

October 12, 2020

MEMORANDUM

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

Mar-C Holland, Principal
Oxon Hill High School

From: Michele Winston, CPA, Director, 
Internal Audit

Re: Financial Audit for July 1, 2019 through June 30, 2020

An audit was completed on the financial records of **Oxon Hill High School** for the period July 1, 2019 through June 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 **November 9, 2020** 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; and Joeday Newsom, Esq., Ethics Compliance Officer, email address: joeday.newsom@pgcps.org.

Enclosure

cc: Alvin Thornton, Ph. D., Chairman Board of Education
Monica Goldson, Ed. D., Chief Executive Officer
Members, Board of Education
Christian Rhodes, 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
Suzann King, Esq., Executive Director, Board of Education
Jeffrey Carpenter, Jr., Director, Employee and Labor Relations
Robin Welsh, Director of Monitoring, Accountability and Compliance
Janice Walters-Semple, CPA, Internal Audit Supervisor
Kelvin Campbell, Internal Auditor II

Internal Audit Report

**Oxon Hill High School
School Activity Funds**

For the Period Ended June 30, 2020

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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Oxon Hill High School for the period July 1, 2019 through June 30, 2020. Oxon Hill 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:

- *Missing Fundraiser Funds*
- *Mismanagement of Disbursements,*
- *Administration of Checks,*
- *Mismanagement of Funds Received and,*
- *Record Retention*
- *Vending Machines Contract*
- *Warehouse Membership Cards*
- *Excessive Spending in Restricted Accounts*
- *Financial Reporting and*
- *Management Oversight*

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, the SAF referred to above requires **significant improvement** to be administered in compliance with BOE policies and procedures and the APM, in all material respects, for the period ended June 30, 2020.

Michele Winston, CPA, Director 
Internal Audit

Oxon Hill High School
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SUMMARY

The Internal Audit (IA) department completed an audit of the student activity funds (SAF) for Oxon Hill High School for the period July 1, 2019 through June 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.

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, 2019 through June 30, 2020. In addition, selected receipts, disbursements, and supporting documentation were reviewed for the said period. The review of selected documentation was limited to items that were available for review. (See 2021.02 – *Mismanagement of Disbursements* and 2021.04 – *Mismanagement of Funds Received* and 2021.05 – *Record Retention*.)

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FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2021.01 Missing Fundraiser Funds

Finances for the Class of 2021 were not properly administered. As a result, Oxon Hill High School suffered an aggregate loss of **\$3,878.00**.

On October 10, 2019, World's Finest Chocolate (WFC) invoiced the Class of 2021 for 200 cases of chocolate @ \$30.00 per case plus freight charges of \$95.00 for a total cost of \$6,095.00. WFC has a policy to include 30 free cases of candy for new customers who sell 200 cases of candy to assist in paying for incentives. The Class of 2021 received 230 cases of chocolates. The sale price for each case of chocolate was \$60.00 for total proceeds of \$13,800.00. Expected profit was **\$7,705.00** (Expected Receipts \$13,800 less Expected Cost \$6,095). However, between October 15, 2019 and November 14, 2019, funds remitted totaled **\$9,922.00** resulting in total missing funds of **\$3,878.00**. (**Expected Receipts, \$13,800.00 less Actual Receipts per SFO \$9,922**).

According to the APM, the role of the principal includes ensuring physical control and security of cash and other assets and supervising the recordkeeping staff. The recordkeeping staff is responsible for recording and reporting accurately the school's financial transactions and to be a good custodian of funds. Staff is required to remit funds accompanied by a monetary transmittal form (MTF) and supporting documentation substantiating the amount of funds remitted. Recordkeeping staff is required to verify that the funds remitted and supporting documentation match prior to approving the MTF document.

The Fundraiser was conducted for the purpose of supporting the 2021 Class activities. However, the fundraiser was not properly managed. The Class of 2021 had 2 Co-Class Sponsors and both failed to maintain a separate file of all financial transactions pertaining to the Class of 2021 WFC fundraiser activities. A reconciliation of the fundraiser proceeds was not performed to maintain accurate accounting of these funds. The internal control weaknesses resulted in identified loss of funds to the school of **\$3,878.00**.

