



August 23, 2018

**MEMORANDUM**

To: Kelvin Moore, Ed, D, Instructional Director  
Cluster 9

Leatriz Covington, Principal  
Isaac Gourdine Middle School

From: Michele Winston, CPA, Director  
Internal Audit

Re: Financial Audit for Period April 30, 2011 through April 30, 2018

An audit was completed on of the financial records of **Isaac Gourdine Middle School** was completed for the period July 1, 2014 through April 30, 2018. The audit indicates that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual 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, indicating steps that will be taken to ensure compliance with the Accounting Procedures Manual. 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](mailto: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](mailto:deborah.smalls@pgcps.org).

This report is intended solely for information and use of the Board Chair, Chief Executive Officer and other parties specifically stated in this transmittal letter. This report is not intended and should not be used by anyone other than the specified parties.

Enclosure

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

# Internal Audit Report

Isaac Gourdine Middle School  
Student Activity Funds

For the Period Ended April 30, 2018

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Internal Auditor's Report

We have examined the Student Activity Funds of Isaac Gourdine Middle School for the period July 1, 2014 through April 30, 2018. Isaac Gourdine Middle School'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 Vending Contracts, and*
- *Restricted Account Deficits*

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 April 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 Isaac Gourdine Middle School for the period July 1, 2014 through April 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 April 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) ***Missing Funds*** - There were **3** instances totaling **\$285.00** where the former recordkeeping staff approved MTFs where funds remitted did not agree with the supporting documentation provided:
  - o ***MTF # 310208*** - There were \$695.00 remitted per supporting documentation and \$580.00 per bank deposit which resulted in \$115.00 in missing funds.
  - o ***MTF # 310239*** - There were \$1,965.00 per supporting documentation and \$1,915.00 per bank deposit which resulted in \$50.00 in missing funds.
  - o ***MTF # 310215*** - There were \$1,040 per supporting documentation; \$920.00 per deposit which resulted in \$120.00 in missing funds.
  
- b) ***Delinquent Deposits*** - There were **8** instances where funds were not deposited timely. Amounts up to **\$1,520.00** were held up to **52** days prior to deposits with the financial institution. ***(This condition was also noted in the previous audit as of March 31, 2011.)***
  
- c) ***Inadequate Documentation of Funds Received*** - There were **10** instances where the recordkeeping staff accepted MTFs that were inadequately documented. School staff omitted remittance data in section 2 of MTFs. ***(This condition was also noted in the previous audit as of March 31, 2011.)***
  
- d) ***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 **12** instances where MTF envelopes were not sealed with the staff signature over the seal. There were **10** instances where pink and yellow

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MTF remittance copies could not be located for review. The recordkeeping staff has access to the closet where the year-end MTF envelopes were stored.

- e) ***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.
- f) ***Incomplete Drop Safe Log*** - The drop safe log was not maintained during the audit period. The drop safe log was not completed by staff.
- g) ***Segregation of Duties*** – During FY 2018, checks for vending commission and yearbook sales were obtained and deposited by the recordkeeping staff. Blank MTFs were then provided to the principal for completion. In one of these instances, yearbook sales totaling \$281.00 were posted incorrectly to the vending commission account.

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 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) Depository (drop) safes are required for every school. The safe should be bolted to the floor and in a location accessible to staff which will facilitate submission of

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funds in the recordkeeping staff's absence. A log should be maintained where staff members record their name and the date of the 'drop.' The money should be sealed in an envelope with the completed, signed MTF enclosed. On the following day, the staff member dropping off money should make sure the recordkeeping staff has a record of the deposit. Funds should never be dropped without a completed MTF.

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

- a) Staff prefer to complete one MTF detailing all funds collected for the duration of student activities instead of completing MTFs for funds collected daily.
- b) The recordkeeping staff was not clear on the level of detail required during funds collection of SAF.
- c) The assistant principal overseeing the collection of year-end MTF envelopes did not ensure that the seal was signed or did not follow-up with the staff members who did not return all year-end MTFs and did not seal and sign the year-end MTF envelope. The school administrators were unaware that the recordkeeping staff should not have access to the year-end MTF envelopes.
- d) The recordkeeping staff duplicated the incorrect MTF log format from the former recordkeeping staff.
- e) Although advised by the recordkeeping staff, staff members disregarded the requirement for completion of the drop safe log.
- f) According to the recordkeeping staff, the principal was unavailable to receive commission checks and complete MTFs documenting funds received. Therefore, the recordkeeping staff performed these responsibilities.

The audit trail for reviewing 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. Restitution for the missing funds which totaled \$285.00 was made to the school contingent upon this audit.

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

- 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.



