




May 26, 2021

**MEMORANDUM**

To: Charoscar Coleman, Ed.D., Instructional Director  
Cluster 10

Melissa McGuire, Ed.D., Principal  
Gwynn Park High School

From: Michele Winston, CPA, Director   
Internal Audit

Re: Financial Audit for October 1, 2017 through January 31, 2021

An audit was completed on the financial records of **Gwynn Park High School** for the period October 1, 2017 through January 31, 2021. The audit indicates 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. 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 **June 25, 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](mailto: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](mailto:dany.washington@pgcps.org); Deborah Smalls, Business Operations Technician, email address: [deborah.smalls@pgcps.org](mailto:deborah.smalls@pgcps.org); Katrina Greene, Student Activity Fund Support Specialist, email address: [katrina.greene@pgcps.org](mailto:katrina.greene@pgcps.org) and Joeday Newsom, Esq., Ethics Compliance Officer, email address: [joeday.newsom@pgcps.org](mailto:joeday.newsom@pgcps.org).

Enclosure

cc: Juanita Miller, Ed. D., Board Chair  
Monica Goldson, Ed. D., Chief Executive Officer  
Members, Board of Education  
Mychael Dickerson, Chief of Staff  
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  
Katrina Greene, Student Activity Funds Support Specialist  
Janice Walters-Semple, CPA, Supervisor, Internal Audit  
Kelvin Campbell, Internal Auditor II

**Internal Audit Report**

**Gwynn Park High School  
School Activity Funds**

**For the Period Ended January 31, 2021**

**Gwynn Park 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 Gwynn Park High School for the period October 1, 2017 through January 31, 2021. Gwynn Park 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 Voided Checks,*
- *Mismanagement of Funds Received,*
- *Excessive Spending in Restricted Accounts,*
- *Record Retention,*
- *Administration of Sales Tax*
- *Delinquent Bank Reconciliations, and*
- *Warehouse Membership Cards*
  
- *Disposition of Senior Class Accounts*

The findings resulted in a material deviation from Board of Education (BOE) policies, procedures, and the requirements of the Accounting Procedures Manual for School Activity Funds (APM).

In our opinion, the SAF referred to above, requires improvement to achieve compliance with BOE policies and procedures and the APM, in all material respects, for the period ended January 31, 2021. .



Michele Winston, CPA, Director  
Internal Audit

**Gwynn Park High School**  
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**SUMMARY**

Internal Audit completed an audit of the school activity funds (SAF) for Gwynn Park High School for the period October 1, 2017 through January 31, 2021. 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 which 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 and available cancelled checks, and all voided checks and MTF envelopes submitted by staff for the period October 1, 2017 through January 31, 2021. In addition, selected receipts, disbursements, and supporting documentation were reviewed for the said period. Audit results were based on available documentation. There were a significant number of documents that were not on file for review. (*See 2021.05 Record Retention*)

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**

Cash disbursements reviewed were *not* processed in accordance with BOE policies and procedures in **63** of the **83** instances. Some transactions had multiple noncompliance or internal control weaknesses. The following exceptions pertaining to management of disbursements were noted:

- A. ***Inadequate Approval*** – There were **41** instances where expenditures the principal did not pre-approve the School Fund Expenditure Form (SFEF) prior to purchases being made.
- B. ***Delinquent Vendor Payments*** – There were **11** instances payments for expenditures were not remitted to vendors in a timely manner. A vendor charged the school \$280.36 in late charges in one instance. The range of delinquency was **11** to **291** days.
- C. ***Inadequate Supporting Documentation*** – There were **8** instances expenditures did not include invoices and store receipts to support the expenditure.
- D. ***Inappropriate Advance Checks*** - There were **3** instances checks were issued in advance to vendors instead of the staff member. The amounts of the advance checks were greater than the cost of the items purchased. The staff member received the **3** advance checks and **1** reimbursement check aggregating **\$337.54** during January 2020. However, the store receipts attached to the SFEF’s indicated total purchases were **\$262.72** resulting in unused and unremitted funds of **\$74.82**. Reconciliation of the advanced checks did not occur as of the end of the audit period, January 1, 2021.