(Note – A Separate Investigation report was issued on September 10, 2020 titled, “Oxon Hill HS Senior 2020 Class Fundraiser Investigation” that included missing funds of \$1,431.18 associated with another WFC Fundraiser).

Recommendation: The Employee and Labor Relations Office (ELRO) should review the audit results and determine appropriate disciplinary action for Co- Senior Class Sponsor A and Co-Senior Class Sponsor B to include accountability for restitution of missing funds.

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2021.02: Mismanagement of Disbursements

There were **18** of the **40** 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 **8** 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 **3** instances where payments for expenditures were not remitted to vendors in a timely manner. The range of delinquency was between **16** and **68** days.
- C. *Inadequate Supporting Documentation* – There were **5** instances where expenditures did not contain adequate supporting documentation. This included 2 instances where there was no evidence to support expenditures.
- D. *Misclassified Transactions* - There were **2** instances where cash disbursements were not properly recorded in the accounting system. Check #24303 should have been posted to Boys Soccer Awards and Banquet, check #24286 have been posted to Class of 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.
- B. Invoices are required to be paid within 30 days of receipt or by the invoice due date. Principals should review open invoices and statements for past due amounts and ensure that payments are made in a timely manner.
- C. All checks are required to have itemized documentation attached to the SFEFs that supports the amounts of the checks.

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- D. Transactions should 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 and track such transactions in a separate account.

The recordkeeping staff was not held accountable for following established internal controls relative to management of disbursements. Checks were allowed to be issued without the completion of an SFEF. A review of supporting documentation was not completed prior to issuance of the check. Also, the principal and the recordkeeping staff did not read the APM.

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. Misclassification of expenditures distorts financial reports that provide information for the school's administration to make fiscal decisions.

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

- A. The principal must ensure staff members are aware that pre-approval is required prior to the purchase of products or services and held accountable for compliance. SFEF's should be entirely completed by staff. The principal should ensure all pre-approval details are provided on SFEF's prior to approving expenditures.
- B. The principal and recordkeeping staff must constantly 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 SFEF's are complete and include adequate supporting documentation prior to issuance of payments.
- D. The principal and 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. Emphasis must be placed on the review of accounting transactions during the monthly financial reporting process to ensure accuracy of transactions posted to the accounting system.

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2021:03 Administration of Checks

The following exceptions pertaining to administration of checks were noted:

A. Voided Checks:

- There were **22** instances where voided checks were not properly voided by removal of the signature line.
- There was **1** instance where a voided check was not entered into the SFO accounting system.
- There were **44** instances where supporting documentation was not on file (*See 2021.05, Record Retention*).

B. Approved Signatures:

Authorized signatories on the school's bank account included the principal, and the assistant principal. The former recordkeeping staff was **not** on the account as an authorized signatory and did not sign checks.

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

- All voided checks must be entered in SFO and have "VOID" written across the face of the check. The signature line must be removed and the voided checks attached to approved SFEF's or Void Check Proof Sheets.
- Three individuals are required as check signers on the school's bank account as listed on the bank "Signature Card." The 2 standard check signers should be the school principal and recordkeeping staff/secretary. The third alternate check signer must be a vice-principal or other school administrator.

The principal has not read the APM. Internal controls relative to administration of checks were not always followed. Checks were not always entered in the accounting system and the signature line was not always removed from all voided checks. The principal did not appropriately complete the Bank Signature Card Request Form, it was handwritten. The Bank Signature Card Request Form indicates the following: ***"No handwritten forms will be accepted."***

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

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school in a position of non-compliance with BOE policies and procedures and increases the school's risk of check fraud.

Recommendation: The following corrective actions should be immediately implemented for the administration of checks to be made in accordance with BOE policies and procedures:

- 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.
- B. The principal must take action to update authorized signatories of the school's bank account as required by the APM. This includes adding the current recordkeeping staff, once hired. Additionally, the principal must take some time to familiarize herself with the requirements of the APM and establish internal controls to ensure that the bank signature card is appropriately updated.

