



## OFFICE OF INTERNAL AUDIT

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### MEMORANDUM

December 19, 2025

To: Eunice Humphrey, Instructional Director  
Cluster 10

Lonice Priester, Ed.D., Principal  
Fairmont Heights High School

From: Deana Thorps, CPA, Director  
Internal Audit

*DR/ak*

**Re: Fairmont Heights HS Financial Audit for the Period July 1, 2021, through June 30, 2025**

An audit of the financial records of **Fairmont Heights High School** was completed for the period July 1, 2021, through June 30, 2025. The audit indicates that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual for School Activity Fund (APM) and Prince George's County Public Schools' (PGCPS) Board of Education (BOE) policies and procedures. The exceptions noted are included in the attached report.

As principal of the school, you will be responsible for preparing an action plan by **January 20, 2026**, 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 Shaquana Mitchell, Business Analyst, email address: [Shaquana.Mitchell@pgcps.org](mailto:Shaquana.Mitchell@pgcps.org), Roderick Adams, Administrator, Compliance and Procedures, email address: [Roderick.Adams@pgcps.org](mailto:Roderick.Adams@pgcps.org) and Katrina Greene, School Activity Funds Support Specialist, email address: [Katrina.Greene@pgcps.org](mailto:Katrina.Greene@pgcps.org).

cc: Branndon Jackson, Chair, Board of Education  
Members, Board of Education  
Shawn Joseph, Ed.D., Interim Superintendent  
Deann Collins, Ed.D., Chief of Staff  
Ed Ryans, Ed.D., Associate Superintendent, Area 3  
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Lisa Howell, Chief Financial Officer  
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Alicia Robinson, CGAP, CRMA, Internal Auditor II



**School Activity Fund Report –  
Fairmont Heights High School  
July 1, 2021 – June 30, 2025**



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**PGCPS Internal Audit Report  
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**Internal Auditor's Report**

We have examined the School Activity Funds (SAF) of Fairmont Heights High School for the period of July 1, 2021, through June 30, 2025. Fairmont Heights 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 nine findings:

- *Delinquent Deposits*
- *Mismanagement of Disbursements*
- *Delinquent Financial Reporting*
- *Inadequate Approval of Fund Transfers*
- *Administration of Donations*
- *Restricted Fund Account Deficits*
- *Residual Class Funds Not Allocated*
- *Administration of Vending Machine Contract*
- *Administration of Fundraisers*

In our opinion, except for the deviation from the criteria described in the preceding paragraph, the SAF referred to above, was administered in compliance with Prince George's County Board of Education (BOE) policies and procedures and the Accounting Procedures Manual for School Activity Funds (APM), in all material respects, for the period ended June 30, 2025.

*Deana Thorps*

Deana Thorps, CPA, Director  
Internal Audit

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## **SUMMARY**

Internal Audit completed an audit on the school activity funds (SAF) for Fairmont Heights High School for the period of July 1, 2021, through June 30, 2025. The audit was conducted as part of the department's annual audit plan.

This audit report includes **nine** findings of which occurred under the leadership of the current principals. Two of the findings occurred under the leadership of the former principal. A listing of the findings and the personnel responsible is 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 was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and Prince George's County 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 available Monetary Transmittal Form (MTF) envelopes submitted by staff for the period of July 1, 2021, through June 30, 2025. Also, selected receipts, disbursements and supporting documentation were reviewed for the said period. The audit results were based on available documentation.

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

### **2026.01 Delinquent Deposits**

There were at least **21** instances where funds were not remitted to the recordkeeping staff and/or deposited with the financial institution timely. The delinquency ranged from **4** to **22** days.

The APM Section 4.5.2.2 (1) *Collecting Funds and Guidelines for Bank Deposits, Completing the MTF, and Preparing Bank Deposits*, requires all funds collected to be remitted to the bookkeeper on the day of collection. The bookkeeper is also required to make timely deposits with the financial institution. The MTF must be entirely completed, and documentation provided for all funds received.

Internal controls to ensure timely remittance and deposit of funds were not always followed. The staff and/or recordkeeping staff were not held accountable for remitting and depositing funds in a timely manner.

Internal controls are compromised, and there is the risk of loss of funds when funds are not remitted and deposited as required.

**Recommendations:** The principal must require timely remittance and deposit of funds. Staff members and the recordkeeping staff must be held accountable for compliance. The principal should perform periodic reviews of deposit records to ensure compliance.

