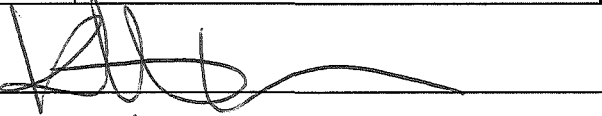


Prince George's County Public Schools
Internal Audit Department
School/Office: Buck Lodge MS

Response Date 10-29-19

	Findings	Recommendations	Concur Non-Conc ur Partially Concur	Action Plan	Corrective Action Date	<u>Status</u> Implemented Partially Implemented Not Implemented
1.	<u>2020.01 Missing Funds</u>	<p>A. The principal and financial recordkeeping staff should provide the remainder of the restitution for the \$331.92 shortfall (\$115.96 each) in athletic funds as a result of not providing an effective control environment for cash receipts (See Findings 2020.01 and 2020.02).</p> <p>B. The principal should immediately acquire a working drop safe to be available to safeguard funds when the financial recordkeeping staff is unavailable.</p> <p>C. The APM requirements for cash collections should be reviewed and specific internal controls should be developed and documented to address staff during the 2019-2020 school year. The internal controls should include parameters for collection and remission of athletic funds that are usually</p>		<p>A working drop safe has been installed</p> <p>a review of the accounting procedures was completed during the opening of school with the staff</p>	<p>8/29/19</p> <p>8/29/19</p>	<p>Implemented</p> <p>Implemented</p>

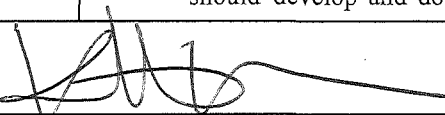
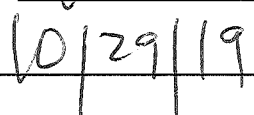
Principal Signature 

Date 10-29-19

		<p>collected after school hours. Also, a match of MTFs and deposits on the bank statement should be implemented as part of the monthly review process to ensure that all funds collected were properly deposited. The principal and recordkeeping staff should also consider comparing athletic events held with financial records to determine that funds collected have been remitted.</p> <p>D. The Principal and the principal's secretary should provide the \$714.00 (\$357.00 each) in restitution to account for the full balance of missing Chorus receipts.</p> <p>E. The financial recordkeeping staff who signed the MTFs acknowledging receipt of the \$235.17 in coins, but failed to make and verify bank deposits should be held accountable for restitution of that amount.</p> <p>F. Employee Labor Relations Office should review each case to further evaluate employees' responsibility for restitution and to consider whether any disciplinary action, is necessary.</p>				
2.	<u>2020.02</u> <u>Mismanagement</u> <u>of Funds</u> <u>Received</u>	A. The principal and financial recordkeeping staff should immediately familiarize themselves with the specific requirements for cash collections as outlined in the APM. The principal should develop and document specific		Action: Internal controls in place, drop safe installed, training of staff during opening week.	8/29/19	Implemented

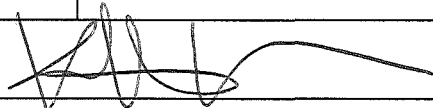
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		<p>internal controls to mirror those requirements. The internal controls should include responsibilities for staff members, the financial recordkeeping staff, and the principal. They should specifically address requirements for deposit slips, remittance information, MTF sign-outs and changes, and the timeline for remittance and timely deposit of funds. The controls should be established and training should be provided to staff immediately.</p> <p>B. The principal should re-assess resources to provide the financial recordkeeping staff adequate time to effectively manage SAF.</p> <p>C. The principal should immediately repair the current drop safe, or acquire a new drop safe, to become compliant with the APM, and to provide the school with an adequate location to safeguard funds.</p> <p>D. Once controls are established, the financial recordkeeping staff should properly maintain the MTF log to include all MTFs that have been signed out and returned.</p>				
3.	<u>2020.03</u> <u>Mismanagement</u> <u>of Disbursements</u>	A. The principal and financial recordkeeping staff should immediately familiarize themselves with the specific requirements for expenditures in the APM.		Internal controls in place, drop safe installed, training of staff during opening week.	8/29/19	Implemented
				The principal and financial secretary		

Principal Signature _____

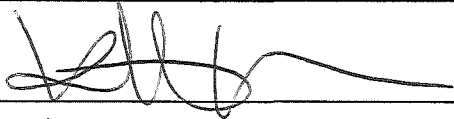


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		<p><u>B.</u> The principal should develop and document specific internal controls to mirror those requirements. The internal controls should include responsibilities for staff members, the financial recordkeeping staff, and the principal. They should specifically address requirements for pre-approvals, required supporting documentation, and vendor usage. The controls should be established and training to staff should be provided immediately.</p> <p>C. The principal should re-assess resources to provide the financial recordkeeping staff adequate time to effectively manage the disbursement of SAF.</p> <p>D. The financial recordkeeping staff should establish an effective filing system that maintains checks, cancelled checks, SFEFs, and supporting documentation in numerical order as a part of establishment of effective controls for record retention.</p>	<p>have developed and documented internal controls that mirror the requirements of the AMP. It includes responsibilities for staff members, the financial recordkeeping staff, and the principal.</p> <p>It addresses requirements for remittance information and MTF sign-outs and changes. The timeline for remittance and timely deposit of funds.</p>		
4.	<u>2020.04 Untimely Financial Reporting</u>	<p>The principal should re-assess resources to provide the financial recordkeeping staff adequate time to effectively manage the reconciliation of SAF on his behalf.</p> <p>The principal and financial recordkeeping staff should establish and document a process for reviewing and approving bank reconciliations timely. A set meeting should be scheduled each</p>	<p>Having the bookkeeper allocate more time to duties versus covering the main office.</p>	8/30/19	Implemented

