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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Robert Goddard Montessori School for the period October 1, 2018, to June 30, 2024. Robert Goddard Montessori 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 the following:

- Mismanagement of Funds Received
- ➤ Inadequate Approval of Disbursements

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 June 30, 2024.

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Deana Thorps, CPA, Director Internal Audit

SUMMARY

Internal Audit completed an audit of the school activity funds (SAF) for Robert Goddard Montessori School for the period October 1, 2018 to June 30, 2024. The audit was conducted as part of the annual audit plan.

This audit report includes 2 findings under the leadership of the current principal. A listing of the findings and the personnel responsible are included in the appendix at the end of the audit report. Detailed findings from the current audit are cited on the following pages with accompanying recommendations for corrective action.

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 October 1, 2018, to June 30, 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

2025.01: Inadequate Documentation for Funds Received

The following exceptions were noted regarding the administration of funds received:

• *Inadequate Documentation:* There were **four** instances where funds received lacked adequate documentation. Pertinent support such as complete lists of payees and ticket reports were not available to substantiate the collections.

• Year-End MTF Envelope Submission: A staff member who collected approximately 61% of the FY 2024 funds did not submit **34** pink and yellow MTF remittances to the principal's designee at the end of the fiscal year as required.

According to APM Section 4.5.2.2, *Procedures:*

- When collecting funds, the source and amount of funds, as well as the purpose of funds, should be documented. A ticket report of a sports event is an example of supporting documentation of funds collected.
- Prior to departing the school at year-end, faculty and program managers are required to submit the pink and yellow MTF remittances in sealed envelopes (with their signatures over the seal) to the designated administrator.

According to the recordkeeping staff, the failure to include the payee list and the ticket report to substantiate the collection of funds was an oversight.

This teacher's failure to submit the 34 MTFs used for the collection of funds dure the year-end checkout process occurred because of the staff member's negligence.

Mismanagement of funds received constitute non-compliance with BOE policies and procedures and increases financial risk to the school and staff. The audit trail for ensuring proper administration of cash receipts was compromised. Internal controls for ensuring that all school activity funds collected were subsequently deposited were weakened, and the potential for loss of assets increased.

Recommendations: Staff members must be reminded of the importance of adhering to the provisions of the APM pertaining to collection of funds and safeguarding of documentation to substantiate cash receipt transactions. Specifically, pertinent documentation such as ticket reports and a complete students' payment should be maintained to support the funds remitted.

At year-end the recordkeeping staff should print the School Funds Online (SFO) "Receiptee History" report and provide it to the administrator responsible for collecting MTF envelopes. The principal should instruct the administrator to obtain the MTF envelopes containing MTF remittances based on the SFO report. Each staff member must be held accountable to appropriately return their MTF envelope as part of the year-end checkout process.

2025.02: Mismanagement of Disbursements

The following exceptions were noted regarding the administration of disbursements:

• There were **five** instances where the disbursements were not pre-approved by the principal prior to the purchase of items or the approval was not dated.

• There were **two** cancelled checks which could not be located. There were also **11** instances where the voided checks documentation could not be located.

The APM Section 4.5.3.1, *Pre-Approval by the Principal* requires a School Funds Expenditure Form (SFEF) to be completed and signed by the principal prior to making a purchase on behalf of the school. The employee can be held personally liable for the obligation, if this procedure is not followed.

The APM, Section 6.12, *Record Retention*, also requires the retention of all SAF records for a period of seven (7) years or until they are audited. This includes, but is not limited to, financial reports, bank statements, receipts, disbursement authorities, MTFs, SFEFs and Contracts.

Staff members were made aware of this provision; however, sufficient time was not provided for the principal to approve purchases resulting in purchases preceding the principal's approval.

During a recent renovation, documents were transferred to various spaces within the building which resulted in the misplacement of some files containing the cancelled checks.

Internal controls are compromised when disbursements are not processed in accordance with the requirements of the APM. Unapproved purchases may result in a deficit in restricted fund balances or unapproved vendors being used to procure goods and services.

Non retention of financial records violates the BOE's policies and procedures and results in the removal of evidence to substantiate the school's compliance with the APM requirements.

<u>Recommendations:</u> Staff members should be reminded that all anticipated purchases must be approved by the principal prior to the school's funds being obligated. Staff members must be held accountable for compliance.

The principal must designate an area where financial documents are kept during future building improvement to ensure that financial records are appropriately safeguarded.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Robert Goddard Montessori was issued for the period ended September 30, 2018. The current principal and recordkeeping staff were in their positions at the time. The following findings were noted as a result of the last audit and their current status is indicated below.

- **Inadequate Documentation of Disbursements** Condition as not noted during this audit.
- **Mismanagement of Funds Received** Condition still exists. **See Finding 2025.01** regarding *Mismanagement of Funds Received*.

- Fundraiser Forms Condition as not noted during this audit.
- Vending Machine Contract Condition was not noted during this audit.
- Monthly Reconciliations and Financial Reporting Condition was not noted during this audit.
- Transfers Not Properly Approved Condition was not noted during this audit.

ACKNOWLEDGEMENT
We would like to thank the principal and staff of Robert Goddard Montessori for their cooperation and assistance extended during the audit.