### **2026.02 Mismanagement of Disbursements**

There were at least **18** instances of non-compliance regarding the administration of disbursements:

- A. ***Inadequate Pre-Approval of Expenditures:*** There were at least **12** instances where the principal did not pre-approve School Funds Expenditure Forms (SFEFs) prior to purchases.
- B. ***Delinquent Reimbursement and/or Vendor Payments:*** There were at least **6** instances where reimbursements and/or vendor payments were not processed timely, resulting in delinquent payments ranging from **12** to **65** days.

The following criteria are established in the APM for administering disbursements:

- A. Section 4.5.3, *Cash Disbursements* require a SFEF to be completed and signed by the principal prior to ordering or purchasing goods or services.
- B. Section 4.5.3 (2) *Inclusion of Supporting Documentation* requires reimbursements and/or invoices to be paid within 30 days of receipt.

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The following summarizes the causes of the deficiencies noted:

- A. The staff and recordkeeping staff did not always perform due diligence to ensure the principal's pre-approval was affixed to SFEFs as required. Reportedly, verbal approval was obtained in some instances. According to the recordkeeping staff, the principal is aware of all purchases made.
- B. Staff failed to submit store receipts and/or invoices timely to the recordkeeping staff to initiate reimbursements. Also, payments were delayed when School Funds Online (SFO) was closed from the beginning of July until mid-August to facilitate rollover of schools' accounts. The recordkeeping staff did not resume prompt processing of payments after SFO was reopened resulting in further delays.

The following are the potential effects of the mismanagement of disbursements:

- A. Failure to obtain pre-approval of the principal could result in inappropriate and unauthorized purchases. Verbal pre-approval negates the audit trail necessary for auditors to determine compliance with disbursement guidelines.
- B. Delinquent payments can affect the availability of funds as reported in the school's financial reports and impact the principal's ability to make fiscal decisions. It can also impact the relationship with vendors.

**Recommendations:** The following are recommendations suggested for proper management of disbursements:

- A. The principal and recordkeeping staff must implement and enforce internal controls to ensure pre-approval is obtained and documented on SFEFs prior to purchases being made.
- B. Staff should ensure that invoices are remitted timely to the recordkeeping staff for payment. The recordkeeping staff should ensure that all invoices are paid in a timely manner. Reimbursements and invoices are required to be paid within 30 days of receipt or by the invoice due date. The principal must hold the staff and the recordkeeping staff accountable for compliance.

### **2026.03 Delinquent Financial Reporting**

There were at least **two** instances where monthly bank reconciliations and monthly financial reporting were not prepared timely by the recordkeeping staff. There were also **three** instances where the principal did not perform a review of monthly financial reports timely. The delinquencies ranged from **six** to **32** days.

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

Reportedly SFO was closed from July until mid-August to facilitate the annual SFO roll-over process which impacted the reconciliation process in one instance. Also, according to the principal, "the month of May includes many tasks and responsibilities of the principal; more than any other month, as it includes getting students to graduation day and more. I will ask the recordkeeping staff to assist me in making sure the financial records are also atop my desk so that their review is timely as required."

The principal's fiscal responsibility is compromised when monthly reporting is not prepared 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.

**Recommendation:** The principal and recordkeeping staff should implement internal controls to ensure that the monthly financial reporting process is performed in accordance with the schedule requirements included in the APM (bank reconciliation within 7 days of receiving the statement from the bank and the completion of financial reports by the 15th of each month).

#### **2026.04 Inadequate Approval of Fund Transfers**

There were at least **38** instances where *Fund Transfer Journal Entry Proof Sheets* were not available to provide evidence that the principal properly approved restricted fund transfers.

The APM Section 4.5.4 *Transfer of Funds* requires transfers between restricted fund accounts to occur only if reviewed and approved by the principal and the sponsor/students of the restricted accounts.

According to the recordkeeping staff, the principal is provided with a "Transfer Journal Entries Report with the entirety of each journal entry for her signature each month. It is included with the monthly report in that format."

The principal cannot make informed fiscal decisions when transfers are not properly approved. The risk of unauthorized transfers can occur if the guidelines for administering fund transfers are not followed.

**Recommendations:** The principal and recordkeeping staff should ensure that all fund transfers are reviewed and approved as required at the time the transfer is completed. The principal should require the recordkeeping staff to print the *Fund Transfer Journal Entry Proof Sheet* to facilitate review and approval as required. The recordkeeping staff must be held accountable for compliance.

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## **2026.05 Administration of Donations**

The school received **two** donations in Fiscal Year (FY) 2025 that were not administered as required. The following donations were not reported to the Grands Financial Management Office (GFMO).

- A. The Fairmont Heights High School (FHHS) Alumni Association donated \$3,000.00 to the school for Pocket Talk translators in November 2024.
- B. The Society for Financial Educational and Professional Development donated \$10,000 in June 2025 to support the school's financial literacy program.