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- 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 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.
- 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.
- 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.

**2019.02: Mismanagement of Disbursements**

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

- a) ***Incomplete and Inaccurate Documentation*** - There were **15** instances where School Funds Expenditure Forms (SFEFs) were incomplete. The “funds available” section of School Funds Expenditure Forms (SFEFs) was not completed detailing the available balance in the respective fund accounts. The principal’s approval of the expenditures was not present on **6** SFEFs. A vendor statement, in lieu of an invoice, was provided to substantiate expenditures in one instance. ***(This condition was also noted in the previous audit as of March 31, 2011.)***

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- b) ***Inadequate Principal Approval*** – There were **12** 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.
- c) ***Delinquent Payments*** - There were **2** instances where disbursements were not issued to vendors by the due dates.
- d) ***Inappropriate Disbursement of Student Activity Funds*** – During FY 2017, SAF totaling \$400.00 were incorrectly disbursed from the restricted boys and girls basketball concession account as a donation to Calvary Women’s Services, a charitable organization.

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

- a) The recordkeeping staff is required to determine if funds are available, initial, date and record the amount of funds available on the SFEF to provide information for the principal’s approval. Expenditures of SAF are required to be supported by itemized receipts or invoices.
- b) Prior to ordering or purchasing goods or services, a SFEF must be completed, signed and dated (approved) by the principal.
- c) 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.
- d) Section 3.2.2, Bookkeepers/Financial Secretaries requires the recordkeeping staff or financial secretary to accurately record and report the school’s financial transactions. Restricted funds are those funds that are raised by a specific group and/or for a specific purpose and are used exclusively for that group and/or purpose and not for general needs of the school.

Contributory factors in the mismanagement of disbursements are as follows:

- a) The recordkeeping staff did not clearly understand what was required on the “funds available” line of the SFEF. The recordkeeping staff failed to obtain the vendor invoices to attach to SFEFs.
- b) There were instances where verbal approvals to make purchases were provided to the staff by the principal. The requesting staff failed to obtain and submit a SFEF to ensure documented approval.

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- c) Invoices received in the mail were sometimes misplaced and were not given directly to the bookkeeper for payment.
- d) Charitable fundraiser proceeds were not monitored resulting in disbursements for donations from other restricted accounts.

Inadequate documentation 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 purchase; 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 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.
- 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.
- c) School staff must be reminded that invoices are required to be immediately provided to the bookkeeper for prompt processing of payment.
- d) The bookkeeper and fundraising sponsors must carefully monitor charitable fundraiser proceeds to ensure that related disbursements are processed from restricted accounts with available balances.

**2019.03 Administration of Voided Checks**

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

- a) ***Unavailable Voided Checks*** - There were 7 instances where voided checks could not be located.
- b) ***Voided Checks Not Entered in the Accounting System*** - There were 4 instances where voided checks were not entered into the accounting system.

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

The recordkeeping staff was not aware that checks that were voided due to printing errors were still required to be entered in SFO. 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. Failure to properly void checks could result in unauthorized check use and negotiation.

**Recommendation:** 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.

#### **2019.04 Financial Reporting**

The following exceptions relative to financial reporting were noted:

- a) ***Financial Reports Not Completed Timely*** - There were **16** instances during the audit period where monthly financial reports were not completed timely by the bookkeeper. Financial reports were prepared between 2 and 120 days after the due date.
- b) ***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.
- c) ***Approval of Funds Transfer Journal*** - There were **24** instances where evidence could not be obtained to substantiate Funds Transferred between fund accounts.

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

- a) The principal is responsible for receiving the bank statement unopened. After reviewing the statement and cancelled checks, the principal is required to forward the documents to the recordkeeping staff for reconciliation. The reconciliation should be completed by the recordkeeping staff within 7 days of receiving the statement from the bank. The monthly financial reporting process is required to be

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completed by the 15th day of each month and presented to the principal for review.

- b) 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.
- 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.

The recordkeeping staff stated that financial reports were not made a priority due to competing responsibilities of the principal's secretary position. The recordkeeping staff was of the impression that since bills were usually paid once the invoices are received the Unpaid Bills Determination Spreadsheet was not required. The principal did not have a process in place for ensuring that all fund transfers were pre-approved.

Delinquent reporting and inaccurate transaction details impacts the timeliness and reliability of information used in the decision-making process. The principal's ability to promptly verify the school's solvency status and identify individual transactions may be impacted. Also, financial statements could be misstated when unapproved transactions are entered in SFO.

**Recommendation:** The principal and recordkeeping staff must perform the following to improve financial reporting:

- 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 collaboratively review open invoices during the monthly financial reporting process to ensure the Unpaid Bills Determination Spreadsheet is completed properly.
- c) The Accounting and Financial 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.

