

Internal Audit Report
Bladensburg High School
School Activity Funds
For the Period Ended February 28, 2023

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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Bladensburg High School for the period October 1, 2020 through February 28, 2023. Bladensburg High School's Principal is responsible for the administration of SAF. Our responsibility is to express an opinion based on our examination.

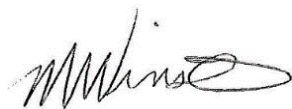
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards and, accordingly, included examining, on a test basis, evidence supporting SAF, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Our examination disclosed the following:

- *Deficits in Restricted Fund Accounts*
- *Disposition of Senior Class Accounts*
- *Delinquent Monthly Financial Reporting*
- *Administration of End-of-Year Monetary Transmittal Form Envelopes*
- *Mismanagement of Funds Received*
- *Mismanagement of Disbursements*
- *Records Retention*
- *Administration of Vending Machines Contract*
- *Improvement Needed in Management Oversight*

Individually or in the aggregate, these findings resulted in a material deviation from Board of Education (BOE) Policies and Procedures and the requirements of the Accounting Procedures Manual for School Activity Funds (APM).

In our opinion, except for the deviation from the criteria described in the preceding paragraph, the APM referred to above, was administered in compliance with BOE policies and procedures and the APM, in all material respects, for the period ended February 28, 2023



Michele Winston, CPA
Director, Internal Audit

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SUMMARY

Internal Audit completed an audit of the school activity funds (SAF) for Bladensburg High School for the period October 1, 2020 through February 28, 2023. The audit was conducted as part of the audit plan for the year.

The audit report includes 9 findings which occurred under the leadership of the current principal and recordkeeping staff. 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 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 to determine 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 review of all bank statements, financial reports, cancelled checks and all available Monetary Transmittal Form (MTF) envelopes submitted by staff for the period October 1, 2020 through February 28, 2023. Also, selected receipts, disbursements and supporting documentation were reviewed for the said period. As noted in finding 2024.07, certain financial records were not available for review.

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 Deficits in Restricted Fund Accounts

The following restricted fund accounts had deficits as of February 28, 2023, which totaled to **(\$12,492.14)**. *This condition was also noted in the previous audit as of September 30, 2020.*

Account Number	Account Name	Account Deficit
301.00	Band/Orchestra	(\$32.35)
319.00	Pom Pons	(\$5,519.31)
480.00	Yearbook	(\$6,940.48)
Total		(\$12,492.14)

According to APM Section 4.3 *Fund Accounts*, expenditures for all restricted fund accounts are limited to the amount of funds collected for those activities. Therefore, if restricted fund 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.

In the Band/Orchestra and Pom Pons fund accounts restricted fund account deficits were identified in a previous audit and predate the tenure of the school's current principal and recordkeeping staff, and a specific cause for the deficits could not be determined.

The Yearbook account deficit was identified in the school's previous audit that was completed for the period ended September 30, 2020. This deficit occurred because more yearbooks were purchased than were sold for FY 2019. Yearbook sales in FY 2019 totaled \$4,290.00, while the previous audit reported that the school retained 2 boxes of unsold yearbooks for FY 2019.

Overspending in restricted accounts results in insufficient funds being available to administer school activities to the general student population. Students are not receiving the maximum possible benefit from the resources that should have been available to them when restricted fund accounts are insolvent.

Recommendations: The principal and financial secretary discuss options for resolution of these deficits with Accounting and Financial Reporting Office. Spending in these accounts must cease until the accounts' deficits are resolved. Appropriate budgeting should be performed which involves obtaining prepayment or down payment for yearbooks to avoid future deficits in this fund account.

