PGCPS
OFFICE OF INTERNAL AUDIT
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MEMORANDUM

November 13, 2026

To: Chevonne Hall-Smith, Instructional Director
Cluster 12

Ronald Richardson, Principal
Imagine Lincoln Public Charter School

From: Deana Thorps, CPA, Director
Office of Internal Audit

Re: Imagine Lincoln Public Charter School Financial Audit for the Period January 1, 2024, through May 31, 2026

An audit of the financial records of **Imagine Lincoln Public Charter School** was completed for the period January 1, 2024, through May 31, 2026. The audit indicates that the school's financial records and procedures required improvement to be in accordance with the Accounting Procedures Manual for School Activity Fund (APM) and Prince George's County 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 **December 14, 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. Please forward the response as a Microsoft Word document. A copy of the response should also be forwarded to Shaquana Mitchell, Business Analyst, email address: Shaquana.Mitchell@pgcps.org, Katrina Greene, Student Activity Fund Support Specialist, email address: Katrina.Greene@pgcps.org and to Roderick Adams, Administrator, Compliance and Procedures, email address: Roderick.Adams@pgcps.org.

cc: Branndon Jackson, Chair, Board of Education
Members, Board of Education
Shawn Joseph, Ed.D., Superintendent
Deann Collins, Ed.D., Chief of Staff
Carletta Marrow, Ed.D., Chief of Schools
Shavonne Smith, Chief Financial Officer
Eric Minus, Ed.D., Associate Superintendent for Middle and Charter Schools
Kenneth Nwafor, CPA, Assistant Controller, Accounting and Financial Reporting
Katrina Greene, School Activity Funds Support Specialist
Robin Welsh, Esq., Director, Government Relations, Compliance and Procedures
Roderick Adams, Administrator, Compliance and Procedures
Janice Walters-Semple, CPA, Supervisor, Internal Audit
Benjamin Hanks, CIA, Internal Auditor II

PRINCE GEORGE'S COUNTY
PUBLIC SCHOOLS

School Activity Fund Report
Imagine Lincoln Public Charter School
January 1, 2024 – May 31, 2026

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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Imagine Lincoln Public Charter School for the period January 1, 2024, through May 31, 2026. Imagine Lincoln Public Charter 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 **five** findings:

- *Restricted Fund Account Deficits*
- *Delinquent Monthly Bank Reconciliations*
- *Mismanagement of Funds Received*
- *Records Retention*
- *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 May 31, 2026.



Deana Thorps, CPA, Director
Office of Internal Audit

BACKGROUND

Internal Audit completed an audit of the school activity funds (SAF) for Imagine Lincoln Public Charter School for the period January 1, 2024, through May 31, 2026. The audit was conducted as part of the department's annual audit plan.

This audit report includes **five** findings that occurred under the leadership of the current principal. A listing of the findings and the personnel responsible is included in the appendix at the end of the audit report.

OBJECTIVES

The objectives of the audit were to determine the effectiveness of the system of internal controls and to determine whether the school was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and the 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, canceled checks, all voided checks and available Monetary Transmittal Form (MTF) envelopes submitted by staff for the period January 1, 2024, through May 31, 2026. 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.

FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2027.01 Restricted Fund Account Deficits

There were **two** restricted fund account deficits noted as of the end of the audit period as follows:

Account Number	Account Name	Period Ending Balance
312.00	Class Accounts	($432.22)
312.26	6th Grade Accounts	($1,986.90)

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 all restricted accounts are solvent at all times."

When the recordkeeping staff began their tenure, they used the school's *Special Events* unrestricted fund account (740.60) to issue consolidated payments for field trips and event expenses when multiple grade levels attended the same field trip instead of funding the events from individual class accounts. At the end of FY 2025, the Accounting and Financial Reporting Office performed several fund transfers to adjust these incorrectly posted transactions. The funds that should have been disbursed were transferred from accounts 312.00 *Class Accounts* and 312.26 *6th Grade Accounts* into account 740.60 *Special Events*, which resulted in the two reported account deficits.

