

Prince George's County Public Schools
Internal Audit Department
School/Office: Isaac Gourdine MS

Response Date: September 20, 2018

Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
<p>1. <u>2019.01:</u> <u>Mismanagement</u> <u>of</u> <u>Funds</u> <u>Received</u></p>	<p>a) The principal must hold the current recordkeeping staff accountable for ensuring that supporting documentation provided with MTFs are reviewed and verified to determine that the amount documented and remitted match prior to deposit. b) The principal must ensure that timely deposits are made priority. 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 remission of funds to the recordkeeping staff by teachers. c) The principal and recordkeeping staff should educate school staff on how to properly complete and adequately support MTFs submitted to the bookkeeper. The recordkeeping staff should closely review MTF packages to ensure accuracy and completeness prior to acceptance and approval. Teachers and the recordkeeping staff should be held accountable for compliance. d) The principal must hold staff accountable for returning MTF remittance copies in signed and sealed envelopes to the principal or designated</p>	<p align="center">Concur</p>	<p>a) The principal requested Mrs. Alanna Cooper, Internal Auditor II, to provide training to the staff at Isaac Gourdine during pre-service week (August 28, 2018) on Student Activity Funds and Staff Responsibilities. Teachers were reminded to pre-number MTFs, obtain MTFs from the Bookkeeper, complete the MTF Log and return the form and money collected to the Bookkeeper. Teachers were also reminded to be cognizant of accuracy and completeness when completing the MTFs. They were told to include the amount to be credited and to remember to include the tax if applicable. Teachers were informed that if they submitted incomplete MTFs, they would be returned to them. Mrs. Cooper also shared the power point that she used with the presentation, to all team members. b) The principal has re-read the entire School Accounting Funds Manual. c) Recordkeeping staff will review and verify deposit slips and MTF forms with Principal prior to deposits being made and also after deposits have been made. This will ensure that all deposits match the amount documented and the amount remitted are correct. If funds counted, do not agree with the amount on the MTF, this discrepancy must be noted. Recordkeeping staff will immediately contact staff member who</p>	<p align="center">August 2018</p>	<p align="center">Partially Implemented</p>

Principal Signature

Debra D. Givens

Date

21 Sept 2018

	<p>administrator as part of the year-end check-out process. The administrator must ensure that MTF envelopes are properly sealed prior to acceptance. The principal and administrator overseeing the year-end MTF submission process must identify areas in the building inaccessible to the recordkeeping staff where year-end MTF envelopes should be stored.</p> <p>e) The recordkeeping staff should refer to the APM to ensure proper completion of the MTF log. The principal must hold school staff members accountable for completion of the drop safe log.</p> <p>f) The principal must identify a school staff member to complete MTFs for school checks received in the mail. A transfer of \$281.00 from prior year carryover to yearbook must be performed to reclassify unrestricted funds that were incorrectly posted to the vending commission account.</p>		<p>submitted the MTF. If corrections need to be made, the originator of the MTF must make the correction by drawing a line through the original entry and rewriting the correct entry next to the incorrect entry. The reason for the correction will also be noted on the MTF and the originator must sign by the correction. Recordkeeping staff must understand that they cannot make any corrections to the MTF. Principal and the recordkeeping staff will ensure that deposits are made timely. During a weekly financial meeting between the principal and recordkeeping staff, documentation of deposits will be provided and reviewed. A Deposit Documentation Form will be utilized to monitor weekly deposit. Recordkeeping staff will not accept MTFs that are inadequately documented. A review of the collected MTFs will be discussed and reviewed during weekly Financial Meetings with the Principal and Recordkeeping staff. Recordkeeping staff and staff members who do not adhere to this policy will be held accountable by the Principal. Documentation will be provided for accountability purposes.</p> <p>d) A memo will be given to all staff outlining the policy for remitting funds to recordkeeping staff in a timely manner. Recordkeeping staff will restrict the hours in which funds are collected. Once funds are received along with a completed MTF form, the Recordkeeping staff will count cash, verify the total amount on the MTF and any applicable attachments. Deposits will be made within 24 hours of receiving funds. If the Recordkeeping staff is unavailable to deposit funds by the next business day, the Principal designee, Mr. John Moore will be responsible for ensuring that the deposit is made by the next business day. Recordkeeping staff and staff members who do not adhere to this policy will be held accountable by the Principal. Documentation will be provided for accountability purposes.</p> <p>e) Throughout the school year, the Principal will ensure that recordkeeping staff and staff members receive updated training on how to complete a MTF form. Recordkeeping staff will conduct a Financial Training session for all staff to ensure that staff members understand the proper procedures for completing a MTF.</p>	
--	--	--	--	--

Principal Signature

Deborah D D Lovington

Date

21 Sept 2018

Staff members who do not adhere to this policy will be held accountable by the Principal. Documentation will be provided for non-compliance.

