


September 28, 2022

MEMORANDUM

To: Darryl Evans, Instructional Director
Cluster 5

Marlowe Blount-Rich, Principal
District Heights Elementary School

From: Michele Winston, CPA, Director 
Internal Audit

Re: Student Activity Funds Financial Audit as of June 30, 2022

An audit of the financial records of **District Heights Elementary School** was completed for the period November 1, 2016 through June 30, 2022. The audit indicates that the school's financial records and procedures require significant improvement to be in accordance with the Accounting Procedures Manual for School Activity Funds (APM) and Board of Education policies and procedures. The exceptions noted are included in the attached report.

As the principal of the school, you will be responsible for preparing an action plan by **October 28, 2022** indicating steps that will be taken to ensure compliance with the APM. Please note that you are required to provide your signed and dated action plan using the attached Microsoft word template and any other correspondence to the Internal Audit Office, email address: internal.audit@pgcps.org. A copy of the action plan should be forwarded to Danyelle Washington, Business Analyst, email address: dany.washington@pgcps.org; Katrina Greene, School Activity Fund Support Specialist, email address: katrina.greene@pgcps.org.

cc: Juanita Miller, Ed. D., Board Chair
Monica Goldson, Ed. D., Chief Executive Officer of Schools
Members, Board of Education
Mychael Dickerson, Chief of Staff
Michael Herbitsman, Chief Financial Officer
J. Michael Dougherty, Director, Financial Services
Helen Coley, Ed. D., Chief, School Support and Leadership
Kassandra Lassiter, Ed. D., Associate Superintendent for Elementary Schools
Joeday Newsom, Esq., Director, Board of Education Staff Office
Robin Welsh, Director of Monitoring, Accountability and Compliance
Katrina Greene, School Activity Fund Support Specialist
Janice Walters-Semple, CPA, Supervisor Internal Audit
Alicia Robinson, Internal Auditor II

Internal Audit Report

District Heights Elementary School School Activity Funds

For the Period Ended June 30, 2022

**District Heights Elementary School
School Activity Funds
Internal Audit Report
For Period Ended June 30, 2022**

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**District Heights Elementary School
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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of District Heights Elementary School for the period November 1, 2016 to June 30, 2022. District Heights Elementary School's principal is responsible for the administration of the 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:

- *Record Retention,*
- *Mismanagement of Funds Received,*
- *Mismanagement of Disbursements,*
- *Delinquent Monthly Bank Reconciliations,*
- *Restricted Fund Account Deficits,*
- *Administration of Voided Checks,*
- *Fundraiser Reports Not Completed, and*
- *Improvement Needed in Management Oversight*

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

In our opinion, the SAF referred to above, has been administered in compliance with BOE policies and procedures and the APM, in all material respects, for the period ended June 30, 2022.



Michele Winston, CPA
Director, Internal Audit

**District Heights Elementary School
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SUMMARY

An audit of the school activity funds (SAF) of District Heights Elementary School was conducted for the period November 1, 2016 to June 30, 2022. The audit was conducted as part of the 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 (APM) for School Activity Funds and Board of Education (BOE) policies and procedures.

This audit report includes **8** 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. In addition, 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 was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and the Board of Education (BOE). It is important to recognize that, while the audit report 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 examination of selected bank statements, financial reports, cancelled checks, all voided checks and Monetary Transmittal Form (MTF) envelopes submitted for the period November 1, 2016 to June 30, 2022. Also, available receipts, disbursements and supporting documentation were reviewed for the said period. There were several records that were not made available for the audit (See *2023.01 Records Management*).

This is an audit of funds related to students' activities at the school and does not include school operating resource (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:

2023.01 Record Retention

The school's financial records were not always retained as required. FY 2017 financial records were not located for review upon request.

The APM, Section 6.12 *General Guidance, Record Retention* states that 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 school was closed for the FY 2019 school year for maintenance and reopened in August 2019 for the FY 2020 school year. Upon the reopening of the school for the FY 2020 school year, some records may have been discarded in error.

The absence of an effective records management system impacts the retrieval and accessibility to requested documentation. Also, evidence for ensuring that all SAF policies and procedures were followed are removed when financial records are not available for review.

Recommendation: The principal and future recordkeeping staff should establish an adequate records management system that ensures that all financial documents are retained in an organized manner.