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

- A. Prior to ordering or purchasing goods or services, an SFEF must 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 (invoices and store receipts) attached to the SFEEF that supports the amount of the check. Supporting documentation for financial transactions including cash disbursements must be retained for 7 years.
- D. When situations arise requiring a disbursement to be issued before an expense has occurred, checks issued are required to be treated as advances to staff. The staff member must sign a statement acknowledging receipt of the advance. The reconciliation of the funds from advance checks is required to take place within 2 business days from the receipt of the check. Staff members are required to return itemized receipts to substantiate the amount advanced.

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 review supporting documentation prior to the issuance of checks. Insufficient training of the recordkeeping staff with regards to the processing of advance checks contributed to inappropriate advances.

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 not received. This 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 and use of student activity funds for fees. When recipients of advances are not required to sign an acknowledgement, accountability for funds received is reduced.

**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 on behalf of the school and be held accountable for compliance. The principal should ensure all pre-approval details are provided on SFEEFs prior to approving expenditures.

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- 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.
  
- C. Internal controls must be established to ensure that all SFEEs are adequately supported prior to the issuance of payments. The recordkeeping staff must be held accountable for reviewing SFEEs and supporting documentation prior to acceptance and processing of payments.
  
- D. The recordkeeping staff must ensure that all advance checks are issued to staff members and that signed statements are obtained and retained to substantiate the transaction and to establish accountability by staff members to whom advance checks are written. The principal must ensure that employees with outstanding amounts from advances immediately return those funds to the recordkeeping staff. Specifically, the employee with the outstanding **\$74.82** from the advance check should be held accountable to pay this amount to the school.

**2021:02 Administration of Voided Checks**

The following exceptions pertaining to administration of checks were noted:

- There were **2** instances where checks were not properly voided by removal of the signature line.
  
- There were **2** instances where voided checks were not entered into SFO accounting system.

The APM provides the following guidelines regarding the administration of checks:

- All voided checks must be entered in SFO.
  
- The word “VOID” must be written across the face of the check.

Internal controls relative to administration of checks were not always followed by the recordkeeping staff. The signature line was not always removed from all voided checks. The current recordkeeper indicated his understanding was to cut through the signature not to remove it. The former recordkeeping staff could not recall why all voided checks were not entered in SFO.



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Mismanagement of checks constitutes non-compliance with BOE policies and procedures and increases financial risk to the school and the staff. Failure to properly void a check could result in unauthorized check negotiation.

**Recommendation:** 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. Evidence of compliance must be maintained and made available for audit when requested. The recordkeeping staff must be held accountable for compliance with the voided check process.

**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 **15** 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 **23** instances where deposits were not made in a timely manner. The range of delinquency was between **3** and **258** days
- C. ***Changes made to MTFs*** - There were **8** instances where changes made to MTFs were not done in accordance with instructions
- D. ***Year-End Monetary Transmittal Form Processes:*** There were **6** instances where only the yellow copy of MTF remittances was available for review.

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.
- C. Changes and alterations made to MTFs require initials.
- D. The pink copy of the MTF is retained by the preparer of the form. The white and yellow remittances are submitted to the bookkeeper with funds. After approving a MTF, the

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bookkeeper is required to return the yellow copy to the originator. Prior to departing at year-end, faculty and program managers are required to submit the pink and yellow copies of the MTF(s) in a sealed envelope (with their signature over the seal) to a designated administrator. The bookkeeper is required to print the *SFO Receiptee History Report* and submit it to a designated administrator. This alerts the administrator which MTF envelopes to expect.

The recordkeeping staff did not perform verification of remittance 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. The recordkeeping staff did not require staff to initial changes made to MTFs. School staff were not held accountable for returning both the MTF pink and yellow remittance copies in a sealed envelope.