2021:04 Mismanagement of Funds Received

There were **29** of the **40** collections reviewed that were *not* processed in accordance with BOE policies and procedures. Some transactions had multiple noncompliance or internal control weaknesses as follows.

- A. ***Inadequate Supporting Documentation*** - There were **15** instances where collections were not properly supported (incomplete MTF, no documentation and missing deposit analysis sheet).
- B. ***Changes to Monetary Transmittal Forms*** - There were **2** instances where changes made to MTFs were not done according to the MTF instructions.
- C. ***Delinquent Deposit*** – There were **12** instances where deposits were not made in a timely manner. The range of delinquency was up to **11** days.
- D. ***Fundraiser Forms Not Completed*** - Staff failed to complete the Fundraiser Authorization Forms, Fundraiser Completion Reports, and the Annual Fundraising Summary Reports for the **World's Finest Chocolate** fundraising event.
- E. ***Year End MTF Remittances Not Retained*** – There were **104** MTF remittance copies that were not available for audit review (See 2021.05 – *Record Retention*)

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

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- A. MTFs should be supported with student remittance forms, fundraiser forms or other documentation that shows the source and purpose of funds. All funds collected should be remitted to the recordkeeping staff and properly supported with approved MTF's.
- B. MTF changes and alterations require initials.
- C. Deposit 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.
- D. Fundraiser Request and Authorization Forms are required for each fundraiser sponsored by a club or organization. A Fundraiser Completion Report must be prepared by the sponsor, reviewed and acknowledged by the principal. Additionally, the principal should prepare an annual report summarizing all fundraising activities concluded during the year. The data in this annual report should be available for review by parents, other interested members of the community, and include the net amount retained as profit from each fundraising activity.

The principal did not read the APM and internal controls to ensure collections were processed as required were not always implemented or enforced. 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 and initialing changes to MTFs. The requirements for completion of fundraiser forms were not were not performed by the sponsor.

Failure to adequately perform recordkeeping responsibilities over the processing of funds received constitutes noncompliance with the requirements of the APM. Audit evidence for ensuring that all funds collected were subsequently remitted and deposited was not always available. Delinquent deposit of funds impacts 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 and negates the audit trail. Failure to complete fundraising forms removes audit evidence sufficient to provide administrators and interested personnel with information about fundraising results.

Recommendation: The following corrective actions should be implemented for Oxon Hill High School's collections to be made in accordance with BOE policies and procedures. The principal must familiarize herself with the APM to help ensure compliance:

- A. The recordkeeping staff must ensure that all collection documentation is adequate by verifying that all appropriate support is attached to the MTF.

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- B. The recordkeeping staff must ensure that all MTF changes and alterations have the required initials.
- C. The recordkeeping staff must deposit all funds collected and remitted 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 recordkeeping staff with adequate time to verify that funds collected are as indicated on the accompanying MTFs and to make bank deposits 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.
- D. The principal must establish internal controls to ensure that fundraising sponsors complete the required fundraising forms for fundraising events held as required. These documents must be maintained on file for public and auditor review upon request. The principal must prepare or designate the preparation of annual reports summarizing fundraising activities for each fiscal year.

2021.05 Record Retention

Supporting documentation for **27** Cash Disbursements, **9** Cash Receipts, **44** voided checks, **19** journal entry transfers and **104** MTFs in the year-end envelopes were not available for review during the audit.

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, Monetary Transmittal Forms, School Funds Expenditure Forms, cancelled checks and contracts.

The former 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 ensure proper organization and 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 recordkeeping staff or principal, financial documents would be retrievable. Management oversight must be provided for consistent and reliable records management.

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2021.06 Vending Machines Contract

Oxon Hill High School does not have a current signed vending contract stipulating commissions due the school and frequency of commissions on file for the 5 vending machines on the school's property.

The APM, Section 9.8, *Vending Machine Sales*, states that all schools with vending machines must have a signed contract stipulating commissions due to the school and frequency these commissions are remitted. The contract term cannot exceed one year.

The principal did not implement processes to ensure that the school maintained a vending agreement for the school's vending activities.

Nonexistence of a valid contractual agreement for vending prohibits the BOE from determining whether the school is deriving maximum benefits from the operation of the vending machines. Possible unremitted commissions could have been used for student activities and the allowable portion used to offset the deficit in the school's PSA fund account.

