

**Prince George's County Public Schools  
Internal Audit Department  
School/Office: James McHenry ES**

**Response Date: July 31, 2018**

Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
<p>1. <u>2018.01:</u> <u>Mismanagement</u> <u>of Funds</u> <u>Received</u></p>	<p>a) The principal must ensure that timely deposits are made priority. The principal may accomplish this by ensuring new staff are reminded via inter-office memorandum that holding funds is prohibited and establishing a deadline for staff daily remission of funds to the recordkeeping staff. b) The principal and recordkeeping staff should train school staff again on how to properly complete and adequately document MTFs submitted to the recordkeeping staff. The recordkeeping staff should closely review MTF packages to ensure accuracy and completeness prior to acceptance and approval. Teachers, administrators and the recordkeeping staff should be held accountable for compliance. c) The principal must hold staff accountable for returning all MTF remittance copies in signed and sealed envelopes to the principal or designated administrator as part of the year-end check-out process. The principal and administrator overseeing the year-end MTF submission process must identify areas in the building inaccessible to the recordkeeping staff where year-end MTF envelopes are secured.</p>	Concur	<p>1. The principal will ensure the bookkeeper has adequate amount of time to deposit all money into the bank. All staff members will receive a schedule of time when money is to be submitted. 2. The staff will be trained three times during the year on the expectations of collecting funds and how to properly complete a MTF. The first training will occur on Monday, August 27<sup>th</sup>. The second training will occur on December 5<sup>th</sup>, and the final training will occur on May 1, 2019. 3. Staff will receive prior notification about the MTF check out process and the principal will train the assistant principal on what needs to happen. An</p>	<p>Daily  8/27/18 12/5/18 5/1/19  8/27/18 5/1/19</p>	<p>Implemented Partially Implemented Implemented</p>



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

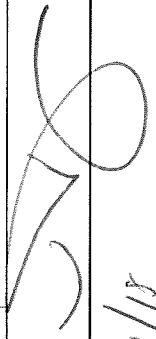
**Date** 7/31/18

		<p>d) Staff must be informed that sales taxes are to be included in the selling prices for products sold at the school with the exception of fundraisers. The recordkeeping staff should refer to the APM for guidance on what items are considered taxable.</p> <p>e) Staff must be required to complete the MTF log for each MTF as it is signed out and returned. It is also recommended that a MTF log be created that includes a field for recording the amount of funds remitted.</p>		<p>4. established location in the principal's office is where the MTFs will be collected.</p> <p>Staff will be trained on August 27, 2018 about sales tax on items being sold; however moving forward the school will not sale taxable items and only conduct fundraisers.</p> <p>5. The school will create a MTF log and maintain the log in a binder with the bookkeeper, in addition to that each teacher will receive an envelope in the beginning of each school year with a log attached to it for recording keeping.</p>	<p>8/27/18 12/5/18</p> <p>8/27/18 Ongoing</p>	<p>*Not Implemented</p> <p>Implemented</p>
<p>2. <b><u>2018.02:</u></b> <b><u>Mismanagement of Disbursements</u></b></p>		<p>a) School staff must provide supporting documentation to the recordkeeping staff upon receipt. The recordkeeping staff must thoroughly review supporting documentation submitted with SFEFs to ensure receipts or invoices are always provided.</p> <p>b) The recordkeeping staff must review the status of impacted accounts noted on the SFEF within SFO to ensure solvency and to enter the "funds available" on the SFEF. The principal must ensure this section is completed to facilitate informed fiscal decisions.</p> <p>c) The principal should ensure that staff members are reminded to provide the SFEF for approval and obtain the sales tax exempt certificate for all school purchases.</p> <p>d) The recordkeeping staff should be attentive to the check sequence to ensure there is no duplication.</p>	<p>Concur</p>	<p>1. All documentation will be accurately reviewed before any signatures or permission is given. Staff will be trained on August 27, 2018 with this information. It will be explained no money can be spent without prior approval and documentation.</p> <p>2. Bookkeeper will review each account and place the price on the School Funds Expenditure Form and the principal will review before a fiscal decision is made.</p> <p>3. All staff will be trained on the process of the School Funds Expenditure Form and how to sign out the tax exempt card</p>	<p>Ongoing</p> <p>Immediately</p> <p>8/27/18 12/5/18</p>	<p>Implemented</p> <p>Implemented</p> <p>Partially Implemented</p>

