

Internal Audit Report
Bladensburg Elementary School
School Activity Funds
For the Period Ended June 30, 2023

**Bladensburg Elementary School
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Internal Auditor's Report

We have examined the Student Activity Funds (SAF) of Bladensburg Elementary School for the period July 1, 2016 to June 30, 2023. Bladensburg 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 findings:

- *Financial Records Not Retained,*
- *Mismanagement of Funds Received,*
- *Mismanagement of Disbursements,*
- *Delinquent Financial Reporting,*
- *Restricted Fund Account Deficits,*
- *Depository Safe Not on the Premises,*
- *Expired Vending Machine Contract,*
- *Fundraiser Reports Not Completed, and*
- *Improvement Needed in Management Oversight*

The findings resulted in a material deviation from Board of Education (BOE) policies and procedures and the requirements of the Accounting Procedures Manual for the School Activity Funds (APM).

In our opinion, there is significant non-compliance with BOE policies and procedures and the APM, for Bladensburg Elementary School SAF, for the period ended June 30, 2023.



Michele Winston, CPA
Director, Internal Audit

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SUMMARY

Internal Audit Department completed an audit of the student activity funds (SAF) for Bladensburg Elementary School for the period July 1, 2016 to June 30, 2023. The audit was conducted as part of the annual audit plan.

The audit report includes **9** findings which occurred 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. In addition, detailed findings are cited on the following pages with accompanying recommendations for corrective action. The audit results determined that there was significant non-compliance with the Accounting Procedures Manual for School Activity Funds (APM) during the period of audit. Most significantly, financial records were disorganized and not made available for review (See ***2024.01 Financial Records Not Retained***).

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 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 available bank statements, financial reports, cancelled checks, all voided checks and Monetary Transmittal Form (MTF) envelopes submitted for the period July 1, 2016 to June 30, 2023. Also, available receipts, disbursements and supporting documentation were reviewed for the said period. The audit was limited to the documentation provided and there were noted deficiencies with record retention (See Finding 2024.01, Financial Records Not Retained).

This is an audit of funds related to students' activities at the school and does not include SOR funds or any funds not derived from students' activities for the audit period.

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FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2024.01 Financial Records Not Retained

The following **1,293** financial records were not provided or were incomplete to substantiate SAF transactions during the audit period as tabulated below:

Transaction Type	Missing Documents	Fiscal Year						Total per Type
		2017	2019	2020	2021	2022	2023	
End-of-Year MTFs	Yellow/Pink Remittance Copies	0	35	0	1	1	7	44
Cash Receipts	MTF*	21	399	112	3	0	0	535
	Validated Deposit Ticket	21	114	19	3	0	0	157
Cash Disbursements	SFEF	20	151	61	27	1	1	261
	Canceled Check	20	151	61	27	15	0	274
	Voided Check	3	8	7	1	3	0	22
Total per Fiscal Year		85	858	260	62	20	8	1293

*MTF logs also could not be located for review for FY 2019 through FY 2023.

This condition was noted during the previous audit for the period that ended in December 2012.

The APM provides the following guidelines relative to records management:

- Section 6.12, *Record Retention*, requires the retention of financial records for 7 years and or until audited including the current fiscal year. This includes but is not limited to, financial reports, bank statements, receipts, disbursement authorities, monetary transmittal forms, school funds expenditure forms, canceled checks, and contracts.

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- The APM Exhibit B *Staff Responsibility for SAF Bookkeeper/Financial Secretary* indicates that the bookkeeper or financial secretary is to produce and maintain all financial documents/reports in an organized fashion.
- The APM also requires that a MTF log is maintained by the recordkeeping staff to include a numerical list of the MTFs, the name of individuals and dates the forms were issued, the date returned to the recordkeeping staff and the total amount of the MTF.

The principal stated that when school reopened after the pandemic the school was infested with mold which may have resulted in some financial records being inadvertently discarded. The school has had 3 recordkeeping staff changes since March 2019. Also, from April 1, 2019 to July 9, 2019 and March 31, 2022, to July 4, 2022, no recordkeeping staff was assigned to the school.

The absence of a reliable records management system affects the retrieval and accessibility of requested documentation to substantiate the school's financial transactions. The audit fieldwork was impacted by the school's inability to readily produce financial records. Evidence for determining that all SAF policies and procedures were followed is removed when financial records are unavailable for review.