2023.02 Mismanagement of Funds Received

There were at least **6** instances of non-compliance regarding the administration of receipts. The following indicates the issues of non-compliance:

- A. ***Incomplete Receipt Documentation:*** There was at least **1** instance of incomplete documentation to substantiate funds received. MTF 347280 totaling \$1,125.00 was remitted to the former recordkeeping staff on April 8, 2022 and a list of students' names was provided. However, the total funds collected could not be verified by the documentation provided. ***This finding was noted during the previous audit period ended October 2016.***

- B. ***Monetary Transmittal Form Log:*** The FY 2022 MTF Log was incomplete. There were **4** voided MTFs not recorded on the MTF Log.

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- C. ***Access to End-of-Year Monetary Transmittal Forms:*** The former recordkeeping staff had access to the end-of-year MTFs and was listed as the person to whom the MTF envelopes were submitted. Staff members were required to sit with the former recordkeeping staff to ensure accuracy and completeness of MTF remittances instead of directly submitting their MTF envelopes to the principal as required.

Also, the former recordkeeping staff retained the secretary's MTF remittances (pink and yellow) for FY 2021 and FY 2022 instead of returning them upon verification of funds.

The following criteria is established in the APM:

- A. Staff members are required to ensure that the documentation is accurately stated and totals the funds remitted to the bookkeeper. The bookkeeper is required to verify that the funds received total the documentation attached to the MTF. After verification of funds, the bookkeeper should sign and date the MTF as the approver.
- B. A MTF log is required and maintained by the bookkeeper to include a numerical list of the MTFs, the names of individuals and dates the forms were issued, the date of return to the bookkeeper and the total amount of the MTF.
- C. Prior to departing at year-end, the faculty and program managers are required to submit the pink and yellow remittance copies of the MTF(s) in a sealed envelope with their signature affixed over the seal to the designated administrator. The recordkeeping staff will print the *SFO Receiptee History* and submit it to a designated administrator. This alerts the administration which MTF envelope packages to expect. The pink copy of the MTF is retained by the preparers of the form. The white and yellow copies are submitted to the recordkeeping staff with the funds received. After approving a MTF, the recordkeeping staff returns the yellow copy to the originator for retention until the end of the school year. Further, the recordkeeping staff is prohibited from accepting the end-of-year MTFs and therefore should not have access to the process.

The following caused the non-compliance regarding the management of funds received:

- A. The staff and former recordkeeping staff failed to ensure that all MTFs remitted were supported by appropriate documentation verifying funds received when MTFs were submitted.
- B. Reportedly, the former recordkeeping staff was not aware of the limits of involvement required during the end-of-year MTF submission process.

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- C. The former recordkeeping staff stated that the Office Secretary's MTFs were kept in a folder "*so that they wouldn't be lost*" and so that the Office Secretary "*didn't have to explain why she didn't have them.*"

The following effect resulted from the non-compliance of management of funds received:

- A. Funds received cannot be verified as to the source and amount when appropriate and/or accurate documentation is not attached to the MTF.
- B. The former recordkeeping staff was not held accountable for ensuring that the MTF log was accurately maintained to also include voided MTFs. Evidence for monitoring collection is removed when the MTF log is not adequately maintained. Further audit evidence is weakened in the absence of the compensating control.
- C. Internal controls are compromised when the recordkeeping staff is allowed to retain and/or have access to the MTFs after verifying the funds received from the staff member. The audit trail to independently verify collection is negated when the principal or a designee is not solely responsible for the MTF envelope submission process.

Recommendations: The following recommendations are suggested to help ensure that collections are properly managed:

- A. The recordkeeping staff should ensure that the MTF log is updated and maintained with all MTFs assigned and/or voided. The recordkeeping staff must be held accountable for compliance.
- B. The principal should complete a periodic review of receipts to ensure that **all** funds collected are properly supported with the documentation attached verifying source, amount, purpose and date of collection of funds.
- C. The current recordkeeping staff must be removed from the responsibility for collection of year-end MTFs. The principal must ensure adherence to required protocols for the year-end MTF submission process.

2023.03 Mismanagement of Disbursements

There were at least **7** instances of non-compliance regarding disbursements. The following indicates the instances of non-compliance:

- A. ***Delinquent Reimbursement/Payment:*** There were at least **2** instances where a reimbursement and a vendor payment were **82** and **140** days delinquent.

