pursue restitution and determine appropriate disciplinary action against the staff person deemed liable for funds totaling \$836.45 that could not be traced to a bank deposit and for violating BOE policy 0109 on Fraud, Waste and Abuse.</li> </ul>		<p>Pending response from EIRO</p>		

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<p>2. <b>2019.02 Restricted Fund Account Deficits</b></p>	<ul style="list-style-type: none"> <li>The principal should contact the Accounting and Financial Reporting Office for assistance in resolving the deficits. Expenditures must only be disbursed from restricted accounts with available balances. The principal should ensure further deficits are not created and current deficits are not increased by performing review of properly completed School Funds Expenditure Forms (SFEF's) to ensure funds are available prior to approving expenditures.</li> </ul>	<p>Concur</p>	<ol style="list-style-type: none"> <li>All requests for disbursements must be placed on the Request Expenditure Form and approved by the Principal.</li> <li>The Bookkeeper must review the chart of accounts to identify accounts with available balances with principal bi-weekly. Rolling agenda will be used to track discussed items.</li> <li>Recordkeeping staff should follow prescribed policies and procedures governing collection of funds, preparation of deposits and disbursement of checks and preparation of checks</li> </ol>	<p>11/30/2018</p>	<p>Partially Implemented</p>
<p>3. <b>2019.03 Record Retention</b></p>	<ul style="list-style-type: none"> <li>The recordkeeping staff and principal must establish a records management system that ensures appropriate filing and retrieval of financial records. Efforts should be made to provide access to all financial records when requested for audits.</li> </ul>	<p>Concur</p>	<ol style="list-style-type: none"> <li>Recordkeeping staff will maintain notebook logs of all pertinent documentation (ie. MTF's receipts, forms</li> <li>Familiarize oneself and staff with the Accounting Procedures Manual for School Activity Fund</li> <li>Follow prescribed policies and procedures</li> </ol>	<p>Ongoing</p>	<p>Partially Implemented</p>

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			<p>governing collection of funds, preparation of deposits and disbursement of funds and preparation of checks</p> <p>4. Monitor revenue and expenditures to ensure that the SAF remains solvent at all times. Insolvency results when total restricted funds exceed available cash balances</p>		
<p>4. <b>2019.04</b> <b>Mismanagement of Funds Received</b></p>	<ul style="list-style-type: none"> <li>The recordkeeping staff must immediately remit funds located during audit fieldwork for deposit and provide Internal Audit with a copy of the completed MTF and bank validated deposit slip.</li> <li>The principal must hold recordkeeping staff accountable for making prompt deposits.</li> <li>The principal must review the APM to familiarize herself with the BOE policies and procedures regarding the use of a drop safe.</li> <li>The principal must train staff on the proper use of the drop safe and ensure it is bolted to the ground. A log must be provided with the drop safe to record each staff member's name and date of the drop.</li> <li>The principal and recordkeeping staff should read the APM to</li> </ul>	<p>Concur</p>	<ol style="list-style-type: none"> <li>1. Prepare monthly bank reconciliations within 7 days of receipt and required financial reports by the 15th of the month for the Principal and program managers</li> <li>2. Respond to audit findings &amp; recommendations with corrective action plan that is implemented and monitored</li> <li>3. Principal designate an administrator to collect signed, sealed MTF envelopes from staff collecting money during year. Bookkeeping staff do not accept year-end MTF envelopes from</li> </ol>	<p>11/30/2018</p>	<p>Partially Implemented</p>