Administrative Procedure (AP) 3230, *Grant Assistance, Funding Solicitations, and Acceptance of Other Funds and Resources, D. Monetary Gifts/Donations: 2 -4*, indicates that the receiving school shall coordinate donations of monetary gifts of any amount through the GFMO using the Donations Form (see Attachment A) to prevent redundant or duplicative donations from the same sources which might hinder future initiatives; to coordinate with the Division of Business Management Services to ensure compliance with budgeting and accounting procedures set forth by the division; and to maintain equity among Prince George's County Public Schools' (PGCPS) entities (i.e., schools, offices and/or departments).

The principal and recordkeeping staff were not aware of the AP 3230 reporting requirements.

Resources are not accurately reported to the BOE. The school is noncompliant with BOE policies and procedures related to donation reporting. GFMO is unable to accurately document and report all donated funds received when documentation is not provided.

**Recommendations:** The principal and recordkeeping staff must review AP 3230 to become familiar with the reporting requirement for donations received at the school. The principal must establish procedures to ensure that all future donations are properly documented and reported to GFMO. The recordkeeping staff must be held accountable for compliance.

## **2026.06 Restricted Fund Account Deficits**

The following **two** restricted fund accounts had deficits totaling **(\$3,697.37)** as of June 30, 2025:

<b>Account #</b>	<b>Account Description</b>	<b>Account Balance</b>
416.00	National Honor Society	(\$ 407.18)
480.00	Yearbook	(3,290.19)
	<b>Total Deficit Balances</b>	<b>(3,697.37)</b>

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According to the APM Section 5.2.1 *Financial Reporting Requirements: Procedures*. "... if restricted funds exceed the available cash, the account is insolvent. As the fiduciary agent for SAF, the principal should ensure that restricted accounts are solvent at all times."

According to the recordkeeping staff, the National Honor Society does not fundraise but occasionally has expenses, which constitute the current deficit. For the previous audit period ended June 30, 2021, the Yearbook deficit was (\$6,235.89). On June 28, 2024, the Accounting and Financial Reporting Office (AFRO) approved a transfer of (\$7,451.65) to offset the increased deficit at that time. As of June 30, 2025, the Yearbook deficit increased to (\$3,290.19) due to unsold yearbooks. Even though the deficit decreased due to the AFRO transfer approval, the school did not efficiently use its resources to prevent the deficit from recurring.

Excessive spending in restricted accounts constitutes noncompliance with BOE policies and procedures and can increase the risk of the school becoming insolvent.

**Recommendations:** The principal should contact the AFRO 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 to prevent further deficits.

#### **2026.07 Residual Class Funds Not Allocated**

The following **four** prior years' senior class accounts contained residual funds that aggregated to \$3,789.24 as of June 30, 2025:

Account #	Class Year	Account Balance
304.92	2019	\$ 73.23
303.12	2022	\$ 28.00
304.60-304.63	2023	\$ 2,918.05
304.70-304.71	2024	\$ 769.96
	<b>Total Residual Funds</b>	<b>\$ 3,789.24</b>

The APM Section 7.0 *Budgeting, Class Accounts and Athletics* and Section 7.3 *Class and Club Accounts* states, "As a senior class nears the end of the school year, it must plan, with approval of the principal, for the final disposition of any residual class funds. If residual funds are not designated by the senior class, these funds will be transferred to the Restricted Materials of Instruction account the following year. In no case shall funds be withdrawn from the SAF or retained therein for future class reunions or social functions".

The recordkeeping staff did not focus on the Class of 2019 and Class of 2022 account balances due to the nominal amounts remaining in the accounts; as such, no disposition was initiated for

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those accounts. The Class of 2023 left instructions for the residual funds to be used to order a display cabinet for placement in the lobby of the school's auditorium. The Class of 2024 designated the residual funds to be disbursed amongst the Class of 2025, Class of 2026, Class of 2027, and Class of 2028. The principal and recordkeeping staff did not implement the request of these Classes.

BOE policies and procedures as established in the APM relative to the administration of class accounts were not followed. Students have not received the benefit that would have been derived from disposition of the residual funds.

**Recommendations:** The principal and the recordkeeping staff should ensure that all residual funds are used as intended. The AFRO should be contacted to request permission to move the remaining undesignated class funds to the Restricted Materials of Instruction account as specified by the APM.

### **2026.08 Administration of Vending Machine Contracts**

The school's vending machine contract was a multi-year contract for three years, effective school year 2020. The school is currently operating with an expired vending machine contract. Even though the current principal was assigned to the school since August 2021, the school does not have a contract that is authorized by the current 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 frequency these commissions are remitted. The contract term cannot exceed one year.”