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- A staff member made cumulative purchases with receipts ranging from July 2021 to October 2021 but did not submit the reimbursement until October 2021 resulting in delinquency of 82 days.
 - A purchase was made from a company with an invoice dated July 2021 with a due date of *Net 30 days*, but the invoice was not paid until December 2021, resulting in delinquency of 140 days.
- B. ***Checking Account Signatory Authority:*** There were at least **2** instances where the former recordkeeping staff prepared and signed checks after the date of separation from the school on May 22, 2022.
- C. ***Items Purchased not on the School's In-House Inventory:*** The school did not maintain a property inventory listing for items purchased for less than \$1,500.00 such as pole saw (\$139.00), husky mechanic tool set (\$124.00), toilet bowl snake (\$49.98), and a paint sprayer (\$149.00) as required. The appropriate in-house inventory forms to ensure the assets were included in the school's inventory was not completed.

The following criteria are established in the APM for disbursing funds:

- A. Invoices and/or reimbursements should be paid within 30 days of receipt and have appropriate documentation or by the due date.
- B. The principal is required to ensure timely updates when signers change. The appropriate forms required by the school's bank must be completed and forwarded to the Treasury Operations Office. The Assistant Treasurer will authenticate the documents provided and forward them to the bank.
- C. All equipment purchased with SAF are required to be reported on a self-insurance inventory form known as the *In-Use Inventory Equipment Receiving Report*. The school must report to the Accounting and Financial Reporting Office all equipment valued in excess of \$1,500.00 and maintain a record at the school of all equipment valued at \$1,500.00 or less.

The following summarizes the cause for the various deficiencies noted:

- A. A staff member did not submit the request for reimbursement timely in the first instance. Also, the former recordkeeping staff indicated that the accounting system (SFO) was closed around the time of the expenditure causing the processing of the vendor payment to be overlooked in the second instance.

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- B. The principal did not request the removal of the former recordkeeping staff until June 28, 2022, when the former recordkeeping staff was no longer allowed to assist with the bookkeeping duties at the school. The Office of Treasury Operations provided the forms for signatory update to the principal on July 19, 2022, resulting in additional delays. The signatory authority was finalized on July 21, 2022.
- C. The former recordkeeping staff was not aware that an in-house inventory form was required to be maintained for the purchase of equipment valued less than \$1,500.00.

The following effect resulted from the non-compliance of management of funds disbursed:

- A. Delinquent reimbursements or vendor payments can result in inaccuracies of funds available in funds accounts as reported in the school's financial reports.
- B. Internal controls are compromised and the risk of fraud increases when signatures are not updated on the school's checking account for personnel who are no longer at the school. Also, the principal might not be aware when checks are signed without approval or knowledge if former personnel are still allowed to prepare and sign checks after leaving their position.
- C. There is a risk of loss of assets when equipment are not adequately monitored and accounted for via completion of the *In-Use Inventory Equipment Receiving Report*.

Recommendations: The principal should hold staff accountable for following established procedures relative to cash disbursements. Specifically, requests for reimbursements must be promptly submitted and vendor payments timely processed. The school's bank signatory card must be kept current and appropriate inventory forms should be completed as required. All applicable inventory items should be recorded on the school's *In-Use Inventory Equipment Receiving Report* properly to ensure PGCPS equipment is reported.

2023.04 Delinquent Monthly Bank Reconciliations

There were at least **5** instances where monthly bank reconciliations were either not timely prepared by the former recordkeeping staff or were not reviewed timely by the principal. The delinquency ranged from **7 to 21 days**.

The APM section *5.1.2 Monthly Reconciliation and Financial Reporting* states that the bookkeeper is required to complete the bank reconciliation within 7 days of receiving the statement from the bank. All financial reports should be completed by the 15th of each month and submitted to the principal for review and approval.

The former recordkeeping staff indicated that the first instance where the reconciliation was not completed timely was due to the principal not receiving the bank statement in a timely manner via mail delivery. The principal printed an online copy after the 15th of the

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reconciling month to facilitate the reconciliation process. The second instance of untimely completion was when the former recordkeeping staff was on leave during the time the report was due. The remaining 3 instances when the principal did not review timely was due to the principal not being in the building and the reports were signed later.

The principal’s fiscal responsibility is compromised when monthly reporting is not available and/or reviewed timely. Timing differences or other errors may not be detected and corrected promptly when the reconciliation process is not performed as intended.

