

Prince George's County Public Schools
 Internal Audit Department
 School/Office SPRINGHILL LAKE ELEMENTARY
 Response Date JANUARY 30, 2020

	Findings	Recommendations	Action Plan	Corrective Action Date	Implemented	Status Partially Implemented	Not Implemented
#1	<p>The audit of student activity funds revealed the following instances where corrective actions are necessary to improve management of funds received:</p> <p>A. Inadequate Approval-IA identified 8 instances where expenditures were not adequately approved. In 4 instances, the School Funds Expenditure Forms (SFEF) were approved after purchases were made or items ordered from vendors or not signed by the former principal.</p> <p>B. Delinquent Vendor Payments - IA identified 4 instances where expenditures were not remitted to vendor in a timely manner. The range of delinquency was between 35 and 106 days.</p> <p>C. Inadequate Supporting Documentation - There were 13 instances where documentation</p>	<p>The principal and bookkeeper must perform the following to improve the administration of disbursements:</p> <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 and staff must ensure</p>	<p>During the November Staff Meeting the proper procedure for expenditure approval was reviewed with the staff.</p> <p>The Principal and Accounting Secretary will review section 4.5.3.2 of the Accounting Manual to ensure checks are issued correctly.</p> <p>The accounting Secretary will provide an</p>	11/18 /19	X		

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<p>to substantiate checks issued was incomplete or could not be located.</p>	<p>ensure vendor payments are issued timely, within 30 days of receipt or by the due date on invoice.</p> <p>C. 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>itemized receipt/invoice prior to check disbursement.</p> <p>Check request forms will be used appropriately and will always be approved by the Principal.</p> <p>Payments/reimbursements will not be issued without prior approval and appropriate documentation.</p>	<p>11/18 /19</p>	<p>X</p>		
<p>#2</p> <p>The following exceptions pertaining to administration of checks were noted:</p> <p>A. <i>Voided Checks</i> - During the review of the school's voided checks, the following exceptions were noted:</p> <p>There were 23 instances where voided checks could not be located in the school's files to determine appropriate disposition.</p> <p>There were 14 instances where voided checks were not properly voided by removal of the signature line.</p>	<p>A. 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.</p> <p>B. The principal must ensure all school checks are generated from SFO and that two approved signatures are</p>	<p>The Accounting Secretary will review section 4.5.3.2 item #4 to ensure checks are voided correctly.</p> <p>The signature area of voided checks will be cut off and the voided check will be placed in the accounting binder.</p>				

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	<p>There were 2 instances where voided checks were not entered into SFO accounting system.</p> <p>B. Approved Signatures - The two approved signatures (one by the principal and one by the bookkeeper or an alternate in absence of either the principal or bookkeeper) were not affixed to all school checks generated from SFO.</p>	<p>affixed – one by the principal and one by the bookkeeper or an alternate in absence of either the principal or bookkeeper.</p>	<p>Principal and Accounting Secretary will review financial records on a monthly basis to ensure all items are correctly performed.</p>				
#3	<p>4. Monetary Transmittal Form Documentation (MTF)</p> <p>1) Inadequate Supporting Documentation - There were 39 instances where cash receipts were not properly supported (incomplete MTF or documentation).</p> <p>2) Changes made to MTFs- Internal Audit identified (11) instances where changes made to MTFs were not done</p>	<p>The following corrective actions should be implemented for Springhill Lake Elementary School receipts to be made in accordance with BOE policies and procedures:</p> <ul style="list-style-type: none"> The bookkeeper 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>Sections 3.2.3, Figure 1, 4.5.2.2 (#s 1 & 2), Appendix C-1, and Appendix C-2 of the Accounting Manual will be reviewed with teachers to ensure they know their role in appropriate management of funds in regards to collecting and submitting money, and MTFs.</p> <p>The Principal and the Accounting Secretary</p>	11/18 /19	X		