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 when supporting documentation is not adequate and when the pink MTF remittances were not included in teachers' envelopes. Delinquent deposits of funds impact the accuracy of financial reporting upon which administrators rely to make financial decisions. Failure to initial changes on MTFs removes responsibility from the person making the change to the MTF and impacts the audit trail.

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

- A. The recordkeeping staff must ensure that adequate supporting documentation is attached to MTFs prior to acknowledging the completeness of MTF packages by acceptance and approval.
- B. 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.
- C. The recordkeeping staff must ensure that all changes and alterations made to MTFs are initialed by the person preparing the form prior to acceptance.
- D. Staff must be reminded of the year-end MTF envelope submission process and be held accountable for returning their MTF copies in signed and sealed envelopes to the principal or a designated administrator as part of the year-end check-out process. Provision should be made for submission when there are extreme situations.

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**2021.04 Excessive Spending in Restricted Accounts**

The following restricted accounts contained deficits which aggregated to **(\$31,005.70)** as of January 31, 2021.

<u>Account #</u>	<u>Account Description</u>	<u>Amount</u>
215.65	Boys Lacrosse Sports Equipment	(\$193.71)
217	Boys Wrestling Allotment	(\$125.00)
234.20	Girls Softball Concessions	(\$130.46)
437.00	Missing Funds	(\$16,902.83)
450.50	PSA- Transfer In	(\$5,049.96)
480.00	Yearbook	(\$8,603.74)
	<b>Total</b>	<b>(\$31,005.70)</b>

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 that restricted fund 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 always maintained positive balances. BOE policies and procedures as established in the **APM** regarding the use of restricted funds were not always followed. The following are causes for deficits in the restricted accounts with the most significant deficits:

- **Missing Funds:** A SAF audit issued for the period ended February 29, 2012 resulted in the prior bookkeeper being held responsible for restitution in the amount of \$16,902.83. The invoice that was sent to the prior Bookkeeper was written off November 5, 2015 because collection efforts were unsuccessful by Nationwide Credit Corp (NCC) and PGCPs Legal Counsel. It does not appear that this information was conveyed to the school and the deficit has carried forward.
- **PSA (Principal Sponsored Activities):** The PSA- Transfer In account deficit ballooned to (\$10,941.52) during the tenure of the previous two principals. The current principal has managed to reduce it to its current deficit amount.
- **Yearbook:** A review of the Yearbook account indicated that the yearbook sponsor did not prepare a budget to serve as a benchmark for monitoring all planned activities. This resulted in mismanaged spending for yearbooks.

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Students are not receiving the maximum possible benefit from 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 should 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:

- 1 Cash Disbursement,
- 45 Voided Checks,
- 25 Fund Transfer Journal Entry Proof Sheets, and
- 142 Monetary Transmittal Forms

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 the retention of its financial records.

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 record retention requirements of the APM. The principal must ensure that an adequate filing system is implemented by the recordkeeping staff to ensure that financial documents are easily retrievable. The recordkeeping staff must be held accountable for the maintenance of the records management system.

**2021:06 Administration of Sales Tax**

There has been no collection or remittance of sales taxes since October 31, 2019 despite several sales taxable transactions. These sales taxable transactions included Senior Class 2019 and 2020 Dues, T-Shirts, Cap and Gowns, Class Pictures, Coaches Uniforms, Fashion Team Uniforms and Yearbooks.

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The APM requires adherence to Maryland Comptroller of the Treasury regulations when the school engages in resale of taxable items. This involves the collection and remittance of sales tax for merchandise sold.

Staff members collecting funds did not document sales taxes on the MTFs. Additionally, the recordkeeping staff did not identify sales taxable transactions as noted in AP 5137, *Sales Tax*. This has led to non-compliance with BOE policies and procedures requiring remittance of sales taxes to the State of Maryland and the school being in violation of the State of Maryland policies relative to the administration of sales tax.

Non – compliance with the requirement for administering sales tax places the BOE in a position of possibly being assessed penalties and interest for failure to remit sales taxes. This could potentially impact students receiving the full benefits of resources that would otherwise be available to them.

