



March 23, 2021

MEMORANDUM

To: Ed Ryans, Ed. D., Instructional Director
Cluster 11

Eddie Scott, Principal
Frederick Douglass High School

From: Michele Winston, CPA, Director 
Internal Audit

Re: Financial Audit for July 1, 2018 through November 30, 2020

An audit was completed on the financial records of **Frederick Douglass High School** for the period July 1, 2018 through November 30, 2020. The audit indicates that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual (APM) for School Activity Funds (SAF) and Board of Education (BOE) policies and procedures. The exceptions noted in the audit are documented in the attached audit report.

As principal of the school, you will be responsible for preparing an action plan by **April 23, 2021** indicating steps that will be taken to ensure compliance with the APM. Please note that you are required to provide your action plan using the attached Microsoft word template and any other correspondence to the Internal Audit Office, email address internal.audit@pgcps.org. **Please forward this template as a Microsoft Word document.** A copy of your action plan should also be forwarded to Danyelle Washington, Business Analyst, email address: dany.washington@pgcps.org; Deborah Smalls, Business Operations Technician, email address: deborah.smalls@pgcps.org; Katrina Greene, Student Activity Fund Support Specialist, email address: katrina.greene@pgcps.org and Joeday Newsom, Esq., Ethics Compliance Officer, email address: joeday.newsom@pgcps.org.

Enclosure

cc: Juanita Miller, Ed. D., Board Chair
Monica Goldson, Ed. D., Chief Executive Officer
Members, Board of Education
Michael Herbstman, Chief Financial Officer
James Dougherty, Esq., Director, Financial Services
Carletta Marrow, Ed. D., Associate Superintendent, High Schools
Helen Coley, Ed. D., Chief, School Support and Leadership
Joeday Newsom, Esq., Ethics Compliance Officer
Suzann King, Esq., Executive Director, Board of Education
Katrina Greene, Student Activity Funds Support Specialist
Janice Walters-Semple, CPA, Supervisor, Internal Audit
Kelvin Campbell, Internal Auditor II

Internal Audit Report

**Frederick Douglass High School
School Activity Funds**

For the Period Ended November 30, 2020

Frederick Douglass High School
School Activity Funds
Internal Audit Report
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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Frederick Douglass High School for the period July 1, 2018 through November 30, 2020. Frederick Douglass High 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 Generally Accepted Government Auditing Standards 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 Disbursements,*
- *Administration of Checks,*
- *Mismanagement of Funds Received,*
- *Excessive Spending in Restricted Accounts,*
- *Record Retention,*
- *Contracts and Licensing Agreements,*
- *Delinquent Monthly Bank Reconciliations, and*
- *Inappropriate Use of Advance Vendor Option*

Individually or taken together, these findings resulted in a material deviation from Board of Education (BOE) policies, procedures, and the requirements of the Accounting Procedures Manual (APM) for SAF.

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 November 30, 2020.



Michele Winston, CPA, Director
Internal Audit

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SUMMARY

The Internal Audit (IA) department completed an audit of the school activity funds (SAF) for Frederick Douglass High School for the period July 1, 2018 through November 30, 2020. The audit was conducted as part of the department's 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.

This audit report includes 9 findings that occurred under the leadership of the current principal. A listing of the findings and the personnel responsible are included in the appendix at the end of the audit report. 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 complies with the policies and procedures of the APM and the BOE. It is important to recognize that, while the audit 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 bank statements, financial reports, selected cancelled checks, and all voided checks and MTF envelopes submitted by staff for the period July 1, 2018 through November 30, 2020. In addition, selected receipts, disbursements, and supporting documentation were reviewed for the said period. This is an audit of funds related to students' activities at the school and does not include SOR funds or any funds not derived from students' activities for the audit period.

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FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations.