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<p>according to the MTF instructions.</p> <p>B. Fundraiser Forms not completed - Staff failed to complete the Fundraiser Authorization Forms, Fundraiser Completion Reports and the Annual Fund Raising Summary Reports for all fundraising events.</p> <p>C. Transfer of Funds Received - There were (4) instances where transfers were not made in accordance with the requirements of the APM. In addition, there were (17) instances where IA could not locate available supporting documentation to determine if transfers were made in accordance with the requirements of the APM</p> <p>D. Delinquent Deposit - Internal Audit identified (50) instances where deposits were not made in a timely manner. The range of delinquency was 47 days.</p>	<ul style="list-style-type: none"> The bookkeeper 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>thoroughly went over how to accurately complete an MTF with a demonstration provided at the November Staff Meeting.</p> <p>The Accounting Secretary will review section 4.5.2.2 of the Accounting Manual to ensure proper procedures are followed for MTFs.</p> <p>The Accounting Secretary will not prepare MTFs. She will only sign off on funds being submitted.</p>			
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		<ul style="list-style-type: none"> The principal must establish internal controls to ensure that transfers between restricted accounts are only authorized if reviewed and approved by the Principal. 				
#4	Internal Audit could not locate supporting documentation for (23) voided checks, (17) cancelled checks, (17) transfers and (4) MTF's in the year-end envelopes during the audit.	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.	The Accounting Secretary will maintain a file and/or accounting notebooks throughout the year. At the end of a fiscal year, the Accounting Secretary will store financial documents in clearly labeled envelopes in a secure location.	11/18/19	X	
#5	Monthly Reconciliations & Financial Reporting by the 15 th of each month is not done timely. 1A identified 21 instances where the bank account was not reconciled timely. The range of delinquency was 3 to 171 days. In addition,	The principal must establish procedures to ensure that monthly reconciliations & financial reporting take place by the 15 th of each month and related documentation are organized and maintained in	The Accounting Secretary will ensure that the Monthly Reconciliations and Financial reporting	11/18/19	X	

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IA could locate a complete full year of financial reports for the audit period.	three-ring binders identified by fiscal year.	is completed in SFO and submitted to the Principal on or before the 15th of each month.				
<p>#6</p> <p>The former recordkeeping staff inappropriately processed 4 reimbursements to staff members totaling \$402.73 using the "Refund Vendor" option.</p> <p>The former and current recordkeeping staff inappropriately processed 7 refunds to parents totaling \$389.51 using the "Reimbursement Vendor" option.</p> <p>The recordkeeping staff inappropriately processed 1 cash disbursement transaction for a field trip that appears to be a payment to a Non BOE approved vendor totaling \$138.00 using the "Reimbursement Vendor".</p>	<p>The principal must establish procedures to ensure that financial recordkeeping staff properly post all future cash disbursements accurately in SFO. Recordkeeping staff should be held accountable for compliance. Additionally, the principal should contact Accounting & Financial Reporting regarding appropriate training pertaining to use of the Advance and Reimbursement Vendor options when posting disbursements.</p>	<p>The accounting secretary will only process cash reimbursements based on based on pre approval given by principal.</p>	11/18/19	X		
<p>#7</p> <p>The student activity fund has (5) restricted fund accounts with deficits totaling (\$1,308.99) as of June 30, 2019. The following is a listing of accounts with deficits:</p> <ul style="list-style-type: none"> The Donations account (Field Trip) has a deficit of (\$250.00). 	<p>We recommend that all potential expenditures be evaluated with regard to available resources and care must be exercised to ensure the resources are utilized for the maximum benefit of the students. Spending in these accounts must cease until the account's deficit are resolved.</p>	<p>Records secretary will review with staff Admin Procedure 3160 and 3450 with staff at March Staff Meeting</p>				

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#8	<p>Sales Taxes Not Collected: There were 3 instances where sales taxes were not collected on taxable transactions in accordance with BOE/State of Maryland policies and procedures.</p>	<p>The bookkeeper should ensure the appropriate sales tax is collected and remitted to the State of Maryland for all applicable sales taxable items sold by the school. The bookkeeper should review AP 5137 to become familiar with sales taxable items.</p>	<p>Procedures will be placed in the weekly newsletter for reference. Student activity funds will only be approved for the amount that is available in fund once deficits are resolved. All expenditures must be approved by principal and available funds will be examined before approval</p> <p>For all transactions that require sales tax, amounts will be noted on documents. All fundraiser or events that require sales tax to be collected will be explicitly include that amount in the total.</p>		<ul style="list-style-type: none"> • The PSA-Food account has a deficit of (\$,04), • The Take 10 account has a deficit of (\$56,66), • The Yearbook account has a deficit of (\$933,25) and • The Kindergarten Fee account has a deficit of (\$69,04). 										
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#9	The former principal did not exercise proper management oversight during the administration of student activity funds during the audit period.	<p>The principal should carefully review the policies and procedures as defined in APM. She 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:</p> <ul style="list-style-type: none"> ❖ Clearly defined lines of authority and responsibility; ❖ Segregation of duties; ❖ Maintenance of adequate documents and records; ❖ Limited access to assets, and ❖ Independent checks on performance 	A monthly finance meeting will be held with records secretary to ensure that proper oversight of Student activity fund is monitored		
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3/10/2020