Excessive spending in restricted fund accounts constitutes noncompliance with BOE policies and procedures and can increase the risk of insolvency.

Recommendation: The principal and recordkeeping staff should develop and implement a system of internal controls to more effectively monitor the funds available in the school's restricted fund accounts.

2027.02 Delinquent Monthly Bank Reconciliations

There were **two** instances where the monthly bank reconciliation process was not performed as required. July 2025 bank reconciliation was completed and reviewed 4 days late. March 2026 bank reconciliation was completed one day late but was not reviewed by the principal as required.

The APM Section 4.2.*2, Bank Account Procedures*, requires the school's bank account to be reconciled within 7 days of receipt of the bank statement. The monthly bank reconciliation process, which includes the principal's review, is required to be completed by the 15th day of the subsequent month.

The school's bank statements are delivered to the adjoining church, which is the charter school's sponsoring foundation. After the delinquent reconciliation was completed in July 2025, the principal was granted access to review bank statements electronically. March 2026's bank reconciliation was not submitted to the principal for review because of the recordkeeping staff's oversight.

Delinquent bank reconciliations constitute non-compliance with BOE policies and procedures and impacts timeliness and reliability of financial information used in the fiscal decision-making process. The principal's ability to promptly identify errors and possible fraud is impacted when monthly bank reconciliation process is not administered as required.

Recommendation: The principal and recordkeeping staff must implement internal controls to ensure that monthly bank reconciliations are prepared and reviewed as required as this would facilitate timely correction of errors and serve as a deterrent to fraud.

2027.03 Mismanagement of Funds Received

There were **11** instances of non-compliance regarding the administration of funds received.

- ***Uninitialed Changes to MTFs*:** There were **seven** instances where changes made to MTFs were not initialed. One of these changes was made using white-out.
- ***End-of-Year MTF Administration:*** Staff members pink and yellow remittance copies were stored by the recordkeeping staff in a single envelope.
- ***Inaccurate Posting of Deposits*:** There were **three** instances where the accounts to which the noted deposits were recorded did not match the account intended to receive the deposits as indicated on the corresponding MTFs.

The following criteria are established in the APM for administering funds received:

- Section 4.5.2.2 (1) *Collecting Funds: Completing the MTF,* prohibits the bookkeeper from accepting the MTF if changes are not initialed.
- Prior to departing the school at year-end, faculty and program managers are to submit the pink and yellow copies of their MTF(s) in sealed envelopes (with their signature over the seal) to the designated administrator.
- APM Section 3.2.2 *Ownership, Authority and Responsibility, Bookkeepers/Financial Secretaries* require the recordkeeping staff to accurately record and report the school's financial transactions. APM Section 4.3.2 *Fund Account Procedures* requires transactions to be recorded in the most specific account related to the activity.

The following summarizes the causes of deficiencies noted:

- Reportedly, the recordkeeping staff was unaware of the requirement for initialing changes made to MTFs.
- The recordkeeping staff consolidated staff members MTF remittance copies into a single envelope in preparation for the audit.
- Deposits were posted to incorrect fund accounts due to the recordkeeping staff's oversight.

Internal controls regarding the receipt of funds are compromised and the audit trail for substantiating the collection and deposit of funds is weakened when funds received are not appropriately documented or recorded to the wrong fund account. Integrity of the compensating evidence for substantiating deposits is compromised when MTF remittances are not properly safeguarded. Students may not derive the maximum benefit of funds available to them when funds are not properly administered.

Recommendation: The recordkeeping staff should review the APM and become familiar with the requirements regarding the administration of deposits. The recordkeeping staff must be attentive to the accuracy of MTF documentation and deposits posted to SFO. The principal must implement internal controls to ensure that MTF envelopes are secured to preserve the integrity of compensating evidence relative to deposits.

2027.04 Records Retention

There were **48** instances where the following documentation to support the administration of SAF was not available for review:

- **16** duplicate deposit slips
- **13** School Funds Expenditure Forms
- **Nine** Fund Transfer Journal Entry Proof Sheets
- **Seven** MTF remittances (pink or yellow)
- **Three** voided checks

The APM Section 6.12, *Record Retention*, requires all SAF records to be retained for a period of seven years and/or until audited including the current fiscal year.

