

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

Response Date: January 21, 2020

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1.	<u>2020.01: Mismanagement of Disbursements</u>	<p>A. Internal controls must be established to ensure that all SFEF's are complete and has adequate supporting documentation prior to issuance of payments.</p> <p>B. 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>C. The principal and recordkeeping staff must ensure vendor payments are issued timely, within 30 days of receipt or by due date on invoice.</p> <p>D. Internal controls must be established to ensure that a copy of the sales tax-exempt certificate is provided to staff for presentation to the vendor when making the school purchase.</p>	Concur	<p>A. The Principal and Bookkeeper will jointly review each SFEF. Financial guidelines will be reviewed during the February staff meeting.</p> <p>B. The Principal and Bookkeeper will jointly review each SFEF. Financial guidelines will be reviewed during the February staff meeting.</p> <p>C. The Principal and Bookkeeper will meet every two weeks to review outstanding vendor payments.</p> <p>D. A Sales Tax ID Log has been created to ensure sales tax exemptions is are utilized when applicable.</p> <p>E. The Principal and Bookkeeper will ensure the Principal is listed as the approver of all agreements and contracts. All contract at this time are in compliance with this recommendation.</p>	December 2019	Partially Implemented

Principal Signature _____

Date _____

		E. Internal controls must be established to ensure that the principal, as the fiduciary agent of the school, approves and sign all agreements and contracts entered into for all school activities.				
2.	<u>2020:02 Voided Checks</u>	The recordkeeping staff must be reminded of the importance of administering checks as required by the BOE. All voided checks must be entered in SFO and have "VOID" written across the face of the check. The signature line must be removed.	Concur	The bookkeeper and myself will review the voided check policies. I will review the check files monthly with the bookkeeper.	January 2020	Implemented
3.	<u>2020:03 Management of Funds Received</u>	<p>A. The recordkeeping staff must ensure that all MTF documentation is complete including verifying that all supporting documentation is attached along with the MTF prior to acceptance and deposit of funds. The bookkeeper should not accept the MTF if changes are not initialed.</p> <p>B. The recordkeeping staff must be reminded that all funds collected and remitted should be deposited on a daily basis especially funds in excess of \$250.00. Teachers must be informed that funds collected cannot be held overnight. The principal must provide the bookkeeper 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>	Concur	<p>A. MTF's will not be accepted from school accountant if the form has not been completed thoroughly or correctly. MTFs will be reviewed by Administration and the Bookkeeper monthly.</p> <p>B. The MTF Policy will be reviewed with staff. The principal will review the deposit records each month. Administration will ensure all funds collected are deposited daily.</p> <p>C. The Principal and Bookkeeper will complete a fundraiser overview training for all involved staff prior to each fundraising event.</p> <p>D. All transfers and between accounts will be reviewed to ensure compliance of APM requirements. Staff will sign in and out MTF log</p> <p>Provide non-compliant staff Members</p>	October 2019	Implemented

Principal Signature _____

Date _____

		<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 supporting documentation to validate all transfers between restricted fund accounts in accordance with the requirements of the APM.</p>				
4.	<u>2020.04 Record Retention</u>	The principal must ensure proper custody of all records relating to SAF until they are audited. An adequate filing system must be implemented to help ensure that in the absence of the bookkeeper or principal, financial documents would be filed properly for future review.	Concur	Review of Current Filing System has been completed. A guidelines handbook will be created to ensure proper filing in accordance with PGCPS' record retention policy	January 2020	Partially Implemented
5.	<u>2020.05 Vending Machines Contract</u>	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. The principal should pursue collection of all outstanding commissions.	Concur	Missing Funds were received in January. HHES is in the process of finding an alternative vending company. A new contract is forthcoming.	January 2020	Implemented
6.	<u>2020.06 Financial Reporting</u>	The principal must establish procedures to ensure that monthly bank reconciliations and financial reporting occur by the 15 th of each month. Related documentation should be	Concur	The Bookkeeper will be provided uninterrupted time each Wednesday to complete reporting from 2:15 - 3:00 p.m.	January 2020	Implemented

Principal Signature _____

Date _____

		organized and maintained in three-ring binders identified by fiscal year.		Electronic Bank Statements will also be requested to support timely completion of financial reporting.		
7.	<u>2020.07 Excessive Spending in Principal Sponsored Activity (PSA) Fund Account</u>	The recordkeeping staff and principal must evaluate potential expenditures 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 the PSA account must cease until the account's deficit is resolved.	Concur	The account deficit was created prior to my installment as the Principal. 15% of all school fundraisers proceed are utilized to mitigate the established deficit.	September 2020	Implemented

Principal Signature _____

Date _____