

March 3, 2022

**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, 2020 through November 30, 2021

An audit was completed on the financial records of **Oxon Hill High School** for the period July 1, 2020 through November 30, 2021. The audit indicates that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual (APM) for School Activity Funds (SAF) and Board of Education (BOE) policies and procedures. The exceptions noted in the audit are documented in the attached audit report.

As principal of the school, you will be responsible for preparing an action plan by **April 4, 2022** 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, and email address: [dany.washington@pgcps.org](mailto:dany.washington@pgcps.org); Katrina Greene, School 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  
Helen Coley, Ed. D., Chief of School Support and Leadership  
Carletta Marrow, Ed. D., Associate Superintendent  
Michael Herbstman, Chief Financial Officer  
James Dougherty, CPA, Director, Financial Services  
Joeday Newsom, Esq., Ethics Compliance Officer  
Katrina Greene, School Activity Funds Support Specialist  
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 November 30, 2021**

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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, 2020 through November 30, 2021. The 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 by 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,*
- *Record Retention,*
- *Vending Machines Contract,*
- *Excessive Spending in Restricted Accounts,*
- *Disposition of Senior Class Accounts,*
- *Administration of Sales Tax, and*
- *Management Oversight*

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

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 November 30, 2021.



Michele Winston, CPA, Director  
Internal Audit

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**SUMMARY**

Internal Audit completed an audit of the school activity funds (SAF) for Oxon Hill High School for the period July 1, 2020 through November 30, 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 by the Accounting Procedures Manual for School Activity Funds (APM) and Board of Education (BOE) policies and procedures.

This audit report includes 9 findings that occurred under the leadership of the current principal. A listing of the findings and the personnel responsible are included in the appendix at the end of the audit report. Detailed findings from the current audit are cited on the following pages with accompanying recommendations for corrective action.

**OBJECTIVES**

The objectives of the audit were to determine the effectiveness of the system of internal controls and whether the school complies with the policies and procedures of the APM and the BOE. While the audit focused on deficiencies, it is important to recognize that 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 canceled checks and all voided checks and MTF envelopes submitted by staff for the period July 1, 2020 through November 30, 2021. In addition, selected receipts, disbursements, and supporting documentation were reviewed for the said period. Audit results were based on available documentation. Several documents were not on file for review. (*See 2022.04 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.

**2022.01: Mismanagement of Disbursements**

The following exceptions on the management of disbursements were noted:

- A. *Inadequate Approval* – There were **11** instances where expenditures were not adequately approved. The principal did not pre-approve the expenditures via the School Funds Expenditure Form (SFEF) before purchases were made in **10** instances. The SFEF was not approved in the other instance.
- B. *Delinquent Vendor Payments* – There were **6** instances where expenditures were not remitted to the vendor promptly. The range of delinquency was between **8** and **871** days.
- C. *Inadequate Supporting Documentation* – There were **2** instances where expenditures did not contain adequate supporting documentation. Emails were used to substantiate expenditures instead of invoices in both instances.

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

- A. Before 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 are required to review invoices and statements for past due amounts and ensure that payments are processed promptly.
- C. All checks must have itemized documentation attached to the SFEF that supports the amount of the check. Documentation must include cash register receipts, invoices, bills of sale, etc.

The principal did not establish internal controls relative to the management of disbursements. The staff did not always seek preapproval before making purchases. The principal and recordkeeping staff did not review open invoices and statements for past due amounts to ensure that all payments were made promptly. A review of supporting documentation was not always performed before the issuance of checks.

Mismanagement of disbursements constitutes non-compliance with BOE policies and procedures and increases the financial risk to the school and staff. Approving purchases without

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adequate documentation and failure to adequately approve expenditures can result in unauthorized expenditures 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.