f) Principal will ensure that the designated Administrator, Mrs. Chante Smith is properly trained on the year end check out process. Mrs. Smith will meet with staff members to collect the pink and yellow copies of the MTFs. Mrs. Smith will verify the correct number of MTFs with each staff member individually by using the SFO Receiptee History Report given by the recordkeeping staff. Once verified, the pink and yellow copies of the MTFs will be placed in a sealed envelope and the staff member will sign over the seal and submit to Mrs. Smith. Mrs. Covington and Mrs. Chante Smith have identified an area in the building (not accessible to the record keeping staff) where year-end MTF envelopes will be stored.

g) Principal and recordkeeping staff will review the MTF log weekly to ensure that the name, date issued, date returned and total amount of MTF are accurately written. The MTF log will be placed in a secure location with the recordkeeping staff. Only the Principal and recordkeeping staff will have access to the MTF log. A memo will be sent to staff members outlining the procedures for logging all monies into the drop safe box. A drop safe log will be placed on the top of the safe for staff members to fill out when remitting monies into the drop safe box. The staff members will record their name and the date of the "drop." The money should be in a sealed envelope with the completed, signed MTF enclosed. On the following day, the staff members dropping off money must make sure the recordkeeping staff has recorded the deposit. Money will not be counted unless a complete, signed MTF is enclosed. Staff members who do not adhere to this policy will be held accountable by the Principal. Documentation will be provided for non-compliance.

h) Teachers have been informed that if they make a mistake on the MTF form, or if it is unusable for any reason, the form must be marked "void" and retained by the Bookkeeper. These forms will never be discarded or

Principal Signature



Date 21. Sept 2018

			<p>destroyed.</p> <p>1) Principal has identified Mrs. Chante Smith, Assistant Principal to complete MTFs for any school checks received in the mail. She will be responsible for completing the MTF and submitting the MTF along with the check to the recordkeeping staff. This should be done on the day the check is received in the mail. If she does not adhere to this policy, she will be held accountable by the Principal. Documentation will be provided for non-compliance. The \$281.00 has been transferred from prior year carryover to yearbook to reclassify unrestricted funds that were incorrectly posted to the vending commission account by Katrina Greene on August 12, 2018.</p>	August 2018	Partially Implemented
<p>2. <u>2019.02:</u> <u>Mismanagement of Disbursements</u></p>	<p>The principal and recordkeeping staff must perform the following to improve the administration of disbursements:</p> <p>a) The recordkeeping staff should ensure receipts and invoices are always used as supporting documentation for funds disbursed. The recordkeeping staff should reference the APM when there is uncertainty of what constitutes appropriate supporting documentation.</p> <p>b) The recordkeeping staff must review the status of accounts noted on SFEFs to ensure solvency and document "funds available" on the SFEF. The principal must review this section to validate availability of funds to facilitate informed fiscal decisions.</p> <p>c) School staff must be reminded that invoices are required to be immediately provided to the bookkeeper for prompt processing of payment.</p> <p>d) The bookkeeper and fundraising sponsors must carefully monitor charitable fundraiser proceeds to ensure that related disbursements are</p>	Concur	<p>a) Recordkeeping staff will be properly trained to ensure that the School Funds Expenditure Form (SFEF) is accurately filled out by staff members. The recordkeeping staff will review the status of accounts and note this on the SFEF to ensure that the funds are available before a check is issued. The Principal will review the "funds available" section to validate the available funds and decide whether to approve or disapprove the check request. The Principal will ensure completion on all "funds available" sections of the SFEFs. The Principals' approval will be on all SFEFs. Copies of each of these forms will be maintained in a binder in the Principals office and the recordkeeping staff. Recordkeeping staff who does not adhere to this policy will be held accountable by the Principal. Documentation will be provided.</p> <p>b) A memo will be sent to staff members to inform them that they are not to order or purchase any items from vendors and/or non-vendors unless a SFEF has been pre-approved by the Principal or alternate administrator (in Principals absence). The Principal will review the "funds available" section to validate the available funds and decide whether to approve or</p>		