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- d) The principal must establish a process to ensure that funds transfer journal entries are consistently approved before being processed in SFO.

**2019.05 Fundraiser Forms**

The Fundraiser Request and Authorization Form, Fundraiser Completion Form, 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 Form and the annual reports that summarize fundraising events held by the school.

The recordkeeping staff was unaware of the requirement to complete fundraiser forms. 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 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.

**2019.06 Record Retention**

The following financial records were unavailable for review:

- There were 2 missing MTFs (including deposit slip and supporting documentation) from FY 2016
- There were 15 missing Cancelled checks (2- FY 2015; 5- FY 2016; 6 - FY 2017; 2- FY 2018)
- There were 4 missing SFEFs and related supporting documentation (2- FY17 & 2- FY18)

The APM section 6.12 *Record Retention* states that all SAF records must be retained for a period of seven (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.

The principal and recordkeeping staff were unable to locate financial records maintained by the former recordkeeping staff. The paper trail providing evidence that funds were

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collected or expended in compliance with BOE policies and procedures could not be confirmed.

**Recommendation:** The principal and recordkeeping staff must implement a records management system that ensures filing and retrieval of financial records in their absence.

**2019.07 Administration of Vending Contracts**

The school does not have a copy of the current vending contract for the 3 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, she was unaware that an annual vending contract was required to be maintained on file.

Failure to have a formal 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 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.

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**2019.08 Principal Sponsored Activities Fund Account Deficits**

The following Principal Sponsored Activities (PSA) fund accounts contained deficits which aggregated to approximately **(\$1,502.06)** as of April 30, 2018.

<b><u>Account #</u></b>	<b><u>Account Description</u></b>	<b><u>Amount</u></b>
450.10	PSA- Flowers	(\$137.90)
450.20	PSA- Food	(\$1,235.15)
450.30	PSA- Staff Appreciation	(\$77.88)
450.50	PSA- Transfer In	(\$51.13)
	<b>Total</b>	<b>(\$1,502.06)</b>

*The Account History Report for various unrestricted accounts during the audit period, detailed expenses totaling \$3,976.16 for staff food that were incorrectly posted to unrestricted accounts in FY 2017. During FY 2017, transfers into PSA were also overstated by \$1,146.84. As a result the actual PSA fund account was overstated by \$2,829.32.*

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

There was no regard for whether there was available PSA balance prior to disbursements of SAF for staff food. The requirement to use PSA funds only to the extent of available funds was overridden when other fund account balances were used to purchase staff food.

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. *(This condition was also noted in the previous audit as of June 30, 2010.)*

**Recommendation:** The principal and recordkeeping staff must perform the following to improve fiscal management of SAF:

- 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.



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- 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.

**2019.09 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 **6** repeated 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. Students are not receiving the maximum possible benefit of the resources available to them.

**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.

**STATUS OF PRIOR AUDIT FINDINGS**

The previous audit report for Isaac Gourdine Middle School was issued for the period ended March 31, 2011. During that period, the principal was in her current position. The current recordkeeping staff performed the financial responsibilities during FY 2016 and the current school year. There were **11** findings noted in the prior audit and **6** have been repeated. The following findings were noted as a result of that audit and the current status is indicated below.

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- **Excessive Spending in Principal Sponsored Activities** - Condition still exists. See **2019.08** regarding *Restricted Account Deficits*.
- **Failure to Remit Funds and Expenditures Made Using Fundraising Proceeds** - Control appears to be working.
- **Delinquent Deposits**- Condition still exists. See **2019.01** regarding *Mismanagement of Funds Received*.
- **Funds Collected and Kept in a Location not Accessible to the Recordkeeping staff**- Control appears to be working.
- **Payments to Individuals/Unincorporated Businesses for Services Rendered**- Control appears to be working.
- **Incomplete and/or Inadequate Documentation for Receipts**- Condition still exists. See **2019.01** regarding *Mismanagement of Funds Received*.
- **Equipment Purchased with Student Activity Funds Unable to be Physically Located**- Control appears to be working.
- **Safeguarding of Assets**- Control appears to be working.
- **Transactions Misclassified**- Condition still exists. See **2019.08** regarding *Restricted Account Deficits*.
- **Incomplete and/or Inadequate Supporting Documentation for Disbursements** - Condition still exists. See **2019.02** regarding *Mismanagement of Disbursements*.
- **Retention of Records** - Condition still exists. See **2019.06** regarding *Record Retention*.

### ACKNOWLEDGEMENT

We would like to thank the principal and staff of Isaac Gourdine Middle School for their cooperation and assistance during the audit.