2021.01: Mismanagement of Disbursements

There were **64** of the **86** cash disbursements reviewed that were *not* processed in accordance with BOE policies and procedures. Some transactions had multiple noncompliance or internal control weaknesses. The following exceptions pertaining to management of disbursements were noted:

- A. ***Inadequate Approval*** – There were **55** instances where expenditures were not adequately approved. The principal did not pre-approve the School Fund Expenditure Form (SFEF) prior to purchases being made.
- B. ***Delinquent Vendor Payments*** – There were **5** instances where payments for expenditures were not remitted to vendors in a timely manner. The range of delinquency was between **33 and 158** days.
- C. ***Inadequate Supporting Documentation*** – There were **27** instances where expenditures did not contain adequate supporting documentation. There was no evidence to support the expenditure.
- D. ***Misclassified Transactions*** - There were **4** instances where the cash disbursements were not properly recorded in the accounting system. This included one instance where check #25515 was written for \$3,474.00 to pay for basketball officials used in both boys and girls basketball games. The supporting documentation indicates this expenditure should have been posted to 212.55 *Boys Basketball Officials* in the amount of \$2,824.00 and 231.55 *Girls Basketball Officials* in the amount of \$650.00. The Athletic Director completed the SFEF improperly indicating that the expense should be posted to the following accounts: 212.35 *Boys Basketball Fundraising* - \$44.94; 212.45 *Boys Basketball Gate Receipts* - \$1,904.78; 212.70 *Boys Basketball Purchase/Resale* - \$226.42; 212.75 *Boys Basketball Tournament Fee* – \$269.86 and 231.45 *Girls Basketball Gate Receipts* - \$1,028.00.

The APM provides the following guidelines regarding the administration of cash disbursements:

- A. Prior to ordering or purchasing goods or services, an SFEF is required to be completed and signed (approved) by the principal.

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- B. Invoices are required to be paid within 30 days of receipt or by the invoice due date. Principals should review invoices and statements for past due amounts and ensure that payments are made in a timely manner.
- C. All checks must have itemized documentation attached to the SFEFs that supports the amount of the check. Supporting documentation for financial transactions including cash disbursements must be retained for 7 years.
- D. Transactions are required to be recorded in the most specific account relating to the activity. If transactions fit an established category and are expected to occur frequently, it is easier to monitor such transactions in a separate account.

Insufficient training of staff with regards to the pre-approval process for school expenditures resulted in staff ordering goods and services prior to obtaining approval from the principal. Neither the principal nor recordkeeping staff reviewed open invoices and statements for past due amounts to ensure payments were made in a timely manner. The recordkeeping staff did not always perform review of supporting documentation prior to the issuance checks. Reportedly, the recordkeeping staff entered transactions in the school accounting system based on the accounts referenced on the SFEF without verifying the accuracy of this information.

Mismanagement of disbursements constitutes non-compliance with BOE policies and procedures and increases financial risk to the school and staff. Approving purchases without adequate documentation or failure to adequately approve expenditures could result in payment for goods and services that were not received and increases the school's vulnerability to potential misuse or waste of resources. Delinquent payment of invoices could result in the vendor placing the BOE's account with a collection agency where significant collection fees could be assessed. Misclassified transactions impacts the accuracy of financial information that school administrators rely on when making financial decisions.

Recommendation: The principal and recordkeeping staff must perform the following to improve the administration of disbursements:

- A. The principal must ensure staff members are properly trained relative to the pre-approval process when purchasing products or services and be held accountable for compliance. The principal should ensure all pre-approval details are provided on SFEFs prior to approving expenditures.
- B. The principal and recordkeeping staff must regularly review open invoice files to ensure that vendor payments are issued timely, within 30 days of receipt or by the invoice due date.

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- C. Internal controls must be established to ensure that all SFEFs are adequately supported prior to the issuance of payments.

- D. The recordkeeping staff must ensure all expenditures are accurately recorded in SFO. The chart of accounts should be printed and reviewed to help facilitate this process. The principal and recordkeeping staff must carefully review the accounting transactions during the monthly financial reporting process to ensure accuracy of transactions posted to the accounting system.

2021:02 Administration of Checks

There were **3** instances where dual signatures were not affixed to checks generated in SFO. Only the principal signed the checks in the noted instances.

Administrative Procedure 4180, *School Bank Accounts*, requires 2 authorized signatures on each check issued by the school.