Recommendations: The following recommendations are provided to ensure the school's compliance with the APM requirements administering financial records:

- A. The principal must establish a standardized and consistent records management system, which ensures that all financial documents are retained by fiscal year.
- B. The principal should establish a properly ventilated, dry space where the school's financial records are stored and where the susceptibility to damage is low.
- C. The principal should continue to seek staffing for the vacant recordkeeping staff's position to ensure that the responsibility for properly maintaining the school's position is performed.
- D. The principal should complete a periodic review of financial records to determine proper organization and retention.

2024.02 Mismanagement of Funds Received

There were at least **15** instances of non-compliance regarding the administration of funds received. The following indicates the issues of non-compliance:

- A. ***Delinquent Deposits:*** There were at least **6** instances where funds collected by staff members were not remitted timely. Delinquent remittance of funds ranged from **4 to 97 days**. ***This condition was noted during the previous audit for the period that ended in December 2012.***

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- B. ***Funds Collected Not Deposited:*** Cash collected was used to purchase pizza directly from the vendor for the winter celebration.
- C. ***Monetary Transfer Form Remittance:*** There were at least **5** instances in FY 2023 where a staff member's yellow MTF remittance was not returned to the teachers. Also, staff members did not retain the pink MTF remittances in signed sealed envelopes as required.

The following criteria are established in the APM:

- A. The APM Section 4.5.2.2 (1), (2) *Collecting Funds and Guidelines for Bank Deposits Completing the MTF*, and (3) *Preparing Bank Deposits*, require **all** funds collected to be remitted to the bookkeeper on the day of collection. The bookkeeper is also required to make timely deposits with the financial institution.

Funds collected must be deposited in the same form and denominations as received. Funds cannot be used to pay expenditures.

- B. The APM, Section 4.5.2.2, *Cash Receipts: General Policies*, state that prior to departing at year-end, the faculty and program managers are required to submit the pink and yellow remittance copies of the MTF(s) in a sealed envelope with their signature affixed over the seal to the designated administrator. The pink copy of the MTF is retained by the preparers of the form. The white and yellow copies are submitted to the recordkeeping staff with the funds received. After approving a MTF, the recordkeeping staff returns the yellow copy to the originator for retention until the end of the school year.

The following causes resulted from the non-compliance regarding the management of funds received:

- A. Staff and recordkeeping staff were not held accountable for remitting and depositing funds timely.
- B. Reportedly staff members were instructed by the former recordkeeping staff "to use the cash to pay for the pizza and turn in the receipt".
- C. The staff member who verified the remitted funds collected failed to ensure that the staff members' yellow MTF remittances were returned. Also, the staff members failed to ensure that their pink MTF remittances were secured in a sealed envelope as required.

The following are the effects from mismanagement of funds received:

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- A. Internal controls are compromised and there is a risk of embezzlement or loss of funds from delinquent deposits.
- B. Funds were not accurately accounted for when all funds collected were not remitted intact and a school check issued for expenditures.
- C. Ineffective MTF remittance impacts the audit trail for substantiating collections.

Recommendations: The following are recommendations for improving the management of collections:

- A. Staff members must be held accountable for remitting funds collected to the recordkeeping staff on the day of collection.
- B. The principal should remind staff that all funds collected must be remitted for deposit and payments are required to be made by school check only. Staff should be held accountable for compliance.
- C. The recordkeeping staff should ensure that the yellow MTF remittance copies are returned to staff upon verification of funds. The principal should remind staff that all MTF remittances are required to be retained in a sealed envelope and submitted to the appropriate administrator during the end-of-year closeout.

2024.03 Mismanagement of Disbursements

There were at least **39** instances of non-compliance regarding disbursements:

- A. ***Missing and/or Incomplete Documentation:*** Supporting documentation (SFEFs and/or supporting/adequate documentation) was not provided for review. ***This condition was noted during the previous audit for the period that ended in December 2012.***
- B. ***Inadequate Pre-Approval and Documentation of Expenditures:*** Evidence of supervisory approval was not documented on SFEFs.
- C. ***Payee Signed Own Reimbursement:*** There were instances where either the principal or the assistant principal signed their own reimbursement checks.

Delinquent Vendor Payments: Bookfair invoices were not paid timely resulting in delinquent payments of **36** and **115** days.