The school's deposit slips were depleted resulting in the use of counter tickets provided at the bank when completing deposits. These counter tickets do not include a duplicate copy. Reportedly, the recordkeeping staff was not familiar with the supporting documentation required to properly substantiate the school's financial transactions. Oversight was also suggested as a cause for the missing documentation.

Failure to make financial records available for audit constitutes noncompliance with BOE policies and procedures and compromises the audit trail necessary for determining compliance with applicable requirements. Moreover, compensating evidence to ensure that school funds are accurately recorded and administered is not available when appropriate supporting documentation is not retained.

Recommendation: Recordkeeping staff must establish a standardized and consistent records management system, which ensures that all financial documents are secured, retained and retrievable upon request. The recordkeeping staff must review the APM and request training from

the Accounting and Financial Reporting Office regarding the administration of the SAF, with emphasis on the receipt and disbursement of funds and the corresponding required documentation. The principal and recordkeeping staff should request assistance from Treasury Services in obtaining a book of deposit slips that include duplicate carbon copies.

2027.05 Administration of Fundraisers

The school conducted **four** school-wide fundraisers during the audit period; however, reports summarizing the school's fundraising activities were not available for review.

Administrative Procedure 5135.1 *Fundraising* requires schools to complete annual reports summarizing fundraising activities for all school-wide fundraisers. These reports must be retained for public and auditor review upon request.

The recordkeeping staff was reportedly not aware of the requirement to complete the annual fundraising reports as required by Administrative Procedure 5135.1.

Failure to report on fundraiser results constitutes non-compliance with BOE policies and procedures. It cannot be readily determined whether a fundraiser yielded an overall profit when annual summary reports are not available for review. Transparency of fundraising activities is reduced when the associated costs and profits are not available to interested parents and community members.

Recommendations: The recordkeeping staff must become familiar with the requirements of Administrative Procedure 5135.1 *Fundraising*. The principal must implement internal controls that establish procedures for the completion of all required fundraising documents. Required reports must be maintained on file for public and auditor review.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Imagine Lincoln Public Charter School was issued for the period ended December 31, 2023. The current principal was not on staff during that audit; the current recordkeeping staff was on staff during that audit. There were **six** reportable conditions noted as a result of that audit, **five** of which are repeated in the current audit.

- Restricted Fund Account Deficits – Condition still exists. See **Finding 2027.01** regarding *Restricted Fund Account Deficits*.
- Non-Compliance with Authorized Signers Requirement – Condition was not noted during this audit.
- Mismanagement of Funds Received – Condition still exists. See **Finding 2027.03** regarding *Mismanagement of Funds Received*.
- Mismanagement of Disbursements – Condition still partially exists. See **Finding 2027.04** regarding *Records Retention.*
- Delinquent Financial Reporting – Condition still exists. See **Finding 2027.02** regarding *Delinquent Monthly Bank Reconciliations.*
- Administration of Annual Fundraiser Report – Condition still exists. See **Finding 2027.05** regarding *Administration of Fundraisers*.

ACKNOWLEDGEMENT

We would like to thank the principal and staff of Imagine Lincoln Public Charter School for their cooperation and assistance extended during the audit.

PGCPS

Imagine Lincoln Public Charter School
School Activity Funds
Audit Report Appendix - Findings Timeline
Audit Period January 1, 2024 - May 31, 2026

AUDIT FINDINGS	Lance Pace, Current Principal 9/12/2022 - 8/12/2024	Ronald Richardson Current Principal 8/12/2024 - Present	Bertina Salahuddin Current Bookkeper Full Audit Period
2024.01: Restricted Account Deficits		X	X
2024.02: Delinquent Monthly Bank Reconciliations		X	X
2024.03: Mismanagement of Funds Received		X	X
2024.04: Records Retention	X	X	X
2024.05 Administration of Fundraisers	X	X	X
Total	2	5	5