The APM Section 6.5 *Contracts* prohibits schools from entering into any multiple-year agreements.

The current principal and recordkeeping staff have not initiated an updated vending contract since the school year 2021. According to the recordkeeping staff, failure to ensure that a valid vending machine contract exists was an oversight.

The absence of a valid vending contract removes responsibility from the vendor to provide vending commissions to the school and to ensure that the vending machines are operating in accordance with the terms usually agreed to by PGCPS.

**Recommendation:** The principal must engage the vendor to provide an updated vending contract with the terms and conditions that are consistent with the requirements of the APM regarding vending machines administration. In the absence of a valid contract, Purchasing and Supply Services must be contacted to procure alternate vending machine service.

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## **2026.09 Administration of Fundraisers**

The school did not comply with the requirements for administering fundraisers during the audit period. The school conducted approximately **57** clubs and organization fundraisers and **one** school-wide fundraiser for FY 2024 and FY 2025; however, only **15** fundraiser requests and authorization forms were completed. No completion reports or annual reports summarizing fundraising activities was completed for FY 2024 and FY 2025 to support compliance with the reporting requirements for the fundraising activities conducted.

AP 5135.1, *Fundraising* requires schools to complete the Fundraiser Request and Authorization Forms and Fundraiser Completion Reports for sponsored fundraisers. Annual reports summarizing fundraising activities for all fundraisers are also required. These documents must be maintained on file for public and auditor review upon request.

According to the recordkeeping staff, “Many of the items labeled fundraiser were not considered as such, as in the case of ticket sales for drama, chorus events, and even the C/O 2025 Hood. That item started out as a part of the Class package. Many small snack concessions were the result of an afterthought by sponsors who found out about an after-school event, such as a soccer match or some other such event, happening on the day of the event. We do not have a go-to person or fundraising team, as this finding points out is needed, to accurately handle the many and varied fundraising efforts that happen during the course of a school year.”

Failure to follow the reporting requirements for fundraisers constitutes non-compliance with BOE policies and procedures. In addition, it decreases the transparency of the school’s fundraising activities and the associated profits to interested parents and community members. It could not be readily determined whether the school’s fundraisers yielded an overall profit.

**Recommendations:** The principal must establish internal controls to monitor completion of all the fundraiser reports required. Fundraiser Request and Authorization Forms and Fundraiser Completion Reports must be submitted for all sponsored fundraisers. Also, the principal or a designee should complete reports at the end of the school year to summarize fundraising activities held. Required reports must be maintained on file and made available for public and auditor review.

## **STATUS OF PRIOR AUDIT FINDINGS**

The previous audit report for Fairmont Heights High School was issued for the period ended June 30, 2021. During the previous audit, the current principal was not on staff; however, the current recordkeeping staff was assigned to the current position. There were **4** findings noted as a result of that audit, which are repeated in the current audit as summarized below:

- **Mismanagement of Disbursements** – Condition still exists. **See Finding 2026.02** regarding *Mismanagement of Disbursements*.

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- **Restricted Fund Account Deficits** – Condition still exists. See **Finding 2026.06** regarding *Restricted Fund Account Deficits*.
- **Delinquent Monthly Bank Reconciliations** – Condition still exists. See **Finding 2026.03** regarding *Delinquent Monthly Financial Reporting*.
- **Inadequate Approval of Fund Transfers** – Condition still exists. See **Finding 2026.04** regarding *Inadequate Approval of Fund Transfers*.

### **ACKNOWLEDGEMENT**

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



**Fairmont Heights High School**  
**Student Activities Funds - July 1, 2021 - June 30, 2025**  
**Appendix - Findings Timeline**

AUDIT FINDINGS	Torrie Walker, Former Principal, July 1, 2021 through July 30, 2021	Dr. Lonice Priester, Principal, August 2, 2021 to Present	Marie Little, Recordkeeping Staff, before July 1, 2021 to Present
<i>2026.01: Delinquent Deposits</i>		X	X
<i>2026.02: Mismanagement of Disbursements</i>		X	X
<i>2026.03: Delinquent Financial Reporting</i>		X	X
<i>2026.04: Inadequate Approval of Fund Transfers</i>		X	X
<i>2026.05 Administration of Donations</i>		X	X
<i>2026.06: Restricted Fund Account Deficits</i>		X	X
<i>2026.07: Residual Class Funds Not Allocated</i>	X	X	X
<i>2026.08: Administration of Vending Machine Contracts</i>	X	X	X
<i>2026.09: Administration of Fundraisers</i>		X	X
<b>Total</b>	<b>2</b>	<b>9</b>	<b>9</b>