Recommendation: 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.

2021.07 Warehouse Membership Cards

The school has a membership account with Restaurant Depot. The Restaurant Depot membership account do not appear to be limited to one in the name of the school and one in the principal's name. The account is still in the former principal's name. Between July 1, 2019 and June 30, 2020 there were 9 school transactions totaling \$3,725.33 on the store card.

According to the APM, membership cards, if deemed necessary by the principal, shall be limited to one in the name of the school and one in the principal's name. Membership cards shall be for school business only and should be kept in the school vault (adequately controlled) until needed. At no time shall a **spouse/friend or staff member** be added to a card nor should the card be used as a personal card. Business and personal expenses or receipts shall never be commingled.

The principal failed to take the necessary steps to remove the former principal's name and add her name. BOE policies and procedures as established in the APM were not followed. Personal purchases could be classified as tax-exempt thus jeopardizing the BOE tax-exempt status.

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Recommendation: The Restaurant Depot membership card should be transferred to the current principal's name and the school's name. Confirmation should be provided to Internal Audit that the school has complied with the Board's membership card policy.

2021.08 Excessive Spending in Restricted Accounts

The School Activity Fund has **13** restricted fund accounts with deficits totaling **(\$13,252.99)** as of June 30, 2020. The following is a listing of accounts with deficits:

- The Yearbook account has a deficit of **(\$8,455.34)**
- The PSA Food account has a deficit of **(\$1,201.81)**
- The Athletic-Non Sport Specific Equipment/Supplies account has a deficit of **(\$869.80)**
- The Athletic-Non Sport Specific Concessions account has a deficit of **(\$595.25)**
- The Girls Soccer Awards/Banquet account has a deficit of **(\$509.10)**
- The Girls Basketball Concessions account has a deficit of **(\$336.00)**
- The Co-Ed Tennis Uniform account has a deficit of **(\$335.96)**
- The Boys Soccer Awards/Banquet account has a deficit of **(\$280.70)**
- The Co-Ed Golf Equipment account has a deficit of **(\$248.23)**
- The Class of 2021 account has a deficit of **(\$200.00)**
- The Athletic-Non Sport Specific General Fundraising account has a deficit of **(\$120.21)**
- The Support Cheer Equipment account has a deficit of **(\$55.00)**
- The Girls Volleyball Custodial Overtime account has a deficit of **(\$45.59)**

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 solvent at all times.

The former principal and recordkeeping staff did not implement internal controls to monitor account balances to ensure that restricted accounts maintained a positive balance. BOE policies and procedures as established in the **APM** regarding the use of restricted funds were not 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 with regard to available resources and care be exercised to ensure the resources are used for the maximum benefit of the students. 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.

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2021.09 Financial Reporting

The audit revealed the following pertaining to Monthly Reconciliations and Financial Reporting during the review of FY 2020 monthly reconciliations:

- There were **5** instances where the former recordkeeping staff failed to complete the reconciliations by the 15th of each month following the months reconciled. The range of delinquency was **3 to 50** days.
- There were **6** instances where the principal failed to review and approve completed bank reconciliations. Bank reconciliations were backdated to give the appearance of timely principal review and approval in 5 of these instances.

According to the APM, the principal is responsible for receiving the bank statement unopened. After reviewing the statement and cancelled checks, the principal forwards the documents to the bookkeeper for reconciliation. The bookkeeper should complete the reconciliation within 7 days after receiving the statement from the bank. Typically, this process is completed by the 15th of each month. The completed reconciliation should be returned to the principal every month for review and approval. After review and approval, all reports and related documentation should be organized and maintained in three-ring binders identified by fiscal year. This is not only good accounting practice; it also facilitates review by auditors.

The principal did not exercise proper oversight to ensure that monthly bank reconciliations and financial reporting was performed by the 15th of each month as required. Failure to complete, review and approve monthly bank reconciliations in a timely manner increases financial risk the school.

Recommendation: The principal must establish procedures to ensure completion, review and approval of monthly bank reconciliations and financial reporting occur by the 15th of each month and related documentation are organized and maintained in three-ring binders identified by fiscal year as required.