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

- A. The principal must ensure staff members are made aware of the requirement for obtaining pre-approval before purchases of products or services. Staff members must be held accountable for compliance. The principal must review SFEFs to ensure that the required pre-approval details are documented on SFEFs before approving expenditures.
- B. The principal and recordkeeping staff must ensure vendor payments are issued timely, within 30 days of receipt, or by the invoice due date by reviewing the open invoice folders and processing vendor payments before the due dates.
- C. The recordkeeping staff must review requests for payments to ensure that all SFEFs are complete and include adequate supporting documentation prior to forwarding them to the principal for final approval and issuing payments.

**2022:02 Administration of Voided Checks**

The following exceptions on the administration of voided checks were noted:

- There were **7** instances where voided checks were not properly voided by removal of the signature line.
- There were **4** voided checks that were not entered into the school accounting system as required.

According to the APM, all voided checks must be defaced, filed in check number order with canceled check images, and entered into the accounting system.

Internal controls relative to administration of checks relative to defacement were not always followed by the recordkeeping staff. During this audit period, the school had 3 acting recordkeeping staff before hiring the current recordkeeping staff was appointed. During the transition period, emphasis was not placed on ensuring that the signature line was removed from all voided checks and all checks were entered into the schools' accounting system.

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

**Recommendation:** The recordkeeping staff must ensure that all voided checks are defaced and entered into the school's accounting system during the check voiding process. The principal should perform periodic oversight to ensure that this process is performed as required.

**2022:03 Mismanagement of Funds Received**

The following exceptions about the management of receipts were noted:

- A. ***Inadequate Supporting Documentation*** - There were **2** instances where collections were not properly supported (incomplete MTF).
- B. ***Changes to Monetary Transmittal Forms*** - There were **5** instances where changes to MTFs were not performed according to the MTF instructions. Changes to amounts, dates, and a signature were not initialed.
- C. ***Delinquent Deposit*** – There were **14** instances where deposits were not made promptly. The range of delinquency was between **3** and **13** days.

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. All funds collected should be remitted to the recordkeeping staff and properly supported with approved MTFs and other required documentation.
- B. MTF changes and alterations require initials.
- C. Deposit of all funds received is 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, they must be kept secure. Schools must establish internal controls to ensure frequent deposits occur.

Internal controls to ensure collections were processed as required were not always enforced. The recordkeeping staff did not perform verification of supporting documentation before accepting and approving MTFs and making deposits. School staff was not held accountable for remitting funds to the recordkeeping staff on the day of collection and initialing changes to MTFs.

Failure to adequately perform recordkeeping responsibilities over the processing of funds received constitutes noncompliance with the requirements of the APM. Failure to verify that



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funds collected are as indicated places the school at risk of not receiving all funds collected. 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 and affects the audit trail.

**Recommendation:** The following corrective actions should be implemented for collections to be made following BOE policies and procedures:

- A. The recordkeeping staff must ensure that all cash receipt documentation is adequate by verifying that all appropriate support is attached to the MTF before appending his approval.
- 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 daily, especially funds over **\$250.00**. Teachers must be informed that funds collected cannot be held overnight and must be held accountable for compliance. The principal should perform periodic review of the deposit records to ensure that deposits are made as required.

#### **2022.04 Record Retention**

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

- **10** Cash Disbursement Records,
- **8** Voided Checks,
- **16** Fund Transfer Journal Entry Proof Sheets, and
- **1** Monetary Transmittal Forms

According to **Section 6.12** of Accounting Procedural Manual, *Record Retention*, All SAF records must be retained for **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, canceled checks, and contracts.

During this audit period, the school had 3 acting recordkeeping staff prior to hiring the current recordkeeping staff. The 3 acting recordkeeping did not maintain an adequate filing system and the current recordkeeping staff followed the predecessor's example. The principal did not provide oversight into the maintenance of the school's financial records.

Failure to adequately maintain and 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.

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**Recommendation:** The principal must ensure proper custody of all records relating to SAF until audited. An adequate filing system must be implemented to ensure that in the absence of the recordkeeping staff or principal, financial documents would be filed properly and accessible for future review.