Internal controls relative to administration of checks were not followed. The approved signatures were not affixed on checks generated from SFO because there was no consistent review of checks prior to issuance to vendors.

Mismanagement of checks constitutes non-compliance with BOE policies and procedures and increases financial risk to the school and staff. Issuing checks without the two authorized signatures increases the school's vulnerability to potential misuse of its resources.

Recommendation: The principal must perform the final review of checks to ensure that all school checks generated from SFO have 2 approved signatures affixed – one by the principal and one by the recordkeeping staff or an alternate in absence of either the principal or recordkeeping staff.

2021:03 Mismanagement of Funds Received

There were **20** cash receipts reviewed that were *not* processed in accordance with BOE policies and procedures. Some transactions had multiple noncompliance or internal control weaknesses. The following exceptions pertaining to management of disbursements were noted:

- A. ***Inadequate Supporting Documentation*** - There were **12** instances where collections were not properly supported with documentation such as student remittance reports, indicating who the funds were collected from, the date of collection and how much was collected.

- B. ***Delinquent Deposit*** – There were **13** instances where deposits were not made in a timely manner. The range of delinquency was between 3 and **31** days

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The APM provides the following guidelines regarding the administration of funds received:

- A. MTFs should be supported with student remittance forms, fundraiser forms or other documentation that shows the source and purpose of funds.
- B. Deposits of all funds received are required at least every other day. However, no more than **\$250.00** should be kept in the building overnight. If funds are kept on-hand at the school awaiting deposit, it must be kept in a secure location. It is important that schools establish internal controls to ensure frequent deposits occur.

The recordkeeping staff did not perform verification of supporting documentation prior to accepting and approving MTFs and making deposits. School staff were not held accountable for remitting funds to the recordkeeping staff on the day of collection.

Failure to adequately perform recordkeeping responsibilities over the processing of funds received constitutes noncompliance with the requirements of the APM. Audit evidence for ensuring all funds collected were subsequently remitted and deposited was not available. Delinquent deposits of funds impact the accuracy of financial reporting upon which administrators rely to make financial decisions.

Recommendation: The following corrective actions should be implemented for funds received to be processed in accordance with BOE policies and procedures.

- A. The principal must familiarize himself with the APM to help ensure compliance.
- B. The recordkeeping staff must ensure that all collection documentation is adequate by verifying that all appropriate support is attached to the MTF prior to acceptance and approval.
- C. The recordkeeping staff must deposit all funds collected and remitted daily, especially funds in excess of **\$250.00**. Teachers must be informed that funds collected cannot be held overnight. The principal should perform periodic review of the deposit records to monitor whether deposits are made as required. The principal should hold staff members accountable for compliance.

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2021.04 Excessive Spending in Restricted Accounts

The following restricted accounts contained deficits which aggregated to approximately **(\$4,199.94)** as of November 30, 2020:

<u>Account #</u>	<u>Account Description</u>	<u>Amount</u>
304.21	Class of 2020-Dues	(\$20.00)
319.10	Just for Ki	(\$95.49)
450.10	PSA- Flowers	(\$259.80)
450.20	PSA- Food	(\$1,388.10)
450.50	PSA- Transfer In	(\$1,949.78)
510.00	Fam and Con Science Allot	(\$486.77)
	Total	(\$4,199.94)

According to the APM, expenditures for all restricted accounts are limited to the amount of funds collected for those activities. However, if restricted accounts exceed the available cash, the account is insolvent. As the fiduciary agent for SAF, the principal should ensure all accounts are always solvent.

The principal and recordkeeping staff did not implement internal controls to monitor account balances through the pre-approval process to ensure that restricted accounts maintained positive balances. BOE policies and procedures as established in the **APM** regarding the use of restricted funds were not always followed. Students are not receiving the maximum possible benefit of the resources that should have been available to them when restricted accounts are insolvent.

Recommendation: The principal and recordkeeping staff should evaluate all potential expenditures regarding available resources prior to approving expenditures and care be exercised to ensure that fund account deficits are avoided. Spending in these accounts must cease until the account deficits are resolved. The principal should consult with the Accounting and Financial Reporting Office regarding resolving these deficits.