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	<p>become familiar with the year-end MTF collection procedures. The principal should designate an administrator to this task. The assigned staff person should be held accountable for compliance. A location that the recordkeeping staff does not have access to should be established by the staff member performing the year-end MTF collection.</p> <ul style="list-style-type: none"> <li>The principal must ensure guidelines are established that prohibit the recordkeeping staff from collecting funds directly from students or parents.</li> </ul>	<p>staff. Instead, direct them to the designated administrator</p>		
<p>5. <b>2019.05</b> <b>Mismanagement of Disbursements</b></p>	<ul style="list-style-type: none"> <li>The principal must research the missing checks (check numbers 5316, 5317 and 5337) with the bank to ensure they were spent in accordance with allowable SAF activities. The principal should monitor the SFO check register to ensure checks are issued in numerical order.</li> <li>The principal must inform staff to promptly forward invoices to the recordkeeping staff for payment and alert the principal when they are contacted regarding delinquent invoices. The principal must notify the PTA president verbally and in writing of the delinquent invoice.</li> <li>The principal and recordkeeping staff must ensure school check</li> </ul>	<p>Concur</p> <ol style="list-style-type: none"> <li>Principal will contact the financial institution to attempt to locate posted checks and note payee. Principal will share finding with auditor. Principal will ensure safeguards for blank check stock and ensure numerical sequence of checks for use.</li> <li>Principal will conduct bi-monthly updates during staff meetings and share information via newsletter. Principal will meet bi-weekly with bookkeeper. Principal will</li> </ol>	<p>11/30/2018</p>	<p>Partially Implemented</p>

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	<ul style="list-style-type: none"> <li>• stock is maintained in the school safe only.</li> <li>• The principal should hold staff accountable for compliance.</li> </ul>		<p>share information regarding financial updates including spending and invoices with PTSA president during monthly meetings and as needed. Principal and Bookkeeper will ensure all financial transactions occur in a timely manner.</p> <ol style="list-style-type: none"> <li>3. Principal will order drop safe and ensure its use for securing blank check stock.</li> <li>4. Principal will hold staff accountable for adherence to administrative procedure compliance.</li> </ol>	Ongoing	Partially Implemented
<p>6. <b>2019.06 Financial Reporting</b></p>	<ul style="list-style-type: none"> <li>• The recordkeeping staff must be diligent in ensuring completion of the financial report by the 15th of every month. The principal must hold the recordkeeping staff accountable for compliance.</li> <li>• The Principal and recordkeeping staff should collaboratively review open invoices during the monthly financial reporting process to ensure that the Unpaid Bills Determination Spreadsheet is completed properly.</li> <li>• The Accounting and Financial</li> </ul>	Concur	<ol style="list-style-type: none"> <li>1. Principal will develop a standing meeting with recordkeeping staff before the 15th of each month, rolling agenda and calendar to maintain compliance of record keeping duties</li> <li>2. Recordkeeping staff will prepare monthly bank reconciliations within 7 days of receipt and required financial reports</li> </ol>	Ongoing	Partially Implemented

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	<p>Reporting Office should use the trimester reports review as an opportunity for feedback and to train bookkeepers who do not fully understand the reporting requirements.</p> <ul style="list-style-type: none"> <li>The principal must approve all fund transfer journal entries prior to processing in SFO. Evidence of this authorization must be retained.</li> </ul>		<p>by the 15th of the month for the Principal and program managers</p> <ol style="list-style-type: none"> <li>Recordkeeping staff will prepare and record all financial transactions in a timely manner</li> <li>Recordkeeping staff will produce and maintain all required reports in an organized fashion (Notebook)</li> <li>Recordkeeping staff will prepare Transaction Activity Reports covering all restricted activities for review of Program Managers. Use of SFO Sponsor Portal is mandatory to approve all fund transfer journal entries</li> </ol>		
<p>7. <b>2019.07 Management Oversight</b></p>	<ul style="list-style-type: none"> <li>The former principal should take some time to read the APM and adopt a more hands-on approach with respect to administration of school finances. The following 5 basic principles must be incorporated into the school's policies and procedures, to achieve the internal control objectives: <ul style="list-style-type: none"> <li>Clearly Defined Lines of Authority and Responsibility;</li> </ul> </li> </ul>		<p>Pending response from ELRO</p>		

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	<ul style="list-style-type: none"><li>○ Segregation of Duties;</li><li>○ Maintenance of Adequate Documentation/Records</li><li>○ Limited Access to Assets, and</li><li>○ Independent Checks on Performance.</li></ul>			
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Principal Signature



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