- D. ***Unapproved Vendors:*** Certain school-related purchases were made from unauthorized vendors and subsequent reimbursements were issued to staff for those purchases. ***This***

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condition was noted during the previous audit for the period that ended in December 2012.

- E. *Administration of Voided Checks:* Voided checks were not properly defaced by removal of the signature line. These voided checks had also not been entered into the school's financial accounting system.

The following criteria are established in the APM regarding the management of disbursements:

- A. APM Section 4.5.3 (2) *Inclusion of Supporting Documentation* requires that all checks must have itemized documentation attached to the SFEF that supports the amount of the check.
- B. The APM Section 4.5.3, *Cash Disbursements* requires that prior to ordering or purchasing goods or services, a SFEF must be completed and signed by the principal.
- C. The APM Section 4.5.3.1 *Cash Disbursements Procedures – Pre-Approval by the Principal* states that in instances where reimbursement(s) are necessary, check signers should not sign their own reimbursement checks. This responsibility lies with the two alternate signers.
- D. Bulletin S-18.09 *Payments from Student Activity Funds for Vendors and Individuals* states that all vendors used by schools and offices must be added to the Oracle Financial System prior to any performance by the vendor or individual.
- E. The APM, Section 4.5.3.4 (e), *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.

The following summarizes the causes for the deficiencies noted:

- A. The former recordkeeping staff did not always ensure that all SFEFs were completed, and properly supported prior to processing disbursements. Due diligence was not practiced ensuring adequate approval of SFEFs as required. The principal did not enforce the procedure for staff to obtain pre-approval for all purchases made during the check approval process.
- Invoices/reimbursements were not always paid timely due to other secretarial duties taking precedence over financial matters.
- B. Even though there were 3 check signers on the school's checking account, only the principal and assistant principal were authorized after March 31, 2019.

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- C. The former recordkeeping staff and principal failed to ensure that all vendors used by the school were approved when purchases were made, and reimbursements were issued.
- D. Reportedly, the former recordkeeping staff did not always ensure that procedures were followed regarding the voided check process - defacement.

The following are the potential effects from the non-compliance of management of funds disbursed:

- A. Evidence to substantiate expenditures is lacking including authorization. This failure could impact the school's solvency.
- B. The risk of check fraud increases when a payee signs his or her own checks.
- C. Delinquent vendor payments can impact the school/vendor relationship and result in late payment penalties.
- D. Conducting business with unapproved vendors presents a risk to PGCPs that requirements for authorized vendors are not followed.
- E. Inappropriate administration of voided checks exposes the school to check fraud through potential unauthorized negotiations.

Recommendations: The following recommendations are made to improve disbursements deficiencies:

- A. The principal and recordkeeping staff must implement and enforce internal controls to ensure that prior to ordering or purchasing goods or services, a SFEEF is completed, and approved by the principal and that all documentation substantiating the expenditure is provided prior to payment.
- B. The principal must ensure that the school's checking account signatory authority is updated with three (3) required signatures. The appropriate form should be sent to the Cash Management Office for inclusion in the school system's financial institution application.
- C. The recordkeeping staff should ensure all invoices are paid timely. Invoices are required to be paid within 30 days of receipt or by the invoice due date. The principal must hold the recordkeeping staff accountable for compliance.

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- D. The principal should remind staff that all vendors are required to be approved prior to initiating school-related purchases. Staff should not be allowed to use the reimbursement process to circumvent this requirement.
- E. The recordkeeping staff should ensure that all checks are properly voided by removal of the signature and account lines. The principal should perform a periodic review of voided checks folder to ensure compliance with BOE policies and procedures relative to defacement.

2024.04 Delinquent Financial Reporting

Monthly bank reconciliations and monthly financial reporting were not timely prepared consistently by the former recordkeeping staff. This resulted in an untimely review by the principal. The delinquencies ranged from **12 to 86 days**.

The APM section *5.1.2 Monthly Reconciliation and Financial Reporting* states that the bookkeeper is required to complete the reconciliation within 7 days after receiving the statement from the bank. All financial reports should be completed by the 15th of each month and submitted to the principal for review and approval.

The two (2) former recordkeeping staff have since resigned from PGCPs. There was a vacancy in the recordkeeping staff's position at the school from April 1, 2022, to July 4, 2022. ***This condition was noted during the previous audit for the period that ended in December 2012.***

The principal's fiscal responsibility is compromised when monthly reporting is not prepared and/or reviewed timely. Timing differences or other errors may not be detected and corrected promptly when the reconciliation process is not performed as intended.