Principal Signature *Heather B B Corns*

Date 21 Sept 2018

	<p>processed from restricted accounts with available balances.</p>	<p>disapprove the SFEF prior to recordkeeping staff printing a school check. The recordkeeping staff will ensure that these funds are available. The Principal and the recordkeeping staff will discuss due dates to vendors during the weekly financial meetings. Documentation of this will be maintained. The Principal will designate an alternate administrator, John Moore to pre-approve any SFEFs in the Principals' absence. The Principal will sign a written statement delegating the authority to Mr. Moore for a specific timeframe during her absence. A copy of the delegation letter will be provided to the Instructional Director, Kelvin Moore and the Accounting and Financial Reporting Office.</p> <p>c) A memo will be given to staff members to inform them that receipts and invoices must be provided to the recordkeeping staff in order to process prompt payments when an SFEF is completed. The recordkeeping staff will ensure that all vendors invoices are attached to each SFEF form. The SFEF will not be approved by the Principal unless all supporting documents are submitted such as cash register receipts, invoices, and bill of sales. Non-itemized receipts such as invoices, credit card receipts, statements, order confirmations, price quotes and packing slips will not be accepted. The recordkeeping staff will ensure that all invoices are paid within 30 days of receipt or by the vendor due date. The Principal will ensure that Mrs. Smith, give all vendor invoices that are received through the mail, to the recordkeeping staff immediately upon receipt. The Principal will not give any verbal approvals to staff members. Principal will review invoices and statements for past due amounts and ensure that payments are made in a timely manner. Recordkeeping staff and staff members who do not adhere to this policy will be held accountable by the Principal. Documentation will be provided for non-compliance.</p> <p>d) Recordkeeping staff will be sure to monitor all charitable fundraiser proceeds to ensure that any disbursements are processed through the restricted accounts with available balances only. Recordkeeping staff who do not adhere to this policy will be held accountable by the Principal. Documentation will be</p>		
--	--	---	--	--

Principal Signature *Deborah D D Conner*

Date *21 Sept 2018*

			provided for non-compliance.		
<p>3. 2019.03 Administration of Voided Checks</p>	<p>The recordkeeping staff should contact the Accounting and Financial Reporting Office and reference the APM in instances where there is uncertainty regarding BOE policies and procedures pertaining to voided checks. The principal must hold the recordkeeping staff accountable for following the requirement for voiding checks.</p>	Concur	<p>e) Recordkeeping staff will be trained on how to properly prepare voided checks in SFO and understand the procedure for record retention. According to the Accounting Procedures Manual (APM), all SAF records are to be retained for a period of 7 years and/or until audited. The recordkeeping staff and the Principal will follow the policies and procedures outlined in the BOE regarding retention of disbursement documentation. If there is an instance where there is uncertainty regarding the BOE policy pertaining to voided checks, the recordkeeping staff will contact the Accounting and Financial Reporting Office and reference the APM. All voided checks will be located and maintained in a binder. All voided checks will be entered into the School Funds Online (SFO). The recordkeeping staff will provide evidence to substantiate funds transferred between accounts. Recordkeeping staff who do not adhere to this policy will be held accountable by the Principal.</p>	September 2018	Partially Implemented
<p>4. 2019.04 Financial Reporting</p>	<p>a) The recordkeeping staff should ensure that financial reports are completed timely and that all transactions are accurately entered in the SFO financial system. The principal should hold the recordkeeping staff accountable for timely and accurate financial report submission and ensure that the monthly financial reports are thoroughly reviewed as evidenced by signature. The principal and recordkeeping staff should use the school's online banking option to more promptly initiate the bank reconciliation process. b) The principal and recordkeeping staff should</p>	Concur	<p>a) The Principal will require the recordkeeping staff to complete the Bank Reconciliation and Monthly Financial Reports are accurate and complete 24-48 hours before the monthly due date. The Principal and recordkeeping staff will create a plan to ensure the prompt processing of the bank reconciliation. Recordkeeping staff who does not adhere to policy will be held accountable by the Principal.</p> <p>b) The Principal and recordkeeping staff will work together to review open invoices during the monthly financial reporting process to ensure that the Unpaid Bills Determination sheet accurately completed. The Insolvency Report requires the recordkeeping staff to manually enter data in order to calculate the school's solvency. The recordkeeping staff must calculate</p>	September 2018	Partially Implemented

Principal Signature

Debra D. Connel

Date

21 Sept 2018

5.	<p>2019.05 Fundraiser Forums</p> <p>The recordkeeping staff should review the APM and Administrative Procedure 5135.1, Fundraising to become familiar with the requirements related to fundraising activities. The principal must ensure that the recordkeeping staff and fundraising sponsors are held accountable for compliance.</p>	Concur	<p>d) The Principal will ensure that the recordkeeping staff is knowledgeable with the requirements related to the fundraising activities as stated in AP 5135.1 and 5135.2. The Principal will formally approve the Fundraiser Authorization Form. The purpose for the fundraiser will be designated and communicated. A Fundraiser Completion Report will be prepared by the fundraiser sponsor, reviewed and acknowledged by the Principal. The Principal and recordkeeping staff will prepare an annual report summarizing all fundraising activities concluded during the school year. The recordkeeping staff will ensure that all funds raised in the name of the school or for school organizations will be deposited in the SAF checking account. An accurate and detailed account of all receipts and disbursements will be kept and maintained by the recordkeeping staff. Recordkeeping staff who does not adhere to this policy will be held accountable by the Principal.</p>	August 2018	Partially Implemented
6.	<p>2019.06 Record Retention</p> <p>The principal and recordkeeping staff must implement a records management system that ensures filing and retrieval of financial records in their absence.</p>	Concur	<p>a) The Principal and recordkeeping staff will establish a records management system to maintain all SAF Records to include but not limited to, financial reports, bank statements, receipts, disbursement authorities, Monetary Transmittal Forms, School Funds Expenditure Forms, cancelled checks and contracts. All records will be retained for a period of 7 years and/or until audited.</p>	October 2018	Not Implemented