Robert Goddard Montessori Student Activities Funds Appendix - Findings Timeline October 1, 2018 to June 30, 2024

AUDIT FINDINGS	Deatrice Womack, Principal	Jill Adams, Recordkeeping Staff
2025.01: Mismanagement of Funds Received	X	Х
2025.02: Mismanagement of Disbursements	X	X
Total	2	2

Prince George's County Public Schools

Internal Audit Department

School/Office: Robert Goddard Montessori School

Response Due Date: September 2, 2025

	Findings	Recommendations	Concur Non-Concur Partially Concur	Action Plan	Corrective Action Date	<u>Status</u> Implemented Partially Implemented Not Implemented
2025	Inadequate Documentation for Funds Received.	Staff members must be reminded of the importance of adhering to the provisions of the APM pertaining to collection of funds and safeguarding of documentation to substantiate cash receipt transactions. Specifically, pertinent documentation such as ticket reports and a complete students' payment should be maintained to support the funds remitted. At year-end, the recordkeeping staff should print the School Funds Online (SFO) "Receiptee History" report and provide it to the administrator responsible for collecting MTF envelopes. The principal should instruct the administrator to obtain the MTF envelopes containing MTF remittances based on the SFO report. Each staff member must be held accountable to appropriately return their MTF envelope as part of the year-end checkout process.	Concur	During pre-service week 2025, teachers were instructed that tickets for all sports events must be purchased using the online portal. The bookkeeper will print out the MTF deposit report and file it. During pre-service week 2025, teachers were given a review of how to collect money, document it on the MTF, and retain the MTF envelope during the school year and return it at the end of the school year to the appropriate staff member. The bookkeeper will print out the SFO history report and provide it to the administrator responsible for cross-checking.	9/2/2025	Implemented

Department Head Signature	Bookkeeper Signature M Adam	
Date 9-2-25	Date 9-2-25	

Prince George's County Public Schools

Internal Audit Department

School/Office: Robert Goddard Montessori School

Response Due Date: September 2, 2025

Concur

Non-Con

Action Plan

Corrective

Action Date

Status

Implemented

Recommendations

administrator to obtain the MTF

		cur Partially Concur		1.000	Partially Implemented Not Implemented
2025.01	reports and a complete students'	envelopes containing MTF	print out the MTF deposit report	of	
Inadequate Documentation for Funds Received.	payment should be maintained to support the funds remitted.	remittances based on the SFO report. Each staff member must be held accountable to appropriately	and file it.	staff	to the appropriate
Staff members must be reminded	At year-end, the recordkeeping	return their MTF envelope as part	During pre-service week 2025,	out	
of the importance of adhering to	staff should print the School Funds		teachers were given a review of		report and provide
the provisions of the APM pertaining to collection of funds and safeguarding of documentatio	Online (SFO) "Receiptee History" report and provide it to the n administrator responsible for	Concur During pre-service week 2025, teachers were instructed that tickets for all sports events must be		it to the admini for cross-checking.	strator responsible
to substantiate cash receipt transactions. Specifically, pertinen	collecting MTF envelopes. The t principal should instruct the	purchased using the online portal. The bookkeeper will	retain the MTF envelope during th school year and return it at the end		mented

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Signature Centre Clent	
Date 9-2-25	
Bookkeeper Signature Adous	
Date9/2/25	

Findings

documentation such as ticket

2025	Mismanagement of Disbursements	Staff members should be reminded that all anticipated purchases must be approved by the principal prior to the school's funds being obligated. Staff members must be held accountable for compliance.	Concur	During pre-service week, it was reiterated to staff members that they must obtain approval from the principal before purchasing items. Staff members will be held accountable and will not be reimbursed if the procedure is not followed. Sales tax is not reimbursed.	9/2/2025	Implemented
		The principal must designate an area where financial documents are kept during future building improvement to ensure that financial records are appropriately safeguarded.		Financial documents are kept in a storage box filed by month and year.in the school vault to ensure they are appropriately safeguarded.		

Department Head Signature	-	9-7-1-	
Bookkeeper Signature All Adams	Date	1 2 25	
Date			

Prince George's County Public Schools

Internal Audit Department

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Response Due Date: September 2, 2025

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2025	Inadequate Documentation for Funds Received.	Staff members must be reminded of the importance of adhering to the provisions of the APM pertaining to collection of funds and safeguarding of documentation to substantiate cash receipt transactions. Specifically, pertinent documentation such as ticket reports and a complete students' payment should be maintained to support the funds remitted. At year-end the recordkeeping staff should print the School Funds Online (SFO) "Receiptee History" report and provide it to the administrator responsible for collecting MTF envelopes. The principal should instruct the administrator to obtain the MTF envelopes containing MTF remittances based on the SFO report. Each staff member must be held accountable to appropriately return their MTF envelope as part of the year-end checkout process.				
2025	Mismanagement of Disbursements	Staff members should be reminded that all anticipated purchases must be approved by the principal prior to the school's funds being obligated. Staff members must be held				

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Date			

	accountable for compliance.	 	
	The principal must designate an area where financial documents are kept during future building improvement to ensure that financial records are appropriately safeguarded.		
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Department Head Signature		
Date		