Recommendations: The principal should seek to fill the vacancy of the recordkeeping staff position to facilitate timely preparation of monthly financial reporting within 7 days of receiving the statement from the bank and the completion of financial reports by the 15th of each month.

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2024.05 Restricted Fund Account Deficits

The following 2 restricted fund accounts had deficits that totaled **(\$5,836.59)** as of June 30, 2023.

Account #	Account Description	Account Balance
308.00	Kindness Committee	(\$ 293.29)
450.00-450.50	Principal Sponsored Activity	(\$ 5,543.30)
	Total	<u>(\$ 5,836.59)</u>

The APM, Section 4.3 *Fund Accounts*, states that expenditures for all restricted accounts are limited to the amount of funds collected for those activities. Therefore, if restricted accounts exceed the available cash the account is insolvent. As the fiduciary agent for the SAF, the principal should ensure that restricted accounts are solvent at all times.

The Kindness Committee fund account had a beginning balance of \$13.61 as of July 1, 2016. The school spent \$306.90 on floral arrangements for staff even though the account did not have sufficient funds. This resulted in the deficit of (\$293.29). Also, the Principal Sponsored Activity (PSA) fund account had a beginning balance of \$92.38 July 1, 2016. PSA related expenditures were made and incorrectly posted to unrestricted fund accounts. Subsequently, these transactions were reclassified which resulted in a deficit. ***This condition was noted during the previous audit for the period that ended in December 2012.***

Overspending in restricted fund accounts results in insufficient funds being available to administer students' activities. Moreover, overspending in restricted funds accounts can result in the school becoming insolvent.

Recommendations: The principal should contact the Accounting and Financial Reporting Office for guidance on resolving the restricted fund account deficits. Also, focused planning and budgeting should occur to ensure that the school's resources are used efficiently and that further deficits do not occur. The principal and future recordkeeping staff should ensure that expenditures are posted accurately to reflect current balances for the administration to make informed fiscal decisions. Proceeds from fundraising and vending activities should be appropriately transferred to the PSA fund account to offset the existing deficit. The principal should discontinue expenditures from these accounts until the deficits are completely resolved.

2024.06 Depository Safe Not on the Premises

The school does not have a depository (drop) safe to securely store funds remitted by staff members after normal business hours or in the recordkeeping staff's absence.

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The APM section 4.5.2.2 (3) *Cash Receipts Guidelines for Bank Deposits* requires each school to secure funds in a locked fireproof safe that is only accessible to the principal and bookkeeper. Drop safes are required for every school. The safe should be bolted to the floor and placed in a location accessible to the staff.

Reportedly, neither the principal nor the recordkeeping staff was aware of the requirement for the school to have a drop safe to securely store funds and allow staff members the opportunity to remit funds when the recordkeeping staff is not available. ***This condition was noted during the previous audit for the period that ended in December 2012.***

The security of SAF is impacted in the absence of a drop safe, which can result in lost or stolen funds. Staff members are denied access to securely remit funds when the recordkeeping staff is not available.

Recommendations: The principal should coordinate with the office of the Director of Financial Services and Treasury Services to purchase and install a drop safe within the school that is accessible to the staff. Subsequently, a safe log should be established to document when staff place funds in the drop safe. The principal should complete periodic reviews of the safe and the safe log to ensure compliance.

2024.07 Expired Vending Machine Contract

The school has a beverage and snack vending machine located in the staff lounge for school staff. A current signed vending machine contract was not on file for the audit period as required. The most recent vending machine contract on file expired June 30, 2020.

The APM Section 9.8 *Vending Machine Sales* states that “All schools with vending machines must have a signed contract stipulating commissions due to the school and frequency these commissions are remitted. The contract term cannot exceed one year.”

According to the principal several attempts were made to contact the vending machine vendor, but a response was not received. The vending machine vendor was contacted by Internal Audit and indicated that a sub-contractor was used for the schools serviced by the vending machine company. Reportedly, the vending contractor is attempting to resolve the issues relative to administration of the vending contract.

The absence of a signed vending contract removes responsibility from the vendor to provide vending commissions to the school and to ensure that the vending machine is operating in accordance with terms agreed to by PGCPs.