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2024.02 Disposition of Senior Class Accounts

The following senior class accounts which total to **\$9,712.92** have not been dissolved. ***This condition was also noted in the previous audit as of September 30, 2020.***

Account Number	Account Name	Account Balance
304.21	Class of 2020-Dues	\$400.00
304.23	Class of 2020-Fundraiser	\$534.41
304.50	Class of 2021-Dues	\$415.00
304.51	Class of 2021-Activities	\$663.71
304.54	Class of 2022-Dues	\$166.50
304.60	Class of 2022-Prom/Activities	\$6,049.07
304.61	Class of 2022-Fundraisers	\$253.39
304.90	Class of 2019	\$200.00
304.91	Class of 2019-Dues	\$560.49
304.92	Class of 2019-Fundraisers	\$270.35
304.93	Class of 2019-Prom	\$200.00
Total		\$9,712.92

According to Administrative Procedure 3450 *Class and Club Fund Terminations*, no class account can extend beyond the academic life of a senior class. As a senior class nears the end of the school year, it must plan, with the approval of the principal, for the final disposition of any residual class funds. Proper budgeting, accounting, and control of class account resources are important.

Class of 2022 residual funds were designated by the class for school mascot wraps to be applied to the exterior of the building. Building Services has been engaged to apply the wraps but they have not been applied as of the conclusion of this audit.

Class of 2021 residual funds were designated by the class for school mascot entry mats for the school. The vendor that the school engaged for the entry mats subsequently closed, and the school is seeking a new approved vendor to complete the purchase.

The 2019 senior class sponsors and principal did not ensure that a plan was in place for the final disposition of the residual class funds prior to the end of that school year.

Noncompliance with policies and procedures regarding the disposition of senior class funds can result in restricted funds being used for purposes other than those desired by the class.

Recommendations: The principal should provide a plan for the disposition of the funds remaining in the class accounts to the Office of Accounting and Financial Reporting for approval if the senior class officers are no longer available. The possibility of using residual class funds to offset restricted account deficits (e.g. Yearbook) should also be discussed with the Office of

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Accounting and Financial Reporting. A copy of the approved disposition plan should be sent to Internal Audit.

2024.03 Delinquent Monthly Financial Reporting

There were **3** instances where monthly financial reporting was not completed by recordkeeping staff and reviewed by the principal in a timely manner. Delays ranged from **28 days** to **90 days**.

According to the APM Section 5.1.2 *Monthly Reconciliation and Financial Reporting*, the recordkeeping staff is required to complete the bank reconciliation within 7 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 reported that the school's front office was short staffed and that they were sometimes required to perform other responsibilities, which lead to the delay for reports prepared for November, 2022, December, 2022, and January, 2023.

The school's principal was on extended leave and unavailable to review the reports for November, 2022, December, 2022, and January, 2023. These reports were reviewed by an Assistant Principal on March 15, 2023.

The principal's fiscal responsibility is compromised when monthly financial reporting is not available and/or reviewed timely. The principal is unable to make informed financial decisions when monthly financial reporting is not available for review and approval.

Recommendations: 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 7 days of receiving the statement from the bank and the principal's review and approval completed by the 15th). The recordkeeping staff should ensure that the financial reports are available for the principal to make fiscally responsible decisions on behalf of the school.

2024.04 End of Year Monetary Transmittal Form Envelopes

The following exceptions were identified regarding the administration of the End of the Year Monetary Transmittal Form (MTF) Envelope process for FY 2022. ***This condition was also noted in the previous audit as of September 30, 2020.***

- There were **2** instances where staff members combined their end-of-year MTFs into a single envelope;
- There were **4** instances where a staff member's MTF envelope was not signed;

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APM Section 4.5.2.2 *Cash Receipts Procedures* provides the following guidelines in section 1 *Collecting Funds: Completing the Monetary Transmittal Form (MTF)*: Prior to departing the school at year-end, staff and program managers are required to submit the pink and yellow copies of the MTFs in a sealed envelope (with their signature over the seal) to the designated administrator other than the recordkeeping staff.

The designated staff member responsible for the administration of the End-of-Year MTF Envelope process was on leave at the end of the FY 2022 school year. Another staff member assumed responsibility for administering the End-of-Year MTF Envelope process.

Ineffective year-end MTF submission process constitutes non-compliance with BOE policies and procedures and increases financial risk to the school. The audit trail for ensuring that funds collected were subsequently remitted and deposited was compromised.

Recommendations: The principal should continue to emphasize the importance for adherence to the end of year MTF envelope submission requirements during professional development at the beginning of the school year. Staff members must be held accountable for compliance.