**2022.05 Vending Machines Contract**

The school currently operates **16** vending machines for its faculty and students (9 soda and 7 snacks). The current vending machine contract stipulating commissions due to the school and frequency of commissions was not signed by the principal.

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 the frequency these commissions are remitted. The contract term cannot exceed one year.

The vending machine contract was filed prior to the principal signing the agreement. In the absence of a valid contractual agreement, the vending company cannot be held liable for fulfilling the terms of the vending agreement. The availability of funds for students and funds that could have been used to offset the deficit in the PSA fund could have been impacted.

**Recommendation:** The principal must immediately sign the current contract that has been endorsed by the president of the vending company. The principal should also ensure that the vending machine company provides the contract which should be effective March 31, 2022 for signature.

**2022.06 Excessive Spending in Restricted Fund Accounts**

The SAF has **6** restricted fund accounts with deficits totaling **(\$7,714.66)** as of November 30, 2021. The following is a listing of accounts with deficits:

| Item#    | Account | Description                | Amount              |
|----------|---------|----------------------------|---------------------|
|          |         |                            |                     |
| <b>1</b> | 212.20  | Boys Basketball Concession | (\$250.00)          |
| <b>2</b> | 235.80  | Girls Volleyball Transport | (\$361.00)          |
| <b>3</b> | 304.74  | Class of 2017-Activities   | (\$2,710.00)        |
| <b>4</b> | 337.25  | JROTC Uniform Cleaning     | (\$628.83)          |
| <b>5</b> | 480.00  | Yearbook                   | (\$3,711.48)        |
| <b>6</b> | 515.00  | AP Testing                 | (\$53.35)           |
|          |         |                            | <b>(\$7,714.66)</b> |

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Expenditures for all restricted accounts are limited to the number 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 principal and recordkeeping staff did not monitor accounts to ensure that restricted accounts maintained positive balances. Funds available for these restricted accounts were not verified before the approval of expenditures. BOE policies and procedures as established in the APM regarding the use of restricted funds were not always followed.

**Recommendation:** The principal and recordkeeping staff must ensure that expenditures are evaluated relative to available resources and that care is exercised to ensure that resources are used for the maximum benefit of students. Spending in these accounts must cease until the account deficits are resolved. The principal and recordkeeping staff should consult with the Accounting and Financial Reporting Office for resolution of the account deficits.

**2022.07 Disposition of Senior Class Accounts**

The following Senior Class accounts included balances that aggregated to **\$6,707.37** as of November 30, 2021.

| Item# | Account | Description                 | Amount            |
|-------|---------|-----------------------------|-------------------|
| 1     | 304.20  | Class Accounts              | \$54.54           |
| 2     | 304.81  | Class of 2018-Dues          | \$0.04            |
| 3     | 304.21  | Class of 2020-Dues          | \$0.72            |
| 4     | 304.55  | Class of 2021-Donation      | \$1,255.00        |
| 5     | 304.51  | Class of 2021-Dues Packages | \$540.84          |
| 6     | 304.52  | Class of 2021-Fundraisers   | \$4,856.23        |
|       |         |                             | <b>\$6,707.37</b> |

According to 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 is required to plan, with the approval of the principal, for the final disposition of any residual class funds. Proper budgeting, accounting, and control of class account resources are important.

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

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**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 the administration of the senior class accounts. A disposition plan must be required from class officers before graduation.

**2022:08 Administration of Sales Tax**

There were 2 instances where sales tax was not collected on the sale of yearbooks. Yearbooks sale totaling \$617.10 was made without any sales tax being charged.

Administrative Procedure 5137, *Sales Tax*, provides this guideline for sales taxable. A school must collect and remit taxes to the State of Maryland Comptroller's Office for all taxable sales.

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*.

Non-compliance with State of Maryland sales tax laws could result in assessed penalties and interest.

**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 as required by AP 5137, *Sales Tax*. Staff members collecting funds should also be trained and held accountable for documenting sales taxes on MTFs when taxable sales are made.