Recommendations: The principal must ensure that a current signed vending contract stipulating commissions due to the school and the frequency of these commissions is obtained and maintained

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on file at the school. The principal should contact Purchasing and Supply Services to identify an alternate vendor in the absence of a current signed contract.

2024.08 Fundraiser Reports Not Completed

The school did not comply with the requirements for administering fundraisers during the audit period. The school conducted approximately 9 clubs and organization fundraisers and 29 school-wide fundraisers for the audit period FY 2017 – FY 2023. However, Fundraiser Requests and Authorization Forms and Fundraiser Completion Reports were not completed for the sponsored fundraisers. Also, annual reports summarizing the fundraising activities for FY 2017 – FY 2023 were not completed to support compliance with the fundraising requirements.

Administrative Procedure 5135.1, *Fundraising* requires schools to complete the Fundraiser Request and Authorization Forms and Fundraiser Completion Reports for sponsored fundraisers. Annual reports summarizing fundraising activities for all fundraisers are also required. These documents must be maintained on file for public and auditor review upon request.

The principal was not aware of the fundraiser reporting requirements. The former recordkeeping staff members are no longer employed with PGCPs. Therefore, further explanation could not be obtained regarding the noncompliance.

Failure to complete fundraiser forms and reports constitutes non-compliance with BOE policies and procedures. In addition, it decreases the transparency of fundraising activities and the associated profits to interested parents and community members. It could not be readily determined whether the school's fundraisers yielded an overall profit. As a result, pertinent financial information for the school's administrators to make fiscal decisions was not available.

Recommendations: The principal must enforce the requirement for the completion of all required fundraiser reporting documents including the Fundraiser Request and Authorization Forms and Fundraiser Completion Reports for all sponsored fundraisers held during the school year. Also, the principal or designee should complete reports at the end of the school year to summarize fundraising activities held. Required reports must be maintained on file for public and auditor review.

2024.09 Improvement Needed in Management Oversight

The previous audit report for Bladensburg Elementary School was issued for the period ended December 2012. During the previous audit, the current principal was on staff. There were 13 reportable conditions noted during that audit and 8 are repeated in this current audit report.

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The principal is the fiduciary agent for the student activity funds. In this role, the principal is responsible for ensuring that these funds are administered in accordance with BOE policies and procedures and spent to provide the maximum benefit possible to students. "It is also important that the principal, who is ultimately responsible for these funds, is aware that the success of the internal control system rests largely with them."

Continued improvement is necessary to ensure compliance with BOE policies and procedures as established in the APM. ***This condition was noted during the previous audit for the period that ended in December 2012.***

Recommendations: The principal should continue to carefully review the APM and ensure that internal controls are operating effectively to ensure fiscal accountability. The principal must continue to be involved in the daily operations as it relates to the administration of the school's resources. Continued improvement of the internal control environment should be emphasized by focusing on these five basic principles of internal control:

- ❖ Clearly defined lines of authority and responsibility,
- ❖ Segregation of duties,
- ❖ Maintenance of adequate documents and records,
- ❖ Limited access to assets, and
- ❖ Independent checks on performance

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Bladensburg Elementary School was issued for the period ended December 31, 2012. During the previous audit, the current principal was on staff. The former recordkeeping staff members were not on staff. There have been 3 recordkeeping staff changes since the previous audit as noted in the appendix. There were **13** findings noted as a result of that audit of which **8** findings still exist as summarized below:

- **Missing Funds** – Controls appear to be working.
- **Delinquent Deposits** - Condition still exists. See **Finding 2024.02** regarding *Mismanagement of Funds Received: Delinquent Deposits*.
- **Financial Recordkeeping** – Condition still exists. See **Finding 2024.04** regarding *Delinquent Financial Reporting*.

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- **Incomplete and/or Inadequate Supporting Documentation** – Condition still exists. See **Finding 2024.03** *Mismanagement of Disbursements: Missing and/or Incomplete Documentation.*
- **Sales Tax not Collected for Items Sold** – Controls appear to be working.
- **Year-End Monetary Transmittal Form Envelopes** – Condition still exists. See **Finding 2024.01** regarding *Financial Records Not Retained*
- **Segregation of Duties** – Controls appear to be working.
- **Principal Sponsored Activities Fund Deficit** – Condition still exists. See **Finding 2024.05** regarding *Restricted Fund Account Deficits.*
- **Drop Safe Needed for Safeguarding Funds** – Condition still exists. See **Finding 2024.06** regarding *Depository Safe Not on the Premises.*
- **Payments to Individuals/Unincorporated Businesses for Services Rendered** – Controls appear to be working.
- **Changes on Monetary Transmittal Forms Improperly Made** – Controls appear to be working.
- **Unapproved Vendors** – Condition still exists. See **Finding 2024.03** regarding *Mismanagement of Disbursements: Unapproved Vendors.*
- **Management Oversight** – Condition still exists. See **Finding 2024.09** regarding *Improvement Needed in Management Oversight.*