**Recommendation:** The recordkeeping staff should ensure that appropriate sales tax is collected and remitted to the State of Maryland for all applicable sales taxable items sold by the school. The recordkeeping staff should review AP 5137, *Sales Tax* to become familiar with sales taxable items.

**2021.07 Delinquent Monthly Bank Reconciliations**

There were **6** instances where the principal failed to review and approve completed bank reconciliations timely. The range of delinquency was **3 to 19** 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 15<sup>th</sup> 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 15<sup>th</sup> 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 15<sup>th</sup> of each month as required.

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**2021.08 Wholesale Membership Cards**

Gwynn Park High School has 2 wholesale membership accounts with Costco and Restaurant Depot. The membership accounts were not limited to one in the name of the school and one in the principal's name.

The Costco account is in the name of the athletic director and the principal at a cost of **\$60.00**. Also, the school paid an additional **\$60.00** for an add-on cardholder. IA could not determine who has this additional card. The Restaurant Depot account is in the name of a teacher and the school. The principal and recordkeeping staff are not aware if any additional membership cards exist or who has authorization to make purchases on behalf of the school.

The APM Section 6.6 *Credit Cards, Lines of Credit and Membership Cards*, states, "Club membership cards, if deemed necessary, shall be limited to one in the name of the school and one in the principal's name. These membership cards are to facilitate school business only and should be kept in the school's safe."

The membership accounts with Costco and Restaurant Depot were established prior to both the principal's and recordkeeping staff's appointment. There were no controls over establishing warehouse membership accounts. BOE policies and procedures as established in the APM were not followed.

Failure to comply with the guidelines outlined in the APM has resulted in violation of policies and procedures of the BOE and provides the opportunity for misuse of the school's sales tax exempt status for personal use.

**Recommendation:** The athletic director and the teacher should be required to return the Costco warehouse membership cards to the principal. These warehouse membership cards should be destroyed and ownership changed to Gwynn Park High School and the school's principal. The add-on cardholder account with Costco should be closed. The principal should provide confirmation from the warehouse membership account vendor to Internal Audit that the noncompliance was resolved. The teacher's name on the Restaurant Depot account should be removed and replaced with the principal's name. The principal should distribute a memorandum to the school's staff informing them that opening of warehouse membership accounts in the school's name is prohibited.

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**2021.09 Disposition of Senior Class Accounts**

The following Senior Class accounts included balances which aggregated to **\$13,734.75** as of January 31, 2021.

<u>Account #</u>	<u>Account Description</u>	<u>Amount</u>
304.20	Class of 2020-Activities	\$1,245.68
304.21	Class of 2020-Fundraiser	\$525.04
304.22	Class of 2020-Dues	\$9,540.00
304.23	Class of 2020-Prom	\$2,422.68
304.91	Class of 2019-Dues	\$1.00
304.94	Class of 2019-Activites	\$0.35
	<b>Total</b>	<b>\$13,734.75</b>

In accordance with AP 3450, *Class and Club Fund Terminations*, no class account can extend beyond the academic life of a senior class. As a senior class nears the end of the school year, it must plan, with approval of the principal, for the final disposition of any residual class funds. Proper budgeting, accounting and control of class account resources is important.

BOE policies and procedures as established in the APM relative to administration of class accounts were not followed. The senior class sponsor and the principal were not familiar with the requirements for disposing of residual funds in the senior class accounts and did not ensure that a plan was in place as required. This noncompliance can result in restricted funds remaining in the senior class accounts being used for purposes other than desired by the class.

**Recommendation:** The principal should provide a plan for disposition to the Office of Accounting and Financial Reporting for approval if the senior class officers are no longer available. A copy of the approved disposition plan should be sent to Internal Audit. The principal, recordkeeping staff and class sponsors must familiarize themselves with the requirements for administration of the senior class accounts and ensure to promptly obtain a disposition plan from class officers prior to graduation.

