



**School Activity Fund Report –
Montpelier Elementary School
May 1, 2018 – December 31, 2024**



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**PGCPS Internal Audit Report
School Activity Fund – Montpelier Elementary School
For Period Ended December 31, 2024**

Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Montpelier Elementary School for the period May 1, 2018, through December 31, 2024. Montpelier Elementary School's principal is responsible for the administration of the 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 one finding: *Administration of Vending Machines*

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 Public Schools' (PGCPS) 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 December 31, 2024.



Deana Thorps, CPA, Director
Internal Audit

**PGCPS Internal Audit Report
School Activity Fund – Montpelier Elementary School
For Period Ended December 31, 2024**

SUMMARY

Internal Audit completed an audit of the school activity funds (SAF) for Montpelier Elementary School for the period May 1, 2018, through December 31, 2024. The audit was conducted as part of the department's annual audit plan.

This audit report includes **one** finding which occurred under the leadership of the current principal. The finding and the personnel responsible are 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 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 Public Schools' (PGCPS) 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 Monetary Transmittal Form (MTF) envelopes submitted for the period May 1, 2018, through December 31, 2024. Also, available receipts, disbursements and supporting documentation were reviewed for the said period. 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:

2025.01: Administration of Vending Machines

The school operates **two** vending machines located in the staff lounge. However, a vendor contract to substantiate the contractual arrangement was not maintained on file.

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The APM Section 9.8, *Vending Machine Sales*, requires all schools with vending machines to retain a signed contract stipulating commissions due to the school and the frequency with which these commissions are to be remitted. The contract term cannot exceed one year.

The recordkeeping staff and principal were not aware of the requirement for obtaining and retaining annual contracts for the school's vending machines operation.

The school may not be deriving the maximum benefit from operation of the vending machines when vending services contract terms are not established and followed.

Recommendation: The principal must obtain a signed contract for the vending machines located at the school. The contract must specify the commissions due to the school and the frequency with which these commissions are to be remitted to the school. The contract term may not exceed one year, as required by the APM.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Montpelier Elementary School was for the period ended April 30, 2018. During that period, the principal was not in her current position; however, the recordkeeping staff was in her position. There were **eight** findings noted in the previous audit report, **one** of which is repeated in the current audit report. The status of the prior audit findings is indicated below.

- ***Incomplete School Funds Expenditure Forms*** – This condition was not noted during this audit.
- ***Restricted Accounts Deficits*** - This condition was not noted during this audit.
- ***Untimely Reconciliations*** - This condition was not noted during this audit.
- ***Voided Checks Not Properly Approved*** - This condition was not noted during this audit.
- ***Annual Fundraiser Reports Not Completed*** - This condition was not noted during this audit.
- ***Ineffective Administration of Vending Machines Operations*** - This condition still exists. See **Finding 2025.01** regarding *Administration of Vending Machines*.
- ***Grant Forms Not Completed and Submitted*** - This condition was not noted during this audit.
- ***Use of Unapproved Vendors*** - This condition was not noted during this audit.



ACKNOWLEDGEMENT

We would like to thank the principal and staff of Montpelier Elementary School for their cooperation and assistance extended during the audit.



Montpelier ES
School Activity Funds
Appendix - Finding Timeline
May 1, 2018 through December 31, 2024

AUDIT FINDINGS	Jennifer Gerwig Principal	Kathleen D'Aria Recordkeeping Staff
2025. 01: Administration of Vending Machines Contract	X	X

Prince George's County Public Schools

Internal Audit Department

School/Office: Montpelier ES

Response Due Date: September 7, 2025

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	<u>Status</u> Implemented Partially Implemented Not Implemented
2025 .01	Administration of Vending Machines	The principal must obtain a signed contract for the vending machines located at the school. The contract must specify the commissions due to the school and the frequency with which these commissions are to be remitted to the school. The contract term may not exceed one year, as required by the APM.	Concur	We have reached out to the vending company and they have not responded since the audit. At the time of the findings we stopped using the vending machine and asked for the company to come and pick it up. Still no update from the vending company on picking up the machine.	February 2025	Partially Implemented

Department Head Signature Jennifer Gerwig

Date August 8, 2025