ACKNOWLEDGEMENT

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

Prince George's County Public Schools
Internal Audit Department
School/Office Bladensburg ES
Response Due Date December 4, 2023

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1.	<u>2024.01 Financial Records Not Retained</u>	<p>The following recommendations are provided to ensure the school's compliance with the APM requirements administering financial records:</p> <p>A. The principal must establish a standardized and consistent records management system, which ensures that all financial documents are retained by fiscal year.</p> <p>B. The principal should establish a properly ventilated, dry space where the school's financial records are stored and where the susceptibility to damage is low.</p> <p>C. The principal should continue to seek staffing for the vacant recordkeeping staff's position to</p>		<ul style="list-style-type: none"> Staffing for the recordkeeping and financial monitoring is being sought via human resources. The ventilated room where the files are being kept will remain in place for storage. The school has been in repairs for condensation and leakage for the past year. This is not within the control of the school house. Financial documents will continue to be logged. However, an audit will continue to be requested from the financial office when there is transition of 	Dec. 2023	Not implemented

Principal Signature _____

Date November 27, 2023



		<p>ensure that the responsibility for properly maintaining the school's position is performed.</p> <p>D. The principal should complete a periodic review of financial records to determine proper organization and retention.</p>		<p>new personnel. This will support the effort to monitor the appropriate protocol for filing.</p> <ul style="list-style-type: none"> The principal will continue to periodically review financial records such as check deposits, withdrawals, and balancing of the SAF. 		
2.	<u>2024.02</u> <u>Mismanagement of Funds Received</u>	<p>The following are recommendations for improving the management of collections:</p> <p>A. Staff will be responsible for B. The principal will be responsible for C. The recordkeeping staff should ensure that the yellow MTF remittance copies are returned to staff upon verification of funds. The principal should remind staff that all MTF remittances are required to be retained in a sealed envelope and submitted to the appropriate administrator during the end-of-year closeout.</p>		<ul style="list-style-type: none"> Staff meetings will be conducted at the beginning and middle of the year regarding appropriating the collections of funds. Protocols for collecting funds will be added to the faculty handbook. The recordkeeper will be reminded of the protocols for filing the MTFs and verifying funds. 	Dec. 2023 TBD (Upon new hire being onboarded)	Not Implemented
3.	<u>2024.03</u> <u>Mismanagement of Disbursements</u>	<p>The following recommendations are made to improve disbursements deficiencies:</p> <p>A. The principal and recordkeeping staff must implement and enforce</p>		<ul style="list-style-type: none"> Goods and services will not be purchased unless appropriated via check request, approval, and 	Dec. 2023	Partially Implemented

Principal Signature _____


Date November 27, 2023



		<p>internal controls to ensure that prior to ordering or purchasing goods or services, a SFEF is completed, and approved by the principal and that all documentation substantiating the expenditure is provided prior to payment.</p> <p>B. The principal must ensure that the school's checking account signatory authority is updated with three (3) required signatures. The appropriate form should be sent to the Cash Management Office for inclusion in the school system's financial institution application.</p> <p>C. The recordkeeping staff should ensure all invoices are paid timely. Invoices are required to be paid within 30 days of receipt or by the invoice due date. The principal must hold the recordkeeping staff accountable for compliance.</p> <p>D. The principal should remind staff that all vendors are required to be approved prior to initiating school-related purchases. Staff should not be allowed to use the reimbursement process to circumvent this requirement.</p>		<p>appropriate vendors.</p> <ul style="list-style-type: none"> • The checking account signatures have been updated to include all administrators. • The recordkeeping hired staff will be held accountable for disbursement of funding to settle all invoices in a timely manner. Failure to do so will result in progressive discipline. • Vendor approved list will be accessed and shared with the staff prior to purchasing of goods and services. • The recordkeeper hired will participate in training as it pertains to ensuring that the checks are voided accurately and filed in the appropriate account lines. 		
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Principal Signature _____

