



**School Activity Fund Report –
University Park Elementary
School
July 1, 2018 – June 30, 2024**



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**PGCPS Internal Audit Report
School Activity Fund –
University Park Elementary School
For Period Ended June 30, 2024**

Internal Auditor's Report

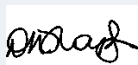
We have examined the School Activity Funds (SAF) of University Park Elementary School for the period of July 1, 2018, through June 30, 2024. University Park Elementary School's principal is responsible for the administration of the SAF. Our responsibility is to express an opinion based on our examination.

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 the following four findings:

- *Delinquent Monthly Bank Reconciliations*
- *Record Retention*
- *Fund Transfer Journal Entry Proof Sheets Not Completed*
- *Administration of Voided Checks*

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.



Deana Thorps, CPA, Director
Internal Audit

**PGCPS Internal Audit Report
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SUMMARY

Internal Audit completed and audit of the school activity funds (SAF) for University Park Elementary School for the period July 1, 2018, through June 30, 2024. The audit was conducted as part of the department's annual audit plan.

This audit report includes **four** findings which occurred under the leadership of the current principal. 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 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 July 1, 2018 to June 30, 2024. Also, available receipts, disbursements and supporting documentation were reviewed for the said period. The 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:

2026.01 Delinquent Monthly Bank Reconciliations

There were **10** instances where monthly bank reconciliations were not completed and reviewed by the 15th day of each month following the month reconciled. The delinquencies ranged from **18** to **141** days.

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According to the APM Section 5.1.2, *Monthly Reconciliation and Financial Reporting*, the recordkeeping staff is required to complete the monthly bank reconciliation within seven days of receiving the bank statement. All monthly reports should be completed and submitted to the principal for review and approval by the 15th of the following month.

The recordkeeping staff position was vacant for several months during the audit period. During this time, the principal relied on assistance from the Accounting and Financial Reporting Office (AFRO) to complete the school's monthly bank reconciliations and return them to the principal for review. Insufficient resources in the AFRO resulted in delays in completion of monthly bank reconciliations. A new recordkeeper was hired; however, training was still ongoing at the time of audit.

Failure to perform the monthly bank reconciliation process promptly increases financial risk to the school. Delayed bank reconciliations may allow errors or fraudulent transactions to go unnoticed for an extended period.

Recommendation: The principal and recordkeeping staff should implement procedures to ensure that monthly financial reporting is accomplished in accordance with the requirements included in the APM (bank reconciliation within seven days of receiving the bank statement, and the principal's review and approval completed by the 15th of the following month) whenever vacancy in the recordkeeping staff position exists. This will ensure that the relevant financial information is available for the principal to make fiscally responsible decisions on behalf of the school.

2026.02 Record Retention

Documentation to substantiate financial transactions was not available for review in the following **16** instances:

- A. **Seven** Voided Checks
- B. **Seven** Cash Receipts (MTFs, deposit slips)
- C. **Two** Cash Disbursements (School Funds Expenditure Forms (SFEF), invoices and receipts)

According to the APM Section 6.12, *Record Retention*, all SAF records must be retained for a period of seven years and or until audited, including the current fiscal year. This includes but is not limited to financial reports, bank statements, receipts, disbursement authorities, MTFs, SFEFs, canceled checks, and contracts.

The school's recordkeeping staff position was vacant for several months during the audit period. During this time, the principal divided her attention between her normal duties and recordkeeping duties. FY 2023 records were processed by a previous recordkeeper. These records were not made available to the principal when the previous recordkeeper departed the school.

The absence of an effective records management system has resulted in BOE policies regarding the retention of SAF records not being followed. Failure to make financial records available for

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audit constitutes noncompliance with BOE policies and procedures and compromises the audit trail necessary for determining compliance with applicable requirements.

Recommendations: The principal and recordkeeping staff should establish and maintain an effective filing system for the school's financial documents. This system should ensure that documents are organized, securely stored, and easily retrievable for auditing purposes when there is transition in the recordkeeping staff position. Additionally, accountability should be assigned to the recordkeeping staff to ensure compliance with the established records management system.

2026.03 Fund Transfer Journal Entry Proof Sheets Not Completed

The financial reporting process was not administered as required. Fund Transfer Journal Entry Proof Sheets were not generated and provided to the principal to facilitate review and approval of journal entries posted to the school's accounting system, SFO.

According to the APM Section 4.5.4.2, *Transfers Between Restricted and Unrestricted/net Accounts*, transfers between restricted fund accounts are only authorized if reviewed and approved by the principal.

Reportedly, the principal was not aware of the requirement to review and authorize transfers between restricted fund accounts.

Failure to review and authorize journal entries poses a risk to the financial reporting process. This non-compliance can lead to unauthorized transactions, insufficient documentation, and inaccurate financial transactions being recorded in the SFO.

Recommendation: The principal should review the APM to become familiar with the requirements regarding restricted fund transfers. This will facilitate proper authorization of all fund transfers that occur between restricted fund accounts as required.

