

**Prince George's County Public Schools
Internal Audit Department
School/Office: Bladensburg High School**

Response Date December 20, 2017

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1.	<u>2018.01 Mismanagement of Disbursements</u>	<p>A. Supporting documentation deemed acceptable for substantiating disbursements must consist of receipts or invoices substantiating the amounts expended that are properly maintained to ensure retrieval.</p> <p>B. The principal must ensure staff members are aware that pre-approval is required prior to the purchase of products or services and be held accountable for compliance. SFEEFs should be entirely completed by staff. The principal should ensure all pre-approval details are provided on SFEEFs prior to approving expenditures.</p> <p>C. The bookkeeper must ensure vendor payments are issued timely, within 30 days of receipt or by due date on invoice.</p> <p>D. Internal controls to ensure that all voided checks are defaced, filed in check number order with cancelled check images, entered into the SFO accounting system and VCPS approved by the principal must be established. The principal should perform periodic oversight to ensure this process is performed.</p> <p>E. Advance checks must be substantiated by signed statements as acknowledgement of receipt of the funds and to help establish accountability.</p> <p>F. Internal controls must be established to ensure that the principal, as the fiduciary agent of the school, approves and sign all agreements and contracts entered</p>		<p>A. Reimbursements will not be provided to any team member that does not have the appropriate supporting documentation for reimbursement.</p> <p>B. Training will occur with all staff at the beginning of the school year by principal and financial secretary. Detailed process will be included in the staff handbook. An additional review will be held with representative from the Office of Internal Audit.</p> <p>C. Bookkeeper will advise all staff members to ensure that invoices are sent to the attention of the</p>	<p>1/2/18</p> <p>1/2/18</p> <p>1/2/18</p>	

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		into for all school activities.		<p>financial secretary. All other invoices are to be provided to her by employees immediately upon receipt.</p> <p>D. Voided checks will have void written across and bottom routing number removed from check. All voided checks are provided with the expenditure request form for principal signature.</p> <p>E. A spreadsheet has been developed for the sign out of advanced checks. Staff members are acknowledging that they are to submit receipts and remaining funds within 48 hours of purchase date.</p> <p>F. The principal will initial all contracts for review approval prior to sending to the purchasing office for final approval.</p>	<p>1/2/18</p> <p>12/20/17</p> <p>12/20/17</p>	
2.	<u>2018.02 Management of Funds Received</u>	<p>A. The bookkeeper must ensure that all MTF documentation is complete including verifying that all supporting documentation is attached along with the MTF prior to acceptance and deposit of funds. The bookkeeper should not accept the MTF if changes are not initialed.</p> <p>B. The principal must ensure proper custody of all</p>		<p>A. The bookkeeper will not accept incomplete MTF forms or forms with mark-outs with missing initials. The principal will</p>	1/2/18	

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		<p>records relating to SAF until they are audited. The bookkeeper must establish an appropriate filing system to help ensure that financial documents are available for retrieval upon request.</p> <p>C. The bookkeeper must be reminded that all funds collected and remitted should be deposited on a daily basis especially funds in excess of \$250.00. Teachers must be informed that funds collected cannot be held overnight. The principal must provide the bookkeeper with adequate time to verify that funds collected are as indicated on the MTFs submitted and that deposits are made with the bank timely. The principal should perform periodic review of the deposit records to monitor whether deposits are made as required. The principal should hold all staff accountable for compliance.</p> <p>D. The principal must establish internal controls to ensure that staff completes the required fundraising forms for fundraising events held. These documents must be maintained on file for public and auditor review upon request.</p>		<p>review MTF's monthly during monthly school finance review.</p> <p>B. The bookkeeper will maintain files in according to the manual by month and year.</p> <p>C. Teachers will receive notification that all monies collected are to be remitted daily on the correlating MTF form as funds must be deposited daily. During the audit review concerns were shared regarding athletic contest that are held on weekends and at night. These deposits are often over \$250.00 and cannot be deposited at the bank prior to MTF review by the bookkeeper. Monthly review of deposit records will occur by the 15th business day within the month.</p> <p>D. Staff members that conduct fundraisers without prior approval will receive a letter of reprimand. All fundraiser request are to be</p>	<p>1/2/18</p> <p>1/2/18</p> <p>1/2/18</p>	
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				submitted for approval at least two weeks in advance of the activity or event. All requests will be kept on file in the bookkeeper's office.		
3.	<u>2018:03 Administration of Sales Tax</u>	The bookkeeper should ensure the appropriate sales tax is collected and remitted to the State of Maryland for all applicable sales taxable items sold by the school. The bookkeeper should review AP 5137 to become familiar with sales taxable items.		<ul style="list-style-type: none"> The amount of sales tax will be identified prior to the sale of items. All taxable items that are sold will have supporting documentation of the sales tax collected to align with final funds submitted by MTF for SAF deposit. The bookkeeper will provide the current tax collection and disbursements in accordance with AP5137 during monthly financial meetings. 	1/2/18	
4.	<u>2018.04 Year-End Monetary Transmittal Form Envelopes Submission Process</u>	Staff must be reminded of their responsibility relative to MTF envelopes submission during the year-end process. The bookkeeper should print the "Receiptee History" report from the accounting system and provide same to the administrator responsible for collecting MTF envelopes at year-end. The principal should instruct the administrator to obtain MTF envelopes based on the printed report. Also, each employee must be held accountable for returning MTF envelopes as part of the year-end check out process.		<ul style="list-style-type: none"> MTF envelopes will be provided to all teachers at the close of the school year. Teachers will submit their two copies of MTF to the specified clearance team member. Any teachers that are unable to submit their copies will be required to submit a letter of 	1/2/18	