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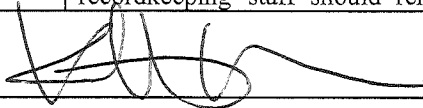


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		month to review reports and discuss the status of SAF.				
5.	<u>2020.05 Insolvent Principal-Sponsored Activities Fund Account</u>	Principal and financial recordkeeping staff should immediately familiarize themselves with the specific restrictions for PSA, and ensure that transfers and expenditures related to staff activities are properly handled in the future. Expenditures in the PSA fund account should be suspended until the account is brought to solvency.		This fund was insolvent before I became the Principal. Not use the account and get funds to replenish the account.	10/8/19	Implemented
6.	<u>2020.06 Year-End Monetary Transmittal Form Procedures Not Followed</u>	Principal and financial recordkeeping staff should immediately familiarize themselves with the specific requirements for end-of-year MTF envelope submission as outlined in the APM. The principal should develop and document specific internal controls to mirror those requirements. The internal controls should include responsibilities for staff members, the financial recordkeeping staff, the designated administrator, and the principal. The principal should provide oversight to ensure envelopes are properly collected, sealed, signed and secured.		Instead of having secretary sign off, we will have Administration sign off.	EOY	Partially Implemented
7.	<u>2020.07 Fundraiser Forms Not Completed</u>	Principal and financial recordkeeping staff should document and develop internal controls for fundraising. The controls should include specific responsibilities for the staff, financial recordkeeping staff and principal. Training for staff should be provided before the 2019-2020 school year. Fundraising sponsors should be held accountable for compliance.		Training provided during opening week and on-going (as-needed).	8/30/19	Implemented
8.	<u>2020.08 Mismanagement of Sales Tax</u>	The principal should provide the financial recordkeeping staff with ample time to provide adequate oversight to the SAF, including accounting for sales tax. The financial recordkeeping staff should remain diligent in		Time allocated to provide oversight and will be a part of monthly financial reporting process.	10/8/19	Implemented

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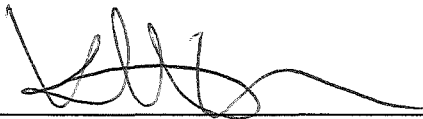


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		<p>ensuring that non-fundraiser sales of items are accounted for properly. The Principal should provide oversight as part of the monthly financial reporting process. Funds in the amount of \$216.58 should be transferred to the sales tax account to be remitted to the State of Maryland.</p> <p>Further, the sales tax exemption should be used whenever possible, and sales tax should not be reimbursed if reported on a staff members' reimbursement request.</p>				
9.	<u>2020.09 Club Budgets Not Developed</u>	Principal and financial recordkeeping staff should develop a budget template for club sponsors to use during the 2019-2020 school year to reduce insolvency in fund accounts and improve coordination of payments for clubs and class activities. The principal and financial recordkeeping staff should seek guidance from the Accounting and Financial Reporting Office if needed.		Meeting with club sponsor and bookkeeper to set up club budgets.	10/17/19	Partially Implemented
10.	<u>2020.10 Grants Not Properly Reported</u>	Principal and financial recordkeeping staff should ensure that all grants are properly reported. Staff should be advised to notify the financial recordkeeping staff of any grant applications so that efforts to complete the <i>School Grant Reporting Form</i> can be properly accomplished.		All grants will be properly reported in the future. Training was provided in the beginning of the year.	10/8/19	Partially Implemented
11.	<u>2020.11 Voided Checks Not Properly Defaced</u>	Financial recordkeeping staff should deface all voided checks and ensure that they are filed in numerical order in the check file during the check voiding process.		Moving forward, we will rip the signature off of the check when it is voided.	10/8/19	Implemented
12.	<u>2020.12 Mismanagement of Warehouse</u>	Principal should immediately replace the current Costco card with a card with just the school and principal's name on it.		Action: Card collected from principals secretary. Principal will go to Costco and get them to	9/26/19	Implemented

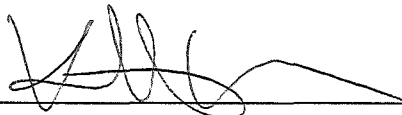
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	<u>Membership Card</u>			change the card over to say only Buck Lodge MS.		
13.	<u>2020.13 Failure to Maintain a Current Vending Contract</u>	rent financial recordkeeping staff should contact the vendor and obtain a signed contract for the vending machine operations. The contract should stipulate the frequency and percentage of commissions. The contract should be renewed annually. In the event that a current vending contract cannot be obtained, Purchasing and Supply Services should be contacted for assistance in finding a replacement.		Reached out to vendor and we have a signed contract.	8/6/19	Implemented

Principal Signature  _____

Date 10/29/19 _____