Principal Signature *Debra D D Conroy*

Date *21 Sept 2018*

			<p>Principal will inform the designated administrator, of the records management system for filing and retrieval of financial records in their absence. These records will be kept in a location that the Principal designates. Recordkeeping staff who does not adhere to this policy will be held accountable by the Principal. Documentation will be provided.</p>		
<p>7.</p> <p>2019.07</p> <p>Administration of Vending Contracts</p>	<p>The recordkeeping staff and principal should review the APM to become familiar with the requirements of school contracts and specific policies and procedures pertaining to the administration of vending machines. The principal must ensure that a current vending machine contract is obtained, renewed annually, and maintained on file in compliance with BOE policies and procedures.</p>	<p>Concur</p>	<p>a) The Principal and recordkeeping staff have reviewed the APM and are familiar with the requirements for maintaining school contracts and specific policies and procedures pertaining to the administration of vending machines. The recordkeeping staff has contacted the current vendor to obtain a copy of the current vending machine contract for the school. Recordkeeping staff and Principal are aware that all contracts obtained must be renewed annually and maintained on file in compliance with BOE policies and procedures. Recordkeeping staff who does not adhere to this policy will be held accountable by the Principal.</p>	<p>August 2018</p>	<p>Partially Implemented</p>
<p>8.</p> <p>2019.08 Principal Sponsored Fund Activities Account Deficits</p>	<p>a) The principal should work towards elimination of the PSA fund account deficits by discontinuing expenditures from those accounts until the deficits are resolved. b) The recordkeeping staff should read the APM to become familiar with the proper treatment of staff expenditures. The principal and recordkeeping staff should review requirements included in the APM for appropriate funding and use of PSA funds. c) The recordkeeping staff must perform a journal entry to transfer funds totaling \$2,829.32 from PSA to the PY Carryover account. The recordkeeping staff should contact the Accounting and Financial Reporting Office to obtain approval for this transfer.</p>	<p>Concur</p>	<p>a) The Principal will ensure that all accounts are solvent at all times. The Principal will not spend any funds from the PSA account until it has a positive balance. Principal and recordkeeping staff will cease PSA spending if the PSA account has a deficit. The Principal and recordkeeping staff will ensure that all funds from vending machines are adequately appropriated. If the Principal receives a donation to support PSA, a written document will be provided by the donor stating the use of funds are for staff-related activities. Recordkeeping staff who does not adhere to this policy will be held accountable by the Principal. b) The Principal and recordkeeping staff fully understand that the PSA must be used for professional purposes to enhance staff members job performance. Expenditures for authorized PSA are restricted to the funds available from the following sources, 100% vending commission, 25% vending commissions from student-accessed machines, 15% school-wide fundraiser profits, including yearbook commission. Recordkeeping staff who does not adhere to this policy</p>	<p>August 2018</p>	<p>Implemented</p>

Principal Signature

Dexter B D Connors

Date

21 Sept 2018

			<p>will be held accountable by the Principal.</p> <p>c) The Principal will ensure that the recordkeeping staff performs a journal entry to transfer funds totaling \$2,829.32 from PSA to Prior Year Carryover account. The Accounting and Financial Reporting Office will be contacted to obtain approval of this funds transfer. Recordkeeping staff and who does not adhere to this policy will be held accountable by the Principal.</p>		
<p>9.</p> <p><u>2019.09</u> <u>Management Oversight</u></p>	<p>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:</p> <ul style="list-style-type: none"> • 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. 	<p>Concur</p>	<p>a) The Principal has read the APM and has more knowledge and a clear understanding with respect to the administration of the school's finances. The Principal will take a more hands-on approach and utilize the 5 basic principles 1) Authorization of and Responsibility for Transactions and/or Activities, 2) Segregation of Duties, 3) Adequate Documents and Records, 4) Access to Assets, and 5) Independent Checks on Performance. These basic principles will be incorporated into the school's policies and procedures to achieve the internal control objectives.</p>	<p>June 2018</p>	<p>Partially Implemented</p>

Principal Signature *Anthony B D Conner*

Date 21 Sept 2018