Recommendations: The principal and recordkeeping staff should implement internal controls to ensure that the monthly bank reconciliation process is performed in accordance with scheduled requirements included in the APM (bank reconciliation within 7 days after receiving the statement from the bank and completion of financial reports by the 15th of each month). The principal and recordkeeping staff should meet on a monthly basis to ensure compliance.

2023.05 Restricted Fund Account Deficits

There following 2 restricted fund accounts had deficits that totaled **\$1,281.92** as of June 30, 2022.

Account #	Account Description	Account Balance
450.50	Principal Sponsored Activity	(\$ 458.22)
480.00	Yearbook	(\$ 823.70)
	Total	(\$ 1,281.92)

The APM, Section 4.3 *Fund Accounts*, states that expenditures for all restricted accounts are limited to the amount of funds collected for those activities. Therefore, if restricted accounts exceed the available cash, the account is insolvent. As the fiduciary agent for the SAF, the principal should ensure that restricted accounts are solvent at all times.

The APM Section 9/6 *Principal Sponsored Activities (PSA) for Staff* indicates that expenditures for authorized principal-sponsored activities are restricted to funds available from the sources as outlined in the manual, which includes 100% vending commissions in the staff lounge, 25% of vending commissions from student-accessed machines up to the first \$50,000.00 and 15% of school-wide fundraising profits. As the fiduciary agent for the SAF, the principal should ensure that restricted accounts are solvent at all times.

The PSA fund account deficit exists due to the continued spending by the principal without regard for the availability of funds. The Yearbook current account deficit has existed since FY 2018 school year. There has been no yearbook since FY 2018. Sufficient yearbooks were not sold to cover the cost of the yearbook for FY 2018.

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Overspending in restricted accounts results in insufficient funds being available to administer students' activities of the general student population.

Recommendations: The principal should contact the Accounting and Financial Reporting Office for guidance on resolving the restricted fund account deficits. Also, focused planning and budgeting should occur to ensure that the school's resources are used efficiently and that further deficits do not occur.

2023.06 Administration of Voided Checks

There were 4 instances of non-compliance where checks were not properly voided by the removal of the signature line.

The APM, Section 4.5.3.2, *Policies and Procedures, Voiding Checks* requires accounting for a physical check when an error is made at the time of processing or when a check is damaged. Voided checks are required to be defaced by the removal of the signature and account lines.

The principal and former recordkeeping staff failed to ensure that voiding of checks was administered in compliance with BOE policies and procedures. The former recordkeeping staff could not explain why the 4 checks were not properly voided. Also, the principal was not aware of the existence of the voided checks.

Inappropriate administration of checks exposes the school to fraud, waste, and abuse of its resources. *This finding was noted during the previous audit period ended October 2016.*

Recommendations: The recordkeeping staff should ensure that voided checks are administered as required by the APM. The principal should complete a periodic review of voided checks to ensure compliance with BOE policies and procedures. The recordkeeping staff must be held accountable for compliance.

2023.07 Fundraiser Reports Not Completed

The school did not comply with the requirements for administering fundraisers during the audit period. The school sponsored 2 school-wide fundraising activities in FY 2021 and 4 school-wide fundraising activities in FY 2022. The annual reports summarizing the fundraising activities were not completed as required.

Administrative Procedure 5135.1, *Fundraising* requires schools to complete annual reports summarizing the fundraising activities for all school-wide fundraisers sponsored in a school year. These documents must be maintained on file for public and auditor review upon request.

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The principal and former recordkeeping staff failed to adhere to the fundraising requirements. Reportedly, the former recordkeeping staff was aware that the report should have been completed prior to the onset of the fundraiser, however, it was not completed.

It could not be readily determined whether the school's fundraisers yielded an overall profit for the school. As a result, pertinent financial information for the school's administrators to make fiscal decisions was not available. *This finding was noted during the previous audit period ended October 2016.*

Recommendations: The principal or a designee should complete required fundraiser reports at the end of each school year to summarize fundraising activities held. Required reports must be maintained on file for public and auditor review.

2023.08 Improvement Needed in Management Oversight

The previous audit report for District Heights Elementary School was issued for the period ended October 2016. During that audit the current principal was on staff. There were 5 reportable conditions from that audit and 3 are repeated in this current audit report.