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**STATUS OF PRIOR AUDIT FINDINGS**

The previous audit report for Gwynn Park High School was issued for the period ended September 30, 2017. During that period, neither the principal nor recordkeeping staff held their current positions. The previous audit report included **6** reportable conditions, of which **4** are repeated in the current audit. The following findings were noted in 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 Voided Checks*
- **Administration of Vending Machines**- Controls appear to be working
- **Fundraiser Forms** - Controls appear to be working
- **Record Retention** - Condition still exists. See **Finding 2021.05** regarding *Record Retention*

**ACKNOWLEDGEMENT**

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



**Prince George's County Public Schools  
Internal Audit Department  
School/Office: Gwynn Park HS**

**Response Date June 25, 2021**

**Action Plan/Audit Findings Clarification Statement:**

The most recent audit finding report for Gwynn Park High School, dated January 31, 2021, indicated repeat audit findings. I would like to provide a statement regarding the level of accountability and oversight.

As part of the audit conference on April 28, 2021, I reminded the Internal Audit Specialist that I never received an audit during my tenure as the Principal of Gwynn Park High School. I have been the principal since 2018, and Internal Audit conducted the first audit under my leadership in January 2021. **I was never made aware of the findings of the last audit conducted by the previous administration.** This information was not shared during a transition meeting with the former Principal and current Instructional Director. In addition, the current Bookkeeper never received information from the last audit during his training with Student Fund Support Specialist.

	<b>Findings</b>	<b>Recommendations</b>	<b>Concur Non-Concur Partially Concur</b>	<b>Action Plan</b>	<b>Corrective Action Date</b>	<b><u>Status</u> Implemented Partially Implemented Not Implemented</b>
1.	<b><u>2021.01 Missing of Disbursements</u></b>	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	Partially Concur	All staff members received training on May 13, 2021 during a staff meeting, dedicated to unpacking the audit findings.  Staff members will receive additional training during the first		

*Dr. Melissa McGuire*

**Principal Signature** \_\_\_\_\_

**Date** 6/28/2021

		<p>purchasing products or services on behalf of the school 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. The recordkeeping staff must be held accountable for reviewing SFEFs and supporting documentation prior to acceptance and processing of payments.</p> <p>D. The recordkeeping staff must ensure that all advance checks are issued to staff members and that signed statements are obtained and retained to substantiate the transaction and to establish accountability by staff members to whom advance checks are written. The principal must ensure that employees with outstanding amounts</p>		<p>week of school and refresher training in the middle of the school year.</p> <p>The principal has started and will continue to conduct weekly meetings with the bookkeeper. The principal will conduct in-house audits to enhance accountability and ensure compliance.</p> <p>The school will encourage staff members from requesting advance funds and encourage reimbursements. In the event a staff member requests an advancement, the school has developed a reconciliation form and staff members must submit remaining funds within 24 hours.</p> <p>The principal will meet with the teacher who owes \$74.82 and request that the funds are submitted.</p>		
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Principal Signature Dr. Melissa McGuire

Date 6/28/2021

		from advances immediately return those funds to the recordkeeping staff. Specifically, the employee with the outstanding \$74.82 from the advance check should be held accountable to pay this amount to the school.				
2.	<u>2021:02 Administration of 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. Evidence of compliance must be maintained and made available for audit when requested. The recordkeeping staff must be held accountable for compliance with the voided check process.	Partially Concur	The principal has started and will continue to conduct weekly meetings with the bookkeeper. The principal will conduct in-house audits to enhance accountability and ensure compliance		
3.	<u>2021:03 Mismanagement of Funds Received</u>	The following corrective actions should be implemented for funds received to be processed in accordance with BOE policies and procedures:  A. The recordkeeping staff must ensure that adequate supporting documentation is attached to MTFs prior to acknowledging the completeness of MTF packages by acceptance and approval.	Partially Concur	All staff members received training on May 13, 2021 during a staff meeting, dedicated to unpacking the audit findings. <a href="#">PPT Link</a>  Staff members will receive additional training during the first week of school and refresher training in the middle of the school year.		