2021.05 Record Retention

Supporting documentation to substantiate financial transactions were not available for review in the following instances:

- **18** Cash Disbursements,
- **6** Cash Receipts,
- **43** Voided Checks,
- **40** Journal Entry Transfers, and
- **97** Monetary Transmittal Forms

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According to the APM Section 6.12, *Record Retention*, All SAF records must 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, MTFs, SFEFs cancelled checks and contracts.

The recordkeeping staff did not properly maintain an adequate filing system. The principal did not provide the necessary oversight for this process. These actions have caused the school to be noncompliant with BOE policies and procedures relative to record retention.

Failure to make financial records available for audit constitutes noncompliance with BOE policies and procedures and compromises the audit trail necessary for determining compliance with applicable requirements.

Recommendation: The principal must provide oversight that ensures proper organization and custody of all records relating to SAF in accordance with the APM Record Retention requirements. An adequate filing system must be implemented to help ensure that in the absence of the recordkeeping staff or principal, financial documents would be retrievable.

2021.06 Contracts and Licensing Agreements

Frederick Douglass High School has a licensing agreement with Ohiopyle Prints, Inc., an unapproved BOE vendor, to sell spirit wear bearing the school's name at local retailers. This prohibited multi-year agreement has been in effect since 2007.

Administrative Procedure 5135.2 *Principal's Contracting Authority* provides guidance on contract authority as it relates to SAF states that schools may not enter into any multiple year agreements. Only the CEO and/or the Board can approve multi-year contracts.

Neither the current principal nor the former principal knew the school had a licensing agreement with Ohiopyle Prints, Inc. to sell spirit wear bearing the school's name at local retailers. The recordkeeping staff recorded the commission checks in a fundraiser account when received.

Nonexistence of a valid contractual agreement with Ohiopyle Prints, Inc. for the sale of spirit wear prohibits the BOE from determining whether the school is deriving maximum benefits from the respective sales.

Recommendation: The principal should terminate its agreement with Ohiopyle Prints, Inc. by providing written notification to discontinue all manufacturing and sale of spirit wear in local retail stores. However, if the principal deems it necessary to continue the sale of spirit wear at local retailers, Purchasing and Supply Services and the Maryland Public Secondary Schools Athletic Association (MPSSAA), who has partnered with K12 Licensing to help schools manage and implement trademark and licensing programs, must be immediately contacted for guidance into the implementation of a valid contract.

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2021.07 Delinquent Monthly Bank Reconciliations

There were **4** instances where the principal failed to review and approve completed bank reconciliations timely. The range of delinquency was **25 to 104** days.

According to the APM, 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 bookkeeper for preparation of the bank reconciliation. The bookkeeper is required to complete the bank reconciliation within 7 days after receiving the statement from the bank. Typically, this process is required to be completed by the 15th of the subsequent month. The completed reconciliation should be returned to the principal every month for review and approval.

The principal did not implement adequate internal controls to ensure that monthly bank reconciliations were consistently reviewed by the 15th of each month as required.

Failure to review and approve monthly bank reconciliations in a timely manner increases financial risk the school.

Recommendation: The principal must establish procedures to ensure that review and approval of monthly bank reconciliations occur by the 15th of each month as required.

2021.08 Inappropriate Use of Advance Vendor Option

The recordkeeping staff inappropriately processed **9** cash disbursement transactions that appears to be advance payments to staff totaling **\$1,765.00** using the “*Reimbursement Vendor*” option.

Within SFO, the school’s accounting system, the “*Reimbursement Vendor*” option was created to post reimbursable expenses to the staff and the “*Advance Vendor*” option was created to process advance payments to staff when the exact amount of the expenditure is not known.

The recordkeeping staff indicated that she was not familiar with the “*Advance Vendor*” option in SFO. As a result, the school’s financial records may not have been accurately stated. Failure to follow instructions for processing advances places the school in a position of non-compliance BOE policies and procedures.

Recommendation: The principal must establish procedures to ensure that all future cash advances are accurately recorded in SFO when disbursed.

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2021.09 Management Oversight

The principal did not exercise proper management oversight during the administration of SAF during the audit period.

