

**Prince George's County Public Schools  
Internal Audit Department  
School/Office: Samuel Chase ES**

**Response Date: July 16, 2018**

	<b>Findings</b>	<b>Recommendations</b>	<b>Concur Non- Concur Partially Concur</b>	<b>Action Plan</b>	<b>Corrective Action Date</b>	<b>Status Implemented Partially Implemented Not Implemented</b>
1.	<b><u>2018.01: Mismanagement of Disbursements</u></b>	<p>A. The principal must ensure staff members are aware that pre-approval is required prior to the purchase of products or services and be held accountable for compliance. SFEFs should be entirely completed by staff. The principal should ensure all pre-approval details are provided on SFEFs prior to approving expenditures.</p> <p>B. The principal must establish internal controls to ensure accurate recording and reporting the school's financial transactions. The bookkeeper must do reversing journal entries to correct all transactions posted to account number 512.00 described as "SPMT-Fundraiser" for FY 2018. If needed, contact the school activity fund support specialist for assistance</p> <p>C. The bookkeeper must ensure vendor payments are issued timely, within 30 days of receipt or by due date on invoice.</p> <p>D. The principal must establish internal controls</p>	Concur	<p>A. The principal will ensure all pre-approval details are provided on SFEFs prior to approving expenditures. The principal will not sign off on any SFEFs if any details are missing. He will review each SFEF before signing.</p> <p>B. SPMT fund is no longer in use. According to School Activity Funds, the monies have been placed in the correct accounts.</p> <p>C. The Principal will use the Monthly expenditures report to monitor any outstanding payments. Ensuring that all payments are paid within 30</p>	<p>7/12/18</p> <p>7/12/18</p> <p>7/12/18</p>	<p>Implemented</p> <p>Implemented</p> <p>Not Implemented (bookkeeper is on leave)</p>

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		<p>to ensure that all voided checks are defaced, filed in check number order with cancelled check images, entered into the SFO accounting system and VCPS approved. The principal should perform periodic oversight to ensure this process is being performed.</p> <p>E. The principal must establish internal controls to ensure, as the fiduciary agent of the school, he signs all agreements and contracts obligating the school.</p> <p>F. The principal must establish internal controls to ensure that all purchases made by school are sales tax-exempt, if used in the conduct of school business. After the principal pre-approves a SFEEF, a copy of the certificate should be provided the staff member for presentation to the vendor when making the school purchase.</p>		<p>days or by their due date.</p> <p>D. The Principal will review all voided checks prior to signing the VCPS. By viewing the VCPS that is generated in SFO the Principal will know that the voided check has been entered into SFO.</p> <p>E. The Principal will ensure that all agreements and contracts are signed by him. The principal will inform the staff that he is the only person authorized to sign contracts. He will review all contracts before signing them.</p> <p>F. The Principal will have the bookkeeper distribute the certificate to staff members after the SFES is signed by him. If a staff member does pay sales tax, he/she will not be reimbursed for the sales tax.</p>	<p>7/12/18</p> <p>7/12/18</p> <p>7/12/18</p>	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>
2.	<b><u>2018:02</u></b> <b><u>Mismanagement</u></b> <b><u>of Funds</u></b> <b><u>Received</u></b>	<p>A. The recordkeeping staff must ensure that all MTF documentation is complete by verifying that all supporting documentation is attached along with the MTF prior to acceptance and deposit of funds. MTFs should not be accepted if changes are not initialed.</p> <p>B. The recordkeeping staff must be reminded that all funds collected and remitted should be deposited every other day or on a day if collection of funds exceed \$250.00. Teachers</p>	Concur	<p>A. The Principal will review the procedures and expectations with the bookkeeper. Staff will also be informed about initialing the MTF if any changes are made to it.</p>	August 2018	Not Implemented (bookkeeper is on leave)