2021.10 Management Oversight

The principal did not exercise proper oversight in the administration of the SAF during the current audit period. There was non-compliance with the basic principles for fiscal responsibility and adherence to BOE policies and procedures. This resulted in internal controls being compromised.

The principal is the fiduciary agent for SAF. In this role, the principal is responsible for ensuring that SAF is administered in accordance with Prince George's County Public Schools' (PGCPS) policies and procedures and expended so as to provide the maximum benefits to the students. Of the findings reported in the previous audit, **ALL** were repeated. Based on the number of

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repeat noncompliance and reportable control weaknesses, the principal did not fully comply with BOE policies and procedures as established in the APM

Recommendation: The current principal should carefully review the policies and procedures as outlined 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 five 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 Oxon Hill High School was issued for the period ending June 30, 2019. During that period, the current principal held that position; however, the current (Acting) recordkeeping staff did not. The previous audit report had 6 reportable conditions, all of which are repeated in the current audit. The following findings were noted as a result of the prior audit, and the status is indicated below:

- **Mismanagement of Funds Received** - Condition still exists. **See Finding 2021.04**, regarding *Mismanagement of Funds Received*.
- **Mismanagement of Disbursements** - Condition still exists. **See Finding 2021.02**, regarding *Mismanagement of Disbursements*.
- **Administration of Voided Checks** - Condition still exists. **See Finding 2021.03**, regarding *Administration of Checks*.
- **Financial Reporting**- Condition still exists. **See Finding 2021.09**, regarding *Financial Reporting*.
- **Fundraiser Forms** - Condition still exists. **See Finding 2021.04**, regarding *Mismanagement of Funds Received*.
- **Restricted Account Deficits**- Condition still exists. **See Finding 2021.08**, regarding *Excessive Spending in Restricted Accounts*.

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ACKNOWLEDGEMENT

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

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

Response Date November 09, 2020

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1.	<u>2021.01 Missing Fundraiser Funds</u>	The Employee and Labor Relations Office (ELRO) should review the audit results and determine appropriate disciplinary action for Co-Senior Class Sponsor A and Co-Senior Class Sponsor B to include accountability for restitution of missing funds.	ELRO RESPON SE	Case was referred to ELRO on 9/11/2020	ELRO RESPONSE	ELRO RESPONSE
2.	<u>2021.02: Mismanagement of Disbursements</u>	The principal and recordkeeping staff must read the APM and perform the following to improve the administration of disbursements: A. The principal must ensure staff members are aware that pre-approval is required prior to the purchase of products or services and held accountable for compliance. SFEP's should be entirely completed by staff. The principal should ensure all pre-approval details are provided on SFEP's prior to approving expenditures. B. The principal and recordkeeping staff must constantly review open invoice files to ensure that vendor payments are issued timely, within 30 days of receipt or by the invoice due date.	Concur Concur	A. The Principal and Financial Secretary have revised and updated the Financial Operations Document for OHHS to include pre-approval procedures for approving expenditures. This will be presented to staff at November Faculty Meeting on 11/18/2020. B. The Principal and Financial Secretary have revised and updated the Financial Operations Document for OHHS to include procedures to ensure timely vendor	11/30/2020 11/30/2020	Implemented Partially Implemented Partially

Principal Signature _____



Date _____

11/9/2020

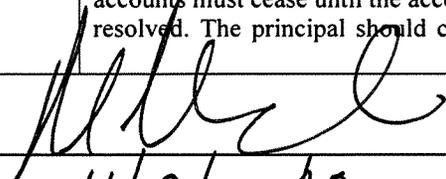
			Concur	<p>OHHS to include funds in excess of \$250.00. This document includes that funds collected by teachers cannot be held overnight. In addition the principal will provide the recordkeeping staff with adequate time to verify that funds collected are as indicated on the accompanying MTFs and to make bank deposits timely. The principal will perform periodic review of the deposit records to monitor whether deposits are made as required. The principal will hold all staff accountable for compliance. This process will be monitored weekly by the principal during weekly Friday meetings with the bookkeeper.</p> <p>D. The Principal and Financial Secretary have revised and updated the Financial Operations Document for OHHS to include internal controls to ensure that fundraising sponsors complete the required fundraising forms for fundraising events held as required. These documents will be maintained on file for public and auditor review upon</p>	11/30/20	Implemented Partially
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Principal Signature 