The principal is the fiduciary agent for student activity funds. In this role, the principal is the person responsible for ensuring that these funds are administered in accordance with PGCPs policies and procedures and spent to provide the maximum benefit possible to the students. *"It is also important that the principal, who is ultimately responsible for these funds, be aware that the success of the internal control system rests largely with them."*

Based on the number of repeat noncompliance and reportable control weaknesses, the principal did not follow BOE policies and procedures as established in the APM.

Recommendation: The 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:

- ❖ 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

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Frederick Douglass High School was issued for the period ended April 30, 2017. During that period, the principal and recordkeeping staff were in their current positions. The previous audit report included 7 reportable conditions, of which 5 are repeated in the current audit. The following findings were noted because of the prior audit, and the status is indicated below:

- **Mismanagement of Funds Received** - Condition still exists. See Finding 2021.03, regarding *Mismanagement of Funds Received*
- **Mismanagement of Disbursements** - Condition still exists. See Finding 2021.01, regarding *Mismanagement of Disbursements*
- **Administration of Checks** - Condition still exists. See Finding 2021.02, regarding *Administration of Checks*

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- **Financial Reporting** - Condition still exists. See **Finding 2021.07**, regarding *Delinquent Monthly Bank Reconciliations*.
- **Fundraiser Forms** - Controls appear to be working
- **Restricted Account Deficits** - Condition still exists. See **Finding 2021.05**, *Excessive Spending in Restricted Accounts*
- **Items Purchased with SAF Not on Property Inventory Listing** - Controls appear to be working

ACKNOWLEDGEMENT

We would like to thank the principal and staff of Frederick Douglass High School for their cooperation and assistance extended during the audit.

**Prince George's County Public Schools
Internal Audit Department**

School/Office: Frederick Douglass HS

Response Date April 23, 2021

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	<u>Status</u> Implemented Partially Implemented Not Implemented
1.	<u>2021.01 Missing of Disbursements</u>	<p>The principal and recordkeeping staff must perform the following to improve the administration of disbursements:</p> <p>A. The principal must ensure staff members are properly trained relative to the pre-approval process when purchasing products or services and be held accountable for compliance. The principal should ensure all pre-approval details are provided on SFEFs prior to approving expenditures.</p> <p>B. The principal and recordkeeping staff must regularly review open invoice files to ensure that vendor payments are issued timely, within 30 days of receipt or by the invoice due date.</p> <p>C. Internal controls must be established to ensure that all SFEFs are adequately supported prior to the issuance of payments.</p> <p>D. The recordkeeping staff must ensure all expenditures are accurately recorded in SFO. The chart of accounts should be printed and reviewed</p>	Concur	<p>The Bookkeeper and administration will inform staff to get paperwork completed as soon as they receive bill statements. This will ensure payments go out promptly.</p> <p>The principal will reiterate to staff how SFEFs should be completed.</p> <p>The principal has begun to make sure that pre-approval details are put on expenditures forms and that the "Funds Available" line is filled in by the Financial Bookkeeper.</p> <p>All staff members will be reminded that approval must be obtained before any purchases are made.</p> <p>Acceptable documentation will be used for disbursements at all times.</p>	4/12	Implemented