Date November 27, 2023



		E. The recordkeeping staff should ensure that all checks are properly voided by removal of the signature and account lines. The principal should perform a periodic review of voided checks folder to ensure compliance with BOE policies and procedures relative to defacement.				
4.	<u>2024.04 Delinquent Financial Reporting</u>	The principal should seek to fill the vacancy of the recordkeeping staff position to facilitate timely preparation of monthly financial reporting within 7 days of receiving the statement from the bank and the completion of financial reports by the 15 th of each month.		The vacancy of recordkeeping is currently being pursued. Principal is still waiting for the selected candidate to be onboarded.	As of Oct. 2023	Not Implemented
5.	<u>2024.05 Restricted Fund Account Deficits</u>	The principal should contact the Accounting and Financial Reporting Office for guidance on resolving the restricted fund account deficits. Also, focused planning and budgeting should occur to ensure that the school's resources are used efficiently and that further deficits do not occur. The principal and future recordkeeping staff should ensure that expenditures are posted accurately to reflect current balances for the administration to make informed fiscal decisions. Proceeds from fundraising and vending activities should be appropriately transferred to		The Principal will continue to seek guidance for balancing the checkbook, cross referencing expenditures and addressing deficits when they occur.	Dec. 2023	Not Implemented

Principal Signature _____


Date November 27, 2023



		the PSA fund account to offset the existing deficit. The principal should discontinue expenditures from these accounts until the deficits are completely resolved.				
6.	<u>2024.06</u> <u>Depository Safe</u> <u>Not on the</u> <u>Premises</u>	The principal should coordinate with the office of the Director of Financial Services and Treasury Services to purchase and install a drop safe within the school that is accessible to the staff. Subsequently, a safe log should be established to document when staff place funds in the drop safe. The principal should complete periodic reviews of the safe and the safe log to ensure compliance.		A depository safe will be sought for purchase once funding is available.	TBD	Not Implemented
7.	<u>2024.07 Expired</u> <u>Vending Machine</u> <u>Contract</u>	The principal must ensure that a current signed vending contract stipulating commissions due to the school and the frequency of these commissions is obtained and maintained on file at the school. The principal should contact Purchasing and Supply Services to identify an alternate vendor in the absence of a current signed contract.		The vending machine has been removed by the vendor with the expired insurance. The school is currently without a machine. A new licensed vendor is being sought.	Oct. 2023	Fully Implemented
8.	<u>2024.08</u> <u>Fundraiser</u> <u>Reports Not</u>	The principal must enforce the requirement for the completion of all required fundraiser reporting documents		Principal will ensure the new bookkeeper will complete the		Not Implemented

Principal Signature _____

Date November 27, 2023



	<u>Completed</u>	including the Fundraiser Request and Authorization Forms and Fundraiser Completion Reports for all sponsored fundraisers held during the school year. Also, the principal or designee should complete reports at the end of the school year to summarize fundraising activities held. Required reports must be maintained on file for public and auditor review.		fundraiser reports with accuracy and in a timely manner.		
9.	<u>2024.09 Improvement Needed in Management Oversight</u>	<p>The principal should continue to carefully review the APM and ensure that internal controls are operating effectively to ensure fiscal accountability. The principal must continue to be involved in the daily operations as it relates to the administration of the school's resources. Continued improvement of the internal control environment should be emphasized by focusing on these five basic principles of internal control:</p> <ul style="list-style-type: none"> ❖ Clearly defined lines of authority and responsibility, ❖ Segregation of duties, ❖ Maintenance of adequate documents and records, ❖ Limited access to assets, and ❖ Independent checks on 		Full noted as the fiscal manager.		Partially Implemented (Until a new hire is onboarded before it is fully implemented)

Principal Signature _____

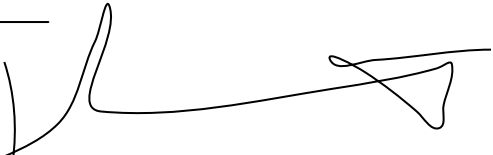
Date November 27, 2023



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Principal Signature_____

Date_____November 27, 2023_____

A handwritten signature in black ink, consisting of a stylized 'J' or 'L' shape followed by a horizontal line and a loop.