2026.04 Administration of Voided Checks

There were at least **16** instances of non-compliance regarding voided checks. The following indicates the instances of non-compliance:

- A. There were **13** instances where checks were not properly defaced by removal of the signature line during the void check process.
- B. There were **two** instances where voided checks were not entered into the school's financial accounting system.
- C. There was an instance where a cleared check was voided twice in the school's financial accounting system resulting in an overstatement of \$4,882.62

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The APM Section 4.5.3.4, *Check Writing* requires accounting for a physical check when an error is made at the time of processing or when a check is damaged. Voided checks are required to be defaced by the removal of the signature and account lines and should be entered into the school's financial accounting system.

Reportedly, the principal and recordkeeping staff were not aware of the requirement to remove the signature line from checks voided. Additionally, the former recordkeeping staff did not exercise due care to ensure accurate entry of all checks voided into the school's financial accounting system. The recordkeeping staff was new to her role and was getting familiar with the void check process while the void check errors occurred.

Failure to remove the signature line from voided checks and inconsistent entry of voided checks into school's financial accounting system increases the risk of check fraud and can lead to potential misuse or confusion regarding the status of financial transactions. Inaccurately voiding financial transactions has resulted in overstatement of the school's fund balance.

Recommendation: The principal and recordkeeping staff should review the APM to become familiar with the requirements for voiding accounting for checks. The principal should implement a review process to ensure that void checks are properly defaced and that all checks are accurately entered into the school's financial accounting system. Moreover, the principal should review the check register alongside the checks voided each month to ensure that cleared checks are not voided in the school's financial accounting system. The recordkeeping staff must be held accountable for processing the school's financial transactions accurately.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for University Park Elementary School was issued for the period ended June 30, 2018. The principal was on staff during that audit; however, the current recordkeeping staff was not on staff during that audit. There were **six** findings noted as a result of that audit as summarized below.

- ***Mismanagement of Funds Received*** – This condition was not noted during this audit.
- ***Mismanagement of Disbursements*** – Condition still exists. See **finding 2026.02** regarding *Record Retention*.
- ***Retention of Voided Checks*** – Condition still exists. See **finding 2026.02** regarding *Record Retention*.
- ***Financial Reporting*** – Condition still exists. See **finding 2026.01** regarding *Delinquent Monthly Bank Reconciliation*.
- ***Fundraiser Forms*** – This condition was not noted during this audit.
- ***Administration of Vending Contracts*** – This condition was not noted during this audit.

ACKNOWLEDGEMENT

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



PGCPS Internal Audit Report
Student Activities Funds - University Park Elementary School
Audit Report Appendix - Findings Timeline
For Period Ended June 30, 2024

AUDIT FINDINGS	Dr. Toi Davis, Principal (8/4/2014 to present)	Mayra Martinez, Recordkeeping Staff (7/2/11 to present)		
2026.01 Delinquent Monthly Bank Reconciliation	X	X		
2026.02 Record Retention	X	X		
2026.03 Fund Transfer Journal Entry Proof Sheet Not Completed	X	X		
2026.04 Administration of Voided Checks	X	X		
Total	4	4		

Prince George's County Public Schools

Internal Audit Department

School/Office: University Park Elementary

Response Due Date: September 29, 2025

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	<u>Status</u> Implemented Partially Implemented Not Implemented
2026 .01	Delinquent Monthly Bank Reconciliations	The principal and recordkeeping staff should implement procedures to ensure that monthly financial reporting is accomplished in accordance with the requirements included in the APM (bank reconciliation within seven days of receiving the bank statement, and the principal's review and approval completed by the 15th of the following month) whenever vacancy in the recordkeeping staff position exists. This will ensure that the relevant financial information is available for the principal to make fiscally responsible decisions on behalf of the school.	Concur	The Recordkeeper will complete monthly financial reports as soon as the electronic bank statement.	Immediately	Implemented May 2023

Department Head Signature 

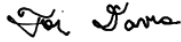
Date Sep 19, 2025

2026 .02	Record Retention	The principal and recordkeeping staff should establish and maintain an effective filing system for the school's financial documents. This system should ensure that documents are organized, securely stored, and easily retrievable for auditing purposes when there is transition in the recordkeeping staff position. Additionally, accountability should be assigned to the recordkeeping staff to ensure compliance with the established records management system.	Concur	The Recordkeeper has organized all records and labeled drawers so records are easily accessible.	Immediately	Implemented May 2023
2026 .03	Fund Transfer Journal Entry Proof Sheets Not Completed	The principal should review the APM to become familiar with the requirements regarding restricted fund transfers. This will facilitate proper authorization of all fund transfers that occur between restricted fund accounts as required.	Concur	The Principal has reviewed the APM with the Recordkeeper.	Immediately	Implemented May 2023

Department Head Signature 

Date Sep 19, 2025

2026 .04	Administration of Voided Checks	The principal and recordkeeping staff should review the APM to become familiar with the requirements for voiding accounting for checks. The principal should implement a review process to ensure that void checks are properly defaced and that all checks are accurately entered into the school's financial accounting system. Moreover, the principal should review the check register alongside the checks voided each month to ensure that cleared checks are not voided in the school's financial accounting system. The recordkeeping staff must be held accountable for processing the school's financial transactions accurately.	Concur	The Recordkeeper and Principal have reviewed the APM. The recordkeeper will reach out to the Fund Support Specialist if clarification is needed.	Immediately	Implemented May 2023
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Department Head Signature 

Date Sep 19, 2025