The principal is the fiduciary agent for the student activity funds. In this role, the principal is responsible for ensuring that these funds are administered in accordance with BOE 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."

Improvement is necessary to be in compliance with BOE policies and procedures as established in the APM. Students are not receiving the maximum possible benefit of the resources available to them.

Recommendations: The principal should continue to carefully review the APM and ensure that internal controls are operating effectively to ensure fiscal accountability. The principal must continue to be involved in the daily operations as it relates to the administration of the school's resources. Continued improvement of the internal control environment should be emphasized by focusing on these five basic principles of internal control:

- ❖ 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.

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STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for District Heights Elementary School was issued for the period ended October 31, 2016. The current principal was on staff. The current recordkeeping staff began on September 7, 2017. The 5 findings noted as a result of that audit and their current status are summarized below:

- **Inadequate Documentation of Funds Received** – Condition still exists. See **Finding 2023.02** regarding *Mismanagement of Funds Received*.
- **Gift Cards** – Controls appear to be working.
- **Drop Safe Not on Premises** – Controls appear to be working.
- **Administration of Voided Checks** – Condition still exists. See **Finding 2023.03** regarding *Mismanagement of Disbursements*.
- **Fundraiser Forms Not Completed** – Condition still exists. See **Finding 2023.07** regarding *Fundraiser Forms Not Completed*.

ACKNOWLEDGEMENT

We would like to thank the principal and staff of District Heights Elementary School for their cooperation and assistance extended during the audit.

**Prince George's County Public Schools
Internal Audit Department
School/Office: District Heights ES
Response Due Date October 28, 2022**

	Findings	Recommendations	Concur Non-Conc ur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1.	<u>2023.01 Record Retention</u>	The principal and future recordkeeping staff should establish an adequate records management system that ensures that all financial documents are retained in an organized manner.		Systemic training for bookkeeper and future registrar. Bookkeeper provided mentor by Instructional Director. The financial records for this school year and the next will be kept in the vault with clearly identifiable markers by year. Records will be maintained for the required 7 years and secured in the vault located in the main office.	10/28/2022	Partially Implemented
2.	<u>2023.02 Mismanagement of Funds Received</u>	The following recommendations are suggested to help ensure that collections are properly managed: A. The recordkeeping staff should ensure that the MTF log is updated and maintained with all MTFs assigned and/or voided. The recordkeeping staff		Systemic training for bookkeeper and future registrar. Bookkeeper provided mentor by Instructional Director. Staff members collecting funds will submit MTFs on a daily basis.	10/28/2022	Partially Implemented

Principal Signature *Marlowe Bleunt-Rich*

Date 11/1/22

		<p>must be held accountable for compliance.</p> <p>B. The principal should complete a periodic review of receipts to ensure that all funds collected are properly supported with the documentation attached verifying source, amount, purpose and date of collection of funds.</p> <p>C. The current recordkeeping staff must be removed from the responsibility for collection of year-end MTFs. The principal must ensure adherence to required protocols for the year-end MTF submission process</p>		<p>The bookkeeper will ensure that the MTF Log is updated and properly filled in upon receipt of each staff member MTF.</p> <p>Principal will monitor the bookkeeper's compliance with the MTF verification process. Accountability measures will align with the progressive discipline policy.</p> <p>Principal will review the receipts monthly to ensure that all funds are remitted and deposited timely with appropriate documentation.</p> <p>Bookkeeper will be removed from end of year checklist. Book keeper will provide the principal or designee with a list of employees who completed MTFs so that the principal can ensure that all applicable employees and MTFs were submitted.</p>		
3.	<u>2023.03</u> <u>Mismanagement of Disbursements</u>	The principal should hold staff accountable for following established procedures relative to cash disbursements. Specifically, requests for reimbursements must be promptly submitted and vendor payments timely processed. The school's bank signatory		The Internal Auditor will provide full staff with training on the use of approved vendors, contract signature authority, submission of invoices for reimbursements, and the school's in-house inventory.	10/28/2022	Partially Implemented