**2022.09 Management Oversight**

The principal did not exercise proper oversight into the administration of the SAF during the current audit period. The previous audit was conducted during the tenure of the current principal. A total of 7 of 10 reportable conditions have not been corrected and are repeated in the current audit. 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 by Prince George's County Public Schools (PGCPS) policies and procedures and expended to provide maximum benefit to the students. Based on the number of repeat noncompliance and reportable control weaknesses, the principal did not fully comply with BOE policies and procedures as established in the APM.

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**Recommendation:** The principal should carefully review the policies and procedures as outlined in APM. There should be consistent involvement 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 ended June 30, 2020. During that period, the principal was in the current position, however, the recordkeeping staff's tenure began on May 1, 2021. The previous audit report included **10** reportable conditions, of which **7** are repeated in the current audit. The following findings were noted as a result of the prior audit and the status is indicated below:

- **Missing Funds** - Condition was not noted during this audit.
- **Mismanagement of Disbursements** - Condition still exists. See Finding 2022.01, *Mismanagement of Disbursements*.
- **Administration of Checks** - Condition still exists. See Finding 2022.02, *Administration of Checks*.
- **Mismanagement of Funds Received** - Condition still exists. See Finding 2022.03, *Mismanagement of Funds Received*.
- **Record Retention** - Condition still exists. See Finding 2022.04, *Record Retention*.
- **Vending Machines Contract** - Condition still exists. See Finding 2022.05, *Vending Machines Contract*.
- **Warehouse Membership Cards** - Condition was not noted during this audit.
- **Excessive Spending in Restricted Accounts** - Condition still exists. See Finding 2022.06, *Excessive Spending in Restricted Accounts*.
- **Financial Reporting** - Condition was not noted during this audit.

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- **Management Oversight** - Condition still exists. See Finding 2022.09, *Management Oversight*.

**ACKNOWLEDGEMENT**

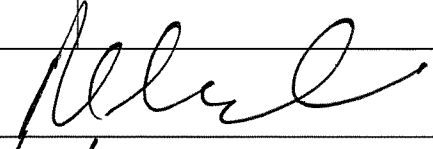
We would like to thank the principal and staff of Oxon Hill High School for their cooperation and assistance extended during the audit.

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

**School/Office: Oxon Hill HS**

**Response Date April 4, 2022**

|    | <b>Findings</b>   | <b>Recommendations</b>  | <b>Concur<br/>Non-<br/>Concur<br/>Partially<br/>Concur</b> | <b>Action Plan</b>   | <b>Corrective<br/>Action Date</b> | <b><u>Status</u><br/>Implemented<br/>Partially<br/>Implemented<br/>Not<br/>Implemented</b> |
|----|---|---|--|--|-----------------------------------|--|
| 1. | <b><u>2022.01:<br/>Mismanagement<br/>of Disbursements</u></b> | <p>The principal and recordkeeping staff must perform the following to improve the administration of disbursements:</p> <p>A. The principal must ensure staff members are made aware of the requirement for obtaining pre-approval before purchases of products or services. Staff members must be held accountable for compliance. The principal must review SFEFs to ensure that the required pre-approval details are documented on SFEFs before approving expenditures.</p> | Concur   | <p>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 was presented to staff at the October Faculty Meeting on 10/20/2021. Next Presentation will take place during Pre-Service week in August-2022</p> <p>B. The Principal and Financial Secretary have revised and</p> | 10/20/21                          | Implemented  |