Date 11/9/2020

				request. The principal will ensure that the bookkeeper must prepare annual reports summarizing fundraising activities for each fiscal year.		
5.	<u>2021.05 Record Retention</u>	The principal must ensure proper organization and 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 recordkeeping staff or principal, financial documents would be retrievable. Management oversight must be provided for consistent and reliable records management.	Concur	The Principal and Financial Secretary have developed a system in which financial documents will be filed and stored in the Vault at the end of each school year. The binder will be updated monthly to include all related financial records.	10/30/20	Implemented
6.	<u>2021.06 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.	Concur	The Principal and Financial Secretary will consult with Purchasing and Supply Services to identify an alternate vending company in absence of a contract	11/30/20	Implemented Partially
7.	<u>2021.07 Warehouse Membership Cards</u>	The Restaurant Depot membership card should be transferred to the current principal's name and the school's name. Confirmation should be provided to Internal Audit that the school has complied with the Board's membership card policy.	Concur	The membership card was transferred to the Current Principal and school name on 9/23/2020. The confirmation of compliance will be sent to Internal Audit by 10/30/2020.	10/30/20	Implemented
8.	<u>2021.08 Excessive Spending in Restricted Accounts</u>	The principal and recordkeeping staff should evaluate all potential expenditures with regard to available resources and care be exercised to ensure the resources are used for the maximum benefit of the students. Spending in these accounts must cease until the account deficits are resolved. The principal should consult with the	Concur	The Principal and financial secretary will evaluate all potential expenditures with regard to available resources and care be exercised to ensure the resources are used for the maximum benefit of the students. In addition, all spending in these accounts must cease until the account deficits are resolved.	Ongoing	Implemented Partially

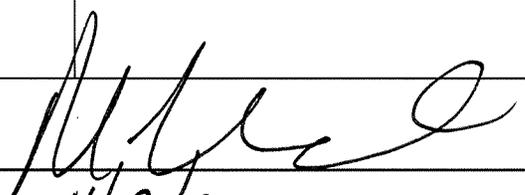
Principal Signature _____


11/9/2020

Date _____

		Accounting and Financial Reporting Office regarding resolving these deficits.		The principal will consult with the Accounting and Financial Reporting Office regarding resolving these deficits. This will be done during weekly check-In financial meetings.		
9.	<u>2021.09 Financial Reporting</u>	The principal must establish procedures to ensure completion, review and approval of monthly bank reconciliations and financial reporting occur by the 15 th of each month and related documentation are organized and maintained in three-ring binders identified by fiscal year as required.	Concur	The Principal and financial secretary will ensure completion, review and approval of monthly bank reconciliations and financial reporting occur by the 15 th of each month and related documentation are organized and maintained in three-ring binders. The Principal and financial secretary will ensure this task is done during weekly check-In financial meetings.	11/30/2020	Implemented Partially
10.	<u>2021.10 Management Oversight</u>	<p>The current principal should carefully review the policies and procedures as outlined 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 five 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. 	<p>Non-Concur</p> <p>It was never stated by myself that I had not reviewed the APM. However, I did agree to tighten up on systems and structures</p>	<p>Clearly Defined Lines of Authority and Responsibility; Principal</p> <p>Segregation of Duties; An Assistant Principal has been assigned as second signer of checks</p> <p>Maintenance of Adequate Documents and Records; -Weekly Meetings with financial secretary</p> <p>-Monitoring tool for School Orders and Purchases</p> <p>-Financial Calendar to monitor the duration of school fundraisers</p>	11/30/2020	Implemented

Principal Signature _____



Date _____

11/9/2020

			to ensure compliance with APM.	-Communication of all updates and policies to staff via faculty consortium Limited Access to Assets, and Independent Checks on Performance. Principal and Bookkeeper Access Only		
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Principal Signature 
Date 11/9/2020