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		<p>B. The recordkeeping staff must deposit all funds collected and remitted daily, especially funds in excess of <b>\$250.00</b>. 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.</p> <p>C. The recordkeeping staff must ensure that all changes and alterations made to MTFs are initialed by the person preparing the form prior to acceptance.</p> <p>D. Staff must be reminded of the year-end MTF envelope submission process and be held accountable for returning their MTF copies in signed and sealed envelopes to the principal or a designated administrator as part of the year-end check-out process. Provision should be made for submission when there are extreme situations.</p>		<p>The principal has started and will continue to conduct weekly meetings with the bookkeeper. The principal will conduct in-house audits to enhance accountability and ensure compliance.</p> <p>Progressive discipline will be implemented for all staff members who fail to comply with properly depositing funds.</p>		
4.	<b><u>2021.04 Excessive Spending in Restricted Accounts</u></b>	The principal and recordkeeping staff should evaluate all potential expenditures regarding available resources prior to approving expenditures and care should be exercised to ensure that fund account	Concur	All staff members received training on May 13, 2021 during a staff meeting, dedicated to unpacking the audit findings. <a href="#">PPT Link</a>		

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		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.		Staff members will receive additional training during the first week of school and refresher training in the middle of the school year.  The principal has started and will continue to conduct weekly meetings with the bookkeeper. The principal will conduct in-house audits to enhance accountability and ensure compliance.		
5.	<b><u>2021.05 Record Retention</u></b>	The principal must provide oversight that ensures proper organization and custody of all records relating to SAF in accordance with the record retention requirements of the APM. The principal must ensure that an adequate filing system is implemented by the recordkeeping staff to ensure that financial documents are easily retrievable. The recordkeeping staff must be held accountable for the maintenance of the records management system.	Non concur	The principal has started and will continue to conduct weekly meetings with the bookkeeper. The principal will conduct in-house audits to enhance accountability and ensure compliance.		

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6.	<u>2021.06 Administration of Sales Tax</u>	The recordkeeping staff should ensure that appropriate sales tax is collected and remitted to the State of Maryland for all applicable sales taxable items sold by the school. The recordkeeping staff should review AP 5137, <i>Sales Tax</i> to become familiar with sales taxable items.	Concur	The principal has started and will continue to conduct weekly meetings with the bookkeeper. The principal will conduct in-house audits to enhance accountability and ensure compliance.		
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 <sup>th</sup> of each month as required.	Partially concur	The principal has started and will continue to conduct weekly meetings with the bookkeeper. The principal will conduct in-house audits to enhance accountability and ensure compliance. <b>The principal will contact the bank to ensure that statements are provided in a time manner.</b>		
8.	<u>2021.08 Wholesale Membership Cards</u>	The athletic director and the teacher should be required to return the Costco warehouse membership cards to the principal. These warehouse membership cards should be destroyed and ownership changed to Gwynn Park High School and the school's principal. The add-on cardholder account with Costco should be closed. The principal should provide confirmation from the warehouse membership account vendor to Internal Audit that the noncompliance	Partially Concur	All membership cards have been returned. The teacher's name has been removed from the Restaurant Depot card.  The principal distributed a memorandum on May 26, 2021, informing staff that opening Wholesale Membership cards in the school's name is prohibited.		

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		was resolved. The teacher's name on the Restaurant Depot account should be removed and replaced with the principal's name. The principal should distribute a memorandum to the school's staff informing them that opening of warehouse membership accounts in the school's name is prohibited.				
9.	<u>2021.09 Disposition of Senior Class Accounts</u>	The principal should provide a plan for disposition to the Office of Accounting and Financial Reporting for approval if the senior class officers are no longer available. A copy of the approved disposition plan should be sent to Internal Audit. The principal, recordkeeping staff and class sponsors must familiarize themselves with the requirements for administration of the senior class accounts and ensure to promptly obtain a disposition plan from class officers prior to graduation.	Partially Concur	The principal will develop a disposition plan for the Office of Accounting and Financial Reporting for approval by June 21, 2021 to address any remaining funds for the Class of 2020.		

*Dr. Melissa McGuire*

Principal Signature \_\_\_\_\_

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