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				explanation. As a check the bookkeeper will provide the "Receiptee History" use for accurate MTF collection.		
5.	<u>2018.05 Excessive Spending in Restricted Accounts</u>	We recommend that all expenditures are evaluated with regard to available resources and care must be exercised to ensure the resources are used for the maximum benefit of the students. Spending in these accounts must cease until the accounts' deficits are resolved.		<ul style="list-style-type: none"> We have requested to use prior year carry over funds available for the reconciliation of deficient accounts that were established prior to the arrival of the principal. The Yearbook is currently active and the unsold inventory is housed in the school. Approval will not be provided for usage of funds from any accounts that have deficits. 	1/2/18 1/2/18 1/2/18	
6.	<u>2018.06 Vending Machines</u>	The principal must establish procedures to ensure that current vendor contracts are established, adhered to, and maintained on file in compliance with BOE policies and procedures. The principal should consult with Purchasing and Supply Services to identify an alternate vending company in absence of a contract. Also, the principal must contact the vending contractor and request that proper equipment be installed to ensure that the machines are off between the hours of 12:01 A.M. and the end of the last lunch period.		<ul style="list-style-type: none"> The bookkeeper contacted the vending contractor to ensure that the vending machines are inaccessible between the hours of 12:01 am and the end of the last lunch period. Contracts will be kept in a location accessible to both the principal and the bookkeeper. 	1/2/18 1/2/18	

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7.	<u>2018.07 Disposition of Senior Class Accounts</u>	The principal and bookkeeper should make every effort to contact the senior class officers of the 2016 and 2017 classes to obtain in writing a plan for the final disposition of the residual funds. If this is not feasible, the principal should provide a plan for disposition to the Office of Accounting and Financial Reporting for approval. A copy should be sent to Internal Audit. The principal, bookkeeper and class sponsors must familiarize themselves with the requirements for administration of senior class accounts.		<ul style="list-style-type: none"> • The senior class advisors for 2016 and 2017 have attempted to contact prior senior class officers for appropriation of funds. If a response has not been received by March 30th a letter will be provided for disposition of funds to the Office of Accounting and Financial Reporting for approval. • The principal will review, with assistant principals and class sponsors, the requirements for an administration of senior class accounts. 	1/31/18 1/31/18	
8.	<u>2018.08 Membership Cards</u>	The warehouse membership card that is in the teacher's name must be destroyed and the account closed or transferred to the current principal's name and the school's name. The principal should provide confirmation from the warehouse membership account vendor to Internal Audit that the noncompliance was resolved. The principal should distribute a memorandum to the school's staff informing them that opening of warehouse membership accounts in the school's name is prohibited.		<ul style="list-style-type: none"> • The warehouse membership was opened prior to the current principal. The principal will remove Ms. Homesack's (former teacher) name from the account. Conformation will be provided to the Instructional Director when this item has been resolved. • The staff will receive a memorandum after review by Instructional 	1/31/18 1/22/18	

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				Director, with clarification regarding establishing membership on behalf of the school is prohibited.		
9.	<u>2018.09 Collection of Funds</u>	The bookkeeper should ensure thorough review of MTFs and funds remitted prior to validating SAF.		<ul style="list-style-type: none"> The bookkeeper will count all currency received in the presence of the submitting staff member to confirm that submitted currency corresponds with the submitted receipts. This process will occur prior to validating within the SAF. The principal will review MTF's monthly during financial review with bookkeeper. 	1/2/18 1/2/18	
10.	<u>2018.10 Inappropriate Use of Advance, Reimbursement and Refund Vendor Options</u>	The principal must establish procedures to ensure that all future cash disbursement transactions are accurately recorded in SFO. Additionally, correcting entries must be made for the improper postings to ensure accurate accounting of all transactions.		<ul style="list-style-type: none"> Bookkeeper will specify between the three cash disbursement categories (Advance, Reimbursement, and Refund) when providing funds. The principal will establish a timeline with bookkeeper to correct entries made for incorrect postings. 	1/31/18 1/31/18	

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11.	<u>2018.11</u> <u>Improvement</u> <u>Needed</u> <u>in</u> <u>Management</u> <u>Oversight</u>	<p>The current principal should carefully review the policies and procedures as defined in APM. He should be consistently involved in the daily operations as it relates to the administration of the school's resources. Improvement of the internal control environment should be emphasized by focusing on these five basic principles:</p> <ul style="list-style-type: none"> • Clearly Defined Lines of Authority and Responsibility; • Segregation of Duties; • Maintenance of Adequate Documents and Records; • Limited Access to Assets, and • Independent Checks on Performance. 		<ul style="list-style-type: none"> • The principal will develop a specific protocol and agenda to review financial matters with the bookkeeper monthly. 		
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