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		<p>must be informed that funds collected cannot be held overnight. The principal must provide the recordkeeping staff with adequate time to verify that funds collected are as indicated on the MTFs submitted and that deposits are made with the bank timely. The principal should perform periodic review of the deposit records to monitor whether deposits are made as required. The principal should hold all staff accountable for compliance.</p> <p>C. The principal must establish internal controls to ensure that staff completes the required fundraising forms for fundraising events held. These documents must be maintained on file for public and auditor review upon request.</p> <p>D. The principal must establish internal controls to ensure that transfers between restricted accounts are only authorized if reviewed and approved by the principal.</p> <p>E. All staff must be held accountable for adherence to the internal controls.</p>		<p>B. Teachers will be reminded/informed that no collected funds can be held by them overnight. The principal will also remind/inform the bookkeeper that funds under \$250.00 should be deposited every other day and funds over \$250 need to be deposited daily.</p> <p>C. The principal will ensure that all fundraisers are done using the fund raising forms from the APM. These forms will be maintained in the financial binder. All staff will be trained on the process used for gaining approval of fundraisers. They will also be trained on the proper procedures for completing the fundraising form.</p> <p>D. The principal will ensure that all transfers between restricted accounts are authorized by him. He will use his monthly meetings with the bookkeeper to</p>	<p>August 2018</p> <p>August 2018</p> <p>7/12/18</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented (bookkeeper is on leave)</p>
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				review and approve all transfers.		
				E. All staff members will be trained and held accountable to internal controls.	August 2018	Not Implemented
3.	<b><u>2018.03 Check Writing</u></b>	The principal must establish internal controls to ensure that all checks are printed from SFO and all checks must be written to an Approved/Active vendor in School Funds Online with only exceptions being for staff reimbursements and parent refunds.	Concur	A. The current principal has and will continue to ensure that all checks are written through SFO. The principal, bookkeeper, and the third signer are aware that no hand written checks will be signed. There were 3 instances where the previous principal manually generated checks.	7/12/18	Implemented
				B. The principal will have the bookkeeper check Oracle to be sure all vendors are approved before the SFEF will be signed.	7/12/18	Implemented
4.	<b><u>2018.04 Record Retention</u></b>	The principal must ensure proper custody of all records relating to SAF until they are audited. An adequate filing system must to be implemented to help ensure that in the absence of the recordkeeping staff or principal, financial documents would be retrievable for future review.	Concur	A. The principal will ensure that all documents pertaining to cash disbursements, voided checks, and transfers are filed in the financial binder	7/12/18	Not Implemented (bookkeeper is on leave)

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5.	<b><u>2018.05 Vending Machines</u></b>	The principal must establish procedures to ensure that current vendor contracts are established, adhered to, and maintained on file in compliance with BOE policies and procedures. The principal should consult with Purchasing and Supply Services to identify an alternate vending company in absence of a contract.	Concur	A. The principal called purchasing on 7/12/2018. Purchasing will email the approved vendor list to the principal. The principal will begin calling vendors on 7/16/18 to begin the process of getting a contract.	Ongoing	Implemented
6.	<b><u>2018.06 Excessive Spending in Restricted Accounts</u></b>	All potential expenditures should be evaluated with regard to available resources and care must be exercised to ensure the resources are used for the maximum benefit of the students. Spending in these accounts must cease until the accounts deficits are resolved.	Concur	A. These accounts have not been used by the current principal and they will not be used until they are solvent.	7/12/18	Implemented
7.	<b><u>2018.07 Delinquent Monthly Bank Reconciliations and Financial Reporting</u></b>	The principal must establish procedures to ensure that monthly reconciliations and financial reporting is performed by the 15th of the subsequent month. The recordkeeping staff must be held accountable for meeting this deadline.	Concur	A. The principal will set the 10 <sup>th</sup> of every month as the monthly due dates for the bookkeeper to complete the reconciliations. Then the principal will meet with the bookkeeper to review and sign all documents in the reconciliation. The bookkeeper will be held accountable for meeting the monthly due dates.	Ongoing	Not Implemented (bookkeeper is on leave)
8.	<b><u>2018.08 Use of the Advance, Reimbursement</u></b>	The principal must establish procedures to ensure that all future cash disbursement transactions are accurately	Concur	A. The principal will ensure that all staff reimbursement checks use	7/12/18	Not Implemented (bookkeeper is

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	<b><u>and Refund Vendor Accounts</u></b>	recorded in SFO. Additionally, correcting entries must be made to ensure accurate accounting of all transactions.		the vendor, REIMBURSEMENT and all parent refunds use the vendor, REFUND. The principal will review all checks prior to signing to be sure they are being recorded accurately.		on leave)
9.	<b><u>2018.09 Administration of the Parent Teacher Association Accounts</u></b>	The physical education teacher must be required to resign as the PTA Treasurer and check signer to ensure compliance with AP 3350, PTA, PTSA, PTO.	Concur	A. The physical education teacher is no longer the PTA treasurer and was not the treasurer at the time of the audit.	7/12/18	Implemented
10.	<b><u>2018.10 Management Oversight</u></b>	The current principal should carefully review the policies and procedures as defined in APM. He should be consistently involved in the daily operations as it relates to the administration of the school's resources. Improvement of the internal control environment should be emphasized by focusing on these four basic principles: <ul style="list-style-type: none"> <li>❖ Clearly defined lines of authority and responsibility;</li> <li>❖ Segregation of duties;</li> <li>❖ Maintenance of adequate documents and records;</li> <li>❖ Limited access to assets, and</li> <li>❖ Independent checks on performance</li> </ul>	Concur	A. The principal will review the policies and procedures as outlined in the APM. Although he will review them on his own, it should be noted that no formal training on the APM has been conducted. The principal will review the APM monthly with the bookkeeper as they review and sign the monthly reports. This will be done before the 15 <sup>th</sup> of every month.	Ongoing	Not Implemented (bookkeeper is on leave)

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