Principal Signature *Eddie Scott*

Date April 22, 2021

		to help facilitate this process. The principal and recordkeeping staff must carefully review the accounting transactions during the monthly financial reporting process to ensure accuracy of transactions posted to the accounting system.		<p>The principal will inform staff that a Tax Exemption Card should be used when making purchases for the school.</p> <p>The principal will reiterate to staff how SFEFs should be completed.</p> <p>The principal has begun to make sure that pre-approval details are put on expenditures forms and that the "Funds Available" line is filled in by the Bookkeeper.</p>		
2.	<u>2021:02</u> <u>Administration of Checks</u>	The principal must perform the final review of checks to ensure that all school checks generated from SFO have 2 approved signatures affixed – one by the principal and one by the recordkeeping staff or an alternate in absence of either the principal or recordkeeping staff.	Concur	The Principal has met with the Bookkeeper and the third check approver to review this process and ensure future compliance	3/28	Implemented
3.	<u>2021:03</u> <u>Mismanagement of Funds Received</u>	<p>The following corrective actions should be implemented for funds received to be processed in accordance with BOE policies and procedures.</p> <p>A. The principal must familiarize himself with the APM to help ensure compliance.</p> <p>B. The recordkeeping staff must ensure that all collection documentation is adequate by verifying that all appropriate support is attached to the MTF prior to acceptance and approval.</p> <p>C. The recordkeeping staff must deposit all funds collected and remitted daily, especially funds in excess of \$250.00. Teachers must be informed that funds collected cannot be held overnight.</p>		<p>Staff will again receive professional development on how to completely fill out MTFs. Also the Bookkeeper will make sure MTFs are filled out properly before accepting them.</p> <p>Staff will be reminded of the importance of making daily deposits. Principal will follow progressive discipline as necessary. The Financial Bookkeeper will not hold over 250.00 in the safe.</p>	4/12	Partially Implemented

Principal Signature *Eddie Scott*

Date April 22, 2021

		The principal should perform periodic review of the deposit records to monitor whether deposits are made as required. The principal should hold staff members accountable for compliance.		For the most part MTFs are turned in at the end of the school year teacher checkout. Envelopes will be signed and sealed in a location (assistant principal's office) where they are accessible to the Financial Bookkeeper. D. The bookkeeper will give the Principals the voided checks and record of deposits.		
4.	<u>2021.04 Excessive Spending in Restricted Accounts</u>	The principal and recordkeeping staff should evaluate all potential expenditures regarding available resources prior to approving expenditures and care be exercised to ensure that fund account deficits are avoided. Spending in these accounts must cease until the account deficits are resolved. The principal should consult with the Accounting and Financial Reporting Office regarding resolving these deficits.	Concur	There will be no spending from the Principal's account. We will focus on getting deficits cleared. The Financial Bookkeeper will call the Accounting and Financial Reporting office to see how to clear up deficits.	3/25	Implemented
5.	<u>2021.05 Record Retention</u>	The principal must provide oversight that ensures proper organization and custody of all records relating to SAF in accordance with the APM Record Retention requirements. An adequate filing system must be implemented to help ensure that in the absence of the recordkeeping staff or principal, financial documents would be retrievable.	Concur	Adequate records will be kept and placed in books located on the bookshelf in the Bookkeeper's office.	3/26	Implemented
6.	<u>2021.06 Contracts and Licensing Agreements</u>	The principal should terminate its agreement with Ohioyle Prints, Inc. by providing written notification to discontinue all manufacturing and sale of spirit wear in local retail stores. However, if the principal deems it necessary to continue the sale of spirit wear at local retailers, Purchasing and Supply Services and the Maryland Public Secondary Schools	Concur	The Principal will write a letter to Ohioyle Prints, Inc. requesting a termination of the receiving of checks for royalties off of sales made in the local pharmacy and supermarket. This agreement was not initiated by the school.	4/26	Partially Implemented

Principal Signature *Eddie Scott*

Date April 22, 2021

		Athletic Association (MPSSAA), who has partnered with K12 Licensing to help schools manage and implement trademark and licensing programs, must be immediately contacted for guidance into the implementation of a valid contract.				
7.	<u>2021.07 Delinquent Monthly Bank Reconciliations</u>	The principal must establish procedures to ensure that review and approval of monthly bank reconciliations occur by the 15 th of each month as required.	Concur	Bookkeepers will have monthly reports completed between the 10th - 12th day of each month.	3/28	Partially Implemented
8.	<u>2021.08 Inappropriate Use of Advance Vendor Option</u>	The principal must establish procedures to ensure that all future cash advances are accurately recorded in SFO when disbursed.	Concur	Further cash advances will be put into SFO in advance.	3/28	Implemented
9.	<u>2021.09 Management Oversight</u>	<p>The 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:</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 	Concur	The Principal has assembled a school team consisting of the Bookkeeper, Assistant Principal, a clerical staff member and Principal to ensure a thorough system of checks and balance.		

Principal Signature *Eddie Scott*

Date April 22, 2021