Principal Signature *Marlowe Blewett-Rich*

Date 11/1/22

		<p>card must be kept current and appropriate inventory forms should be completed as required. All applicable inventory items should be recorded on the school's <i>In-Use Inventory Equipment Receiving Report</i> properly to ensure PGCPs equipment is reported.</p>	<p>Systemic training for bookkeeper.</p> <p>Bookkeeper provided mentor by Instructional Director.</p> <p>Administrator will maintain all School Expenditure forms. Staff must request forms directly from the Administrator.</p> <p>Staff will not be reimbursed funds if pre-approval from principal is not complete.</p> <p>Staff will not be reimbursed funds if purchases are not made from authorized vendors.</p> <p>Reimbursements & Vendor payments will be paid within 30 days of the receipt and/or invoice date to ensure compliance.</p> <p>The bank signatory cards are current as of 9/22 and new Bookkeeper will be added once training is completed.</p> <p>The in-use inventory form will be maintained for all school items purchased at a value of less than \$1500</p>		
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Principal Signature *Marlowe Bleunt-Rich*

Date 11/1/22

4.	<u>2023.04</u> <u>Delinquent</u> <u>Monthly Bank</u> <u>Reconciliations</u>	The principal and recordkeeping staff should implement internal controls to ensure that the monthly bank reconciliation process is performed in accordance with scheduled requirements included in the APM (bank reconciliation within 7 days after receiving the statement from the bank and completion of financial reports by the 15th of each month). The principal and recordkeeping staff should meet on a monthly basis to ensure compliance.		Systemic training for bookkeeper. Bookkeeper provided mentor by Instructional Director. Bookkeeper will ensure that the Principal receives the unopened bank statement on the day of arrival via the red folder. Bookkeeper will prepare the report within 3 days of receiving the statement to ensure completion by the 12th day.	10/28/2022	Partially Implemented
5.	<u>2023.05</u> <u>Restricted Fund</u> <u>Account Deficits</u>	The principal should contact the Accounting and Financial Reporting Office for guidance on resolving the restricted fund account deficits. Also, focused planning and budgeting should occur to ensure that the school's resources are used efficiently and that further deficits do not occur.		Yearbook line items was inherited by administration prior to 2012 Should include: Even though the yearbook deficit was inherited by the current administration prior to 2012, the principal will contact Accounting & Financial Reporting Office (AFRO) for guidance to resolve and/or relief of deficit. Principal will copy the auditor on the request to AFRO.	10/28/2022	Implemented
6.	<u>2023.06</u> <u>Administration of</u> <u>Voided Checks</u>	The recordkeeping staff should ensure that voided checks are administered as required by the APM. The principal should complete a periodic review of voided checks to ensure compliance		Bookkeeper will receive training on the administration of the voided check policy in alignment with BOE procedures.	10/28/2022	Partially Implemented

Principal Signature *Marlowe Blewett-Rick*

Date 11/1/22

		with BOE policies and procedures. The recordkeeping staff must be held accountable for compliance.		Voided check will be included in the monthly reports with the void check proof sheet for principal monitoring and review.		
7.	<u>2023.07 Fundraiser Reports Not Completed</u>	The principal or a designee should complete required fundraiser reports at the end of each school year to summarize fundraising activities held. Required reports must be maintained on file for public and auditor review.		Systemic training for bookkeeper. Bookkeeper provided mentor by Instructional Director. Internal Fundraiser and Event Pre-Approval form will be required by staff. The bookkeeper will give the fundraiser request forms to the chairperson of the fundraising committee so that they are aware that this information must be completed and returned to the Principal before any contract can be signed. The bookkeeper will complete the fundraising summary form with the last fundraiser completed for each school year and file them for public and auditor review.	10/28/2022	Partially Implemented
8.	<u>2023.08 Improvement Needed in Management Oversight</u>	The principal should continue to carefully review the APM and ensure that internal controls are operating effectively to ensure fiscal accountability. The principal must continue to be involved in the daily operations as it relates to the		Principal will ensure that staff receive PD on staff based responsibilities and expectations as they relate to the financial process. Principal will monitor daily operations of school resources.	10/28/2022	Partially Implemented

Principal Signature *Marlaue Bleunt-Rich*

Date 11/1/22

		<p>administration of the school's resources. Continued improvement of the internal control environment should be emphasized by focusing on these five basic principles of internal control:</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>Principal will ensure that duties and responsibilities for the bookkeeper, administrator, and staff are clearly identified and maintained.</p> <p>Principal will have monthly macros run for spending and ordering.</p>		
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Principal Signature *Marlowe Blewett-Rich*

Date 11/1/22