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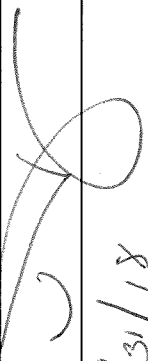
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				<p>4. Bookkeeper will ensure to void out all unused checks and will review all checks with the principal during the weekly financial meeting.</p>	Immediately	Implemented
<p>3. <b>2018.03:</b> <b><u>Administration of Voided Checks</u></b></p>		<p>The recordkeeping staff should contact the Accounting and Financial Reporting Office and reference the APM in instances where she is uncertain of the BOE policies and procedures pertaining to voided checks to ensure that all financial records are maintained in an organized manner and available for auditor review.</p>	Concur	<p>1. The bookkeeper will ensure that all checks that are voided will have the word void written across the check, then cut off the signature line, and then the principal will complete a Void check Proof sheet.</p>	Immediately	Implemented
<p>4. <b>2018.04:</b> <b><u>Financial Reporting</u></b></p>		<p>a) The recordkeeping staff should inform the principal when she does not have sufficient time to complete the monthly financial reports. The principal should re-evaluate the recordkeeping staff's work load to ensure that the required responsibilities relative to SAF administration are prioritized. The principal should hold the recordkeeping staff accountable for timely report submission. The principal and recordkeeping staff should use the school's online banking option to more promptly initiate the reconciliation process.  b) The principal and recordkeeping staff should collaboratively review open invoices during the monthly financial reporting process to ensure the Unpaid Bills Determination Spreadsheet is completed properly.  c) The principal should immediately identify a third signer to be added to the bank account.  d) The principal should ensure allocations due to the PSA fund account are determined and applicable transfers are performed during the review of the monthly financial report. The</p>	Concur	<p>1. The principal will review the bank statement at the beginning of each month and then provided the signed copy to the bookkeeper. The school has now implemented that all monthly financial reporting be completed by the 10<sup>th</sup> of each month. That way the report can be thoroughly reviewed before submission by both the principal and bookkeeper.  2. During the weekly financial meeting the bookkeeper will review all unpaid bills (if any) and ensure they are recorded from both restricted and unrestricted accounts.  3. The principal will add the Assistant Principal as the third signer of the checks.  4. During the weekly financial</p>	Ongoing	Implemented

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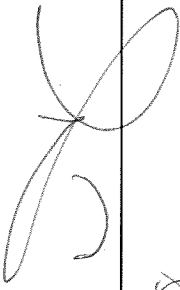
  
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		<p>recordkeeping staff should contact the Accounting and Financial Reporting Office for assistance in ensuring the accurate allocations from FY 2015 and FY 2016 are performed.</p> <p>e) The recordkeeping staff should consult with the Accounting and Financial Reporting Office in the instance she is unsure of which records are to be retained.</p>		<p>meeting the principal will ensure allocations due to the PSA fund account are transferred and will be reflected in the monthly financial report.</p> <p>5. Bookkeeper will contact Accounting and Financial Reporting Office to ensure the accurate allocations from SY 15 and SY 16 are completed to the Principal Sponsored Activities Account.</p>	7/24/18	Partially Implemented
5.	<u>2018.05:</u> <u>Fundraiser</u> <u>Forms</u>	<p>The recordkeeping staff should read the APM to be familiar with the requirements for completion of the fundraiser forms. The principal should re-evaluate the recordkeeping staff's work load to ensure that the required responsibilities relative to SAF administration are prioritized.</p>	Concur	<p>1. Bookkeeper has reviewed the SAF manual and the principal has designated uninterrupted time for the completion of all related tasks. The bookkeeper and principal reviewed the fundraiser activity form and have informed the staff of the information as well.</p>	7/23/18 8/27/18 12/5/18	Implemented
6.	<u>2018.06:</u> <u>Drop</u> <u>Safe</u> <u>Not on</u> <u>Premises/Blank</u> <u>Checks</u> <u>Not</u> <u>Safeguarded</u>	<p>The principal should purchase a drop safe to be installed onsite in accordance with the requirements of the APM. A log should accompany the drop safe to alert the recordkeeping staff of details when funds are dropped in the safe. The blank check stock must be maintained in the safe.</p>	Concur	<p>1. Drop Safe box has been ordered for set up and the work order has been submitted for installation from the school district's carpentry shop.</p>	7/24/18	Implemented
7.	<u>2018.07:</u> <u>Administration of</u> <u>Vending</u> <u>Contracts</u>	<p>The recordkeeping staff and principal should review the APM to become familiar with the requirements of school contracts and specific policies and procedures pertaining to the administration of vending machines. The principal must ensure that a current vending machine contract is obtained, renewed annually, and maintained on file in compliance with BOE policies and procedures.</p>	Concur	<p>1. The principal has reviewed the vending contract for the upcoming school year. In addition to that has reviewed the APM to ensure this is done annually and that the contracts states how much the school receives and how</p>	7/16/18	Implemented

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	<p>8. <u>2018.08:</u> <u>Restricted</u> <u>Account Deficits</u></p>	<p>The principal should work towards elimination of the restricted fund account deficits by discontinuing expenditures from those accounts until the deficits are resolved. The recordkeeping staff should consult with the Accounting and Financial Reporting Office for advice on clearing the deficits.</p>	<p>Concur</p>	<p>frequent.</p> <p>1. The principal has recognized that the restricted account deficit was inherited from the previous principal, however moving forward all spending from those accounts are suspended until the deficits are resolved. Fundraising activities and Accounting &amp; Financial Reporting Office advice will be implemented to reduce the deficits.</p>	<p>Immediately</p>	<p>Implemented</p>
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Principal Signature \_\_\_\_\_

Date 7/31/18