2024.05 Mismanagement of Funds Received

There were **24** instances of noncompliance regarding funds received. ***This condition was also noted in the previous audit as of September 30, 2020.***

- ***Incomplete Monetary Transmittal Forms (MTFs) Retained:*** There were **7** instances where deposits were made without a completed MTF. Blank MTFs were retained with the school's receipt records for deposits that were made. These MTFs were supported only by images of checks or money orders. There was no documentation by school staff for funds collected. MTF remittance copies (pink and yellow) were retained with the school's receipts records and not returned to staff as required.
- ***Inadequate Supporting Documentation:*** There were **9** instances where MTFs were not supported by verified deposit slips.
- ***Untimely Deposits:*** There were **4** instances where deposits were not made in a timely manner. In 2 of those instances funds were deposited **6** and **9** days late. There were also 2 instances where funds in excess of \$250.00 was held at the school overnight. An MTF was received by recordkeeping staff on 10/14/2021 with \$860.00 cash to be deposited and was subsequently deposited on 10/18/2021; another MTF with \$1,220.00 was received by the recordkeeping staff on 2/14/2022 and was subsequently deposited on 2/16/2022.
- ***Deposits Not Accurately Posted:*** There were **4** instances where MTFs did not properly support the deposits being made:

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- 2 MTFs did not specify the account intended for deposit; and
- 2 deposits were posted to the incorrect account. A student photo commission was deposited to the PSA-Food account instead of a fundraiser account; and proceeds from a senior t-shirt sale were deposited into the Senior Dues account instead of Fundraiser/Activities account;

The APM Section 4.5.2.2 *Cash Receipts Procedures* provides the following guidelines in regarding the collection of funds:

Staff members collecting funds are required to complete MTFs and submit to recordkeeping staff along with collections. The MTF must be entirely completed with the following information. 1) who collected money; 2) when it was collected; 3) from whom it was collected; 4) the amount and form of the collection; and 5) the reason for collecting. If additional space is needed a Student Remittance Report, Excel spreadsheet, class list, receipts, or ticket/report stubs, can be used as an attachment. Bookkeepers must make deposits of all funds received at least every other day. However, no more than \$250 should be kept in the building overnight.

The bookkeeper is required to complete a bank deposit slip in duplicate, whether manually or in SFO, noting the amount of coins, currency and checks. Both the original and duplicate deposit slip should be taken to the bank to allow the duplicate to be validated. The validated copy is filed at the school with the MTF that supports the deposit.

According to the recordkeeping staff, staff members hastily remitted funds with incomplete MTFs to the school's drop safe. Staff members did not always comply with the procedures for documenting and timely remitting collections to recordkeeping staff. Reportedly, staff members were contacted when funds are dropped in the safe with blank MTFs. Staff members did not always return to the front office to complete MTFs; in those instances, funds were deposited to avoid the risk of loss.

The school held events after school and business hours where funds were collected, including a homecoming dance where t-shirts were sold and a culinary bake sale. The school did not have access to a bank's night depository, and funds received for these events were stored in the school's drop safe for later deposit.

Inadequate documentation or lack of documentation of funds received constitutes non-compliance with Board policies and procedures, compromise of internal controls and increases the risk of loss. It is impossible to verify that all SAF collected were subsequently deposited when adequate support is not available or accurate posting is not performed. Delinquent deposit of funds increases the risk of loss and impacts the quality of financial reporting.

Recommendations: The recordkeeping staff must continue to review the collection procedures with staff members. The principal must hold staff members accountable for following the

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policies and procedures relative to the completion and submission of MTFs. The principal and recordkeeping staff should agree on a designated time during the day for all staff members to remit funds collected to the financial secretary for deposits to be made promptly with the financial institution. The recordkeeping staff should promptly return incomplete MTFs to staff members to be completed before depositing funds. Cash deposits in excess of \$250.00 must be made on the same day that funds are collected. If it is not convenient or possible to make deposits during the day, the school should make the deposit by the next day.