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

**Date** 4/1/2022

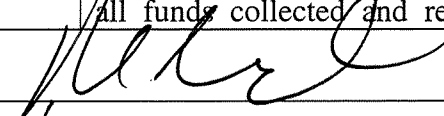
|    |  |   |        |  |          |             |
|----|--|---|--------|--|----------|-------------|
|    |  | <p>B. The principal and recordkeeping staff must ensure vendor payments are issued timely, within 30 days of receipt, or by the invoice due date by reviewing the open invoice folders and processing vendor payments before the due dates.</p>                       | Concur | <p>updated the Financial Operations Document for OHHS to include procedures to ensure timely vendor payments. This will be presented to staff at October Faculty Meeting on 10/20/2021. Next Presentation will take place during Pre-Service week in August-2022</p> | 10/20/21 | Implemented |
|    |  | <p>C. The recordkeeping staff must review requests for payments to ensure that all SFEEs are complete and include adequate supporting documentation prior to forwarding them to the principal for final approval and issuing payments.</p>                            | Concur | <p>C. The Financial Secretary will review requests for payments to ensure that all SFEEs are complete and include adequate supporting documentation prior to forwarding them to the principal for final approval and issuing payments</p>                            | 9/2021   | Implemented |
| 2. | <u>2022:02 Administration of Voided Checks</u> | <p>The recordkeeping staff must ensure that all voided checks are defaced and entered into the school's accounting system during the check voiding process. The principal should perform periodic oversight to ensure that this process is performed as required.</p> | Concur | <p>The financial secretary will ensure that all voided checks are defaced and entered into the school's accounting system during the check voiding process. . This will be monitored by the principal during the weekly check-In financial meetings</p>              | 9/2021   | Implemented |
| 3. | <u>2022:03 Mismanagement</u>                   | <p>The following corrective actions should be implemented for collections to be</p>   |        |  |          |             |

Principal Signature 

Date 4/1/2022



|                          |  |        |   |          |             |
|--------------------------|--|--------|---|----------|-------------|
| <u>of Funds Received</u> | made following BOE policies and procedures:  | Concur | A.The financial secretary will ensure that all cash receipt documentation is adequate by verifying that all appropriate support is attached to the MTF before appending his approval  | 9/2021   | Implemented |
|                          | A. The recordkeeping staff must ensure that all cash receipt documentation is adequate by verifying that all appropriate support is attached to the MTF before appending his approval. | Concur | B.The Principal and Financial Secretary have revised and updated the Financial Operations Document for OHHS to include pre-approval procedures for approving expenditures. This was presented to staff at the November Faculty on 10/20/2021. Next Presentation will take place during Pre-Service week in August-2022 This will be checked daily by the bookkeeper for proper completion. In addition, this will be monitored weekly by the principal during weekly Friday meetings with the bookkeeper. | 10/20/21 | Implemented |
|                          | B. The recordkeeping staff must ensure that all MTF changes and alterations have the required initials.  | Concur | C.The Principal and Financial Secretary have revised and updated the Financial Operations   | 9/2021   | Implemented |
|                          | C. The recordkeeping staff must deposit all funds collected and remitted daily,  | Concur | C.The Principal and Financial Secretary have revised and updated the Financial Operations   | 9/2021   | Implemented |

Principal Signature 

Date 4/1/2022

|    |  |   |        |   |        |             |
|----|--|---|--------|---|--------|-------------|
|    |  | especially funds over <b>\$250.00</b> . Teachers must be informed that funds collected cannot be held overnight and must be held accountable for compliance. The principal should perform periodic review of the deposit records to ensure that deposits are made as required.            |        | Document for OHHS to include funds in excess of <b>\$250.00</b> . 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 financial meetings with the bookkeeper. |        |             |
| 4. | <b><u>2022.04 Record Retention</u></b> | The principal must ensure proper custody of all records relating to SAF until audited. An adequate filing system must be implemented to ensure that in the absence of the recordkeeping staff or principal, financial documents would be filed properly and accessible for future review. | 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.   | 9/2021 | Implemented |

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

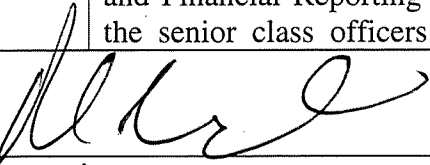


Date \_\_\_\_\_

4/1/2022

|    |  |  |        |  |           |             |
|----|--|--|--------|--|-----------|-------------|
| 5. | <b><u>2022.05 Vending Machines Contract</u></b>                      | The principal must immediately sign the current contract that has been endorsed by the president of the vending company. The principal should also ensure that the vending machine company provides the contract which should be effective March 31, 2022 for signature.   | Concur | The principal will immediately sign the current contract that has been endorsed by the president of the vending company. The principal will also ensure that the vending machine company provides the contract which should be effective March 31, 2022 for signature.   | 2/7/2022  | Implemented |
| 6. | <b><u>2022.06 Excessive Spending in Restricted Fund Accounts</u></b> | The principal and recordkeeping staff must ensure that expenditures are evaluated relative to available resources and that care is exercised to ensure that resources are used for the maximum benefit of students. Spending in these accounts must cease until the account deficits are resolved. The principal and recordkeeping staff should consult with the Accounting and Financial Reporting Office for resolution of the account deficits. | 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. 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. | 2/28/2022 | Implemented |
| 7. | <b><u>2022.07 Disposition of</u></b>                                 | 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  | Concur | The principal will provide a plan for disposition to the Office of Accounting and Financial Reporting for approval if the senior class officers are no   | 2/22/22   | Implemented |

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



Date \_\_\_\_\_

4/1/2022

|    |  |  |        |   |          |             |
|----|--|--|--------|---|----------|-------------|
|    | <u>Senior Class Accounts</u>               | 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 the administration of the senior class accounts. A disposition plan must be required from class officers before graduation.  |        | longer available. A copy of the approved disposition plan should be sent to Internal Audit. The principal, financial secretary, and class sponsors will familiarize themselves with the requirements for the administration of the senior class accounts. A disposition plan must be required from class officers before graduation   |          |             |
| 8. | <u>2022:08 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 as required by AP 5137, <i>Sales Tax</i> . Staff members collecting funds should also be trained and held accountable for documenting sales taxes on MTFs when taxable sales are made. |        | The financial secretary will ensure that appropriate sales tax is collected and remitted to the State of Maryland for all applicable sales taxable items sold by the school as required by AP 5137, <i>Sales Tax</i> . Staff members collecting funds were trained at the November Faculty on 10/20/2021. Staff are held accountable for documenting sales taxes on MTFs when taxable sales are made. Next Presentation-staff training will take place during Pre-Service week in August-2022 | 10/20/21 | Implemented |
| 9. | <u>2022.09 Management Oversight</u>        | The principal should carefully review the policies and procedures as outlined in APM. There should be consistent involvement in the daily operations as it   | Concur | <b>Clearly Defined Lines of Authority and Responsibility;</b><br>Principal<br><br><b>Segregation of Duties;</b>   | 9/2021   | Implemented |

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

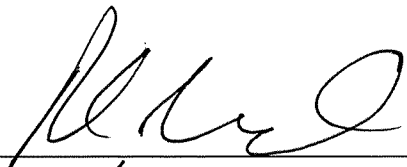


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4/1/2022

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|  |  | <p>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"> <li>● Clearly Defined Lines of Authority and Responsibility;</li> <li>● Segregation of Duties;</li> <li>● Maintenance of Adequate Documents and Records;</li> <li>● Limited Access to Assets, and</li> <li>● Independent Checks on Performance.</li> </ul> |  | <p>An Assistant Principal has been assigned as second signer of checks</p> <p><b>Maintenance of Adequate Documents and Records;</b><br/> -Weekly Meetings with financial secretary<br/> -Monitoring tool for School Orders and Purchases<br/> -Financial Calendar to monitor the duration of school fundraisers<br/> -Communication of all updates and policies to staff via monthly faculty meetings</p> <p><b>Limited Access to Assets, and Independent Checkson Performance.</b><br/> Principal and Bookkeeper Access Only</p> |  |  |
|--|--|--|--|---|--|--|

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



Date \_\_\_\_\_

4/1/2022