2024.06 Mismanagement of Disbursements

There were **20** instances of noncompliance regarding the disbursement of funds. ***This condition was also noted in the previous audit as of September 30, 2020.***

- ***Disbursements Inadequately Supported:*** There were **2** instances where inadequate documentation was included to support disbursements; price quotes were used instead of invoices/receipts;
- ***Disbursements not Adequately Approved:*** There were **9** instances where disbursements were not properly approved;
 - **6** disbursements were supported by incomplete School Funds Expenditure Forms (SFEFs);
 - **3** disbursements were made before the principal's approval was recorded on the corresponding SFEF;
- ***Untimely Payments:*** There were **3** instances where payments were not made in a timely manner. These payments were made 7, 24, and 267 days late.
- ***Segregation of Duties Check Signers:*** There were **6** instances where check signers signed their own reimbursement checks.

According to APM Section 4.5.3 *Cash Disbursements*, an SFEF must be completed and signed by the principal prior to ordering or purchasing goods or services. All checks must have itemized documentation attached to the SFEF that supports the amount of the check. Examples of supporting documents are cash register receipts, invoices, bills of sale, etc. Examples of documents that are not itemized invoices or receipts include credit card receipts, statements, order confirmations, price quotes and packing slips. Invoices should be paid within 30 days of receipt. Additionally, in instances where reimbursement is necessary, check signers should not sign their own reimbursement check. This responsibility lies with the two alternate signers.

School funds were committed to purchase cosmetology club supplies in March and October, 2020 without the principal's pre-approval. The invoices for these supplies arrived at the school by mail while the school was closed during the COVID-19 pandemic. The invoices were submitted with an SFEF for approval in January, 2021 once the school had reopened.

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According to recordkeeping staff, staff members are aware of the procedures pertaining to approval of disbursements. However, there have been times where staff members forgot to obtain approval prior to purchasing the items.

Reimbursements were issued to the school's two check signers while the school experienced a delay in adding a third check signer to the school's bank account.

BOE policies and procedures regarding approval of expenditures, obtaining supporting documentation, adequate segregation of duties and timely payments were not followed.

Mismanagement of disbursements constitutes non-compliance with BOE policies and procedures and increases financial risk to the school and can result accounts being overspent and insolvency.

Recommendations: Staff must be reminded of their responsibility to obtain authorization for expenditures by completing the SFEF and obtaining the principal's approval prior to obligating the school's SAF. The recordkeeping staff must ensure that SFEFs are accompanied by appropriate supporting documentation and submitted to the principal for approval and signature. The principal should establish procedures to ensure that all disbursements are made in accordance with the APM, including the timely payment of invoices and obtaining the principal's approval for disbursements prior to obligating the SAF. Reimbursements made payable to an authorized check signer must be signed by the two alternate check signers. Staff members must be held accountable for compliance.

2024.07 Records Retention

There were **13** instances where documentation to substantiate SAF transactions **could not be located: *This condition was also noted in the previous audit as of September 30, 2020.***

- **2** cancelled check images
- **11** Funds Transfer Journal Entry Proof Sheets

According to the APM Section 6.12 *Record Retention*, all SAF records are to be retained for a period of 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, cancelled checks and contracts.

Cancelled check images are not included in monthly bank statements received from the bank. BOE policies and procedures regarding the retention of funds transfer records were not followed by the recordkeeping staff.

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Failure to make financial records available for an audit constitutes noncompliance with BOE policies and procedures and compromises the audit trail necessary for determining compliance with applicable requirements.

Recommendations: Recordkeeping staff should contact the bank and the Treasury Services to ensure that the bank delivers cancelled check images to the school with each monthly statement. The principal and recordkeeping staff should establish an adequate records management system which ensures that all financial documents are maintained in an organized manner. Funds Transfer Journal Entry Proof Sheets should be properly completed and approved and made available upon request. Recordkeeping staff must be held accountable for compliance.

2024.08 Administration of Vending Machines Contract

The school operates **3** vending machines, 2 for faculty and 1 for students. A contract for the vending services for the current school year was not on file.

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

BOE policies and procedures regarding the administration of vending contracts were not followed. Reportedly, the recordkeeping staff has made multiple requests to the vendor to obtain the current contract without success.

The school may not be deriving the maximum benefit from the operation of their vending machines when procedures regarding vending services contracts are not appropriately followed.

Recommendations: The principal and recordkeeping should contact Purchasing and Supply to secure a contract with an alternate vending machine company in the absence of response from the current vendor.

2024.09 Improvement Needed in Management Oversight

The principal did not exercise proper oversight in the administration of the SAF during the audit period. The previous audit included **5** findings, which are all repeated in this audit report. Further, there are additional 3 findings identified in this report.

According to APM Section 3.2.1 *Principals*, the principal acts as the fiduciary agent for the SAF. As such, responsibility for accounting, safeguarding, and managing the SAF in accordance with PGCPs policies and procedures rests solely with the principal.

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The principal did not adequately implement the recommendations from the school's previous audit for the period ended September 30, 2020, and did not provide effective oversight to adequately identify and address weaknesses in the school's control environment.

Several BOE policies and procedures as established in the APM were not followed, resulting in the school's internal controls being compromised. Students are not receiving the maximum possible benefit of the resources available to them.

Recommendations: The principal should carefully review the policies and procedures as defined in the APM and develop internal controls to ensure compliance. There should be consistent involvement in daily operations relating to the administration of the school's resources. Improvement of the internal control environment should be emphasized by focusing on these **5** basic principles:

- 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 High School was issued for the period ended September 30, 2020. The current principal was on staff during that audit and the current recordkeeping staff was also on staff. There were **5** findings noted as a result of that audit that are also repeated in this audit as summarized below.

- **Mismanagement of Funds Received** – Condition still exists. See **Finding 2023.05** regarding *Mismanagement of Funds Received*.
- **Mismanagement of Disbursements** – Condition still exists. See **Finding 2023.06** regarding *Mismanagement of Funds Received*.
- **Deficits in Restricted Fund Accounts** – Condition still exists. See **Finding 2023.01** regarding *Deficits in Restricted Fund Accounts*.
- **Disposition of Senior Class Fund Accounts** – Condition still exists. See **Finding 2023.02** regarding *Disposition of Senior Class Fund Accounts*.
- **Documentation for Transfer of Funds** – Condition still exists. See **Finding 2023.07** regarding *Records Retention*.

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ACKNOWLEDGEMENT

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

**Prince George's County Public Schools
Internal Audit Department
School/Office: Bladensburg HS
Response Due Date: September 8, 2023**

	Findings	Recommendations	Concur Non-Conc ur Partially Concur	Action Plan	Corrective Action Date	<u>Status</u> Implemented Partially Implemented Not Implemented
1.	<u>2024.01: Deficits in Restricted Fund Accounts</u>	The principal and financial secretary discuss options for resolution of these deficits with the Accounting and Financial Reporting Office. Spending in these accounts must cease until the accounts' deficits are resolved. Appropriate budgeting should be performed which involves obtaining prepayment or down payment for yearbooks to avoid future deficits in this fund account.	Concur	A request to utilize residual funds left in previous years' class accounts will be sent to the Office of Accounting and Financial Reporting for approval.	9/21/2023	Partially Implemented.

Principal Signature 

Date 8/23/2023

2.	<u>2024.02</u> <u>Disposition of</u> <u>Senior Class</u> <u>Accounts</u>	The principal should provide a plan for the disposition of the funds remaining in the class accounts to the Office of Accounting and Financial Reporting for approval if the senior class officers are no longer available. The possibility of using residual class funds to offset restricted account deficits (e.g. Yearbook) should also be discussed with the Office of Accounting and Financial Reporting. A copy of the approved disposition plan should be sent to Internal Audit.	Concur	A request to utilize residual funds left in previous years' class accounts to resolve deficits in the restricted fund accounts. It will be sent to the office of accounting and financial reporting for approval.	9/21/2023	Partially implemented.
3.	<u>2024.03</u> <u>Delinquent</u> <u>Monthly</u> <u>Financial</u> <u>Reporting</u>	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 7 days of receiving the statement from the bank and the principal's review and approval completed by the 15 th). The recordkeeping staff should ensure that the financial reports are available for the principal to make fiscally responsible decisions on behalf of the school.	Concur	The Principal and Bookkeeper will conduct financial meetings weekly. The principal and bookkeeper will review the bank statement from Truist and review all expenditure forms/sign checks during the first meeting of each month. The principal will establish a hard deadline to review and sign all financial statements during the second meeting of the month (week 2).	9/6/2023	Implemented

Principal Signature 

Date 8/23/2023

4.	<u>2024.04 End of Year Monetary Transmittal Form Envelopes</u>	The principal should continue to emphasize the importance for adherence to the end of year MTF envelope submission requirements during professional development at the beginning of the school year. Staff members must be held accountable for compliance.	Concur	Staff will be reminded during each staff meeting, as well as professional development, of the importance of adhering to the MTF submission process at the end of the year. Extra attention will be given and stressed regarding holding all staff members accountable.	9/14/2023	Implemented
5.	<u>2024.05 Mismanagement of Funds Received</u>	The recordkeeping staff must continue to review the collection procedures with staff members. The principal must hold staff members accountable for following the policies and procedures relative to the completion and submission of MTFs. The principal and recordkeeping staff should agree on a designated time during the day for all staff members to remit funds collected to the financial secretary for deposits to be made promptly with the financial institution. The recordkeeping staff should promptly return incomplete MTFs to staff members to be completed before depositing funds. Cash deposits in excess of \$250.00 must be made on the same day that funds are collected. If it is not convenient or possible to make deposits during the day, the school should make the deposit by the next day.	Concur	The bookkeeper conducted SAF training for all staff members during the September 14 th staff meeting. A SAF policy and procedure reference guide was handed out as well. Staff members were made aware that all funds collected should be submitted to the bookkeeper by 3:00 pm daily. Staff members were informed of the location of the drop safe and log, in case the bookkeeper is not available. An email reminder will go out to all staff members who utilize the drop safe the following morning.	9/14/2023	Implemented

Principal Signature 

Date 8/23/2023

6.	<u>2024.06</u> <u>Mismanagement</u> <u>of Disbursements</u>	Staff must be reminded of their responsibility to obtain authorization for expenditures by completing the SFEF and obtaining the principal's approval prior to obligating the school's SAF. The recordkeeping staff must ensure that SFEFs are accompanied by appropriate supporting documentation and submitted to the principal for approval and signature. The principal should establish procedures to ensure that all disbursements are made in accordance with the APM, including the timely payment of invoices and obtaining the principal's approval for disbursements prior to obligating the SAF. Reimbursements made payable to an authorized check signer must be signed by the two alternate check signers. Staff members must be held accountable for compliance.	Concur	Expenditure form procedures were thoroughly discussed with staff members during the September staff meeting. The bookkeeper stressed the importance of attaching proper backup documentation to each expenditure form. The principal will request to review all payables during her weekly meeting with the bookkeeper. The principal and bookkeeper have created a check advance acknowledgement form. This states that all change/unused funds, as well as receipts, must be returned to the bookkeeper within 2 business days.	9/14/2023	Implemented
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Principal Signature 

Date 8/23/2023

7.	<u>2024.07 Records Retention</u>	Recordkeeping staff should contact the bank and the Treasury Services to ensure that the bank delivers canceled check images to the school with each monthly statement. The principal and recordkeeping staff should establish an adequate records management system which ensures that all financial documents are maintained in an organized manner. Funds Transfer Journal Entry Proof Sheets should be properly completed and approved and made available upon request. Recordkeeping staff must be held accountable for compliance.	Concur	A request to receive all canceled checks has been forwarded to Truist. Journal Entry proof sheets are reviewed and signed by the Principal during her weekly meeting with the bookkeeper.	7/1/2023	Implemented
8.	<u>2024.08 Administration of Vending Machines Contract</u>	The principal and recordkeeper should contact Purchasing and Supply to secure a contract with an alternate vending machine company in the absence of response from the current vendor.	Concur	The bookkeeper will research alternate vending machine vendors with Purchasing and discuss the viability of changing vendors.	10/1/2023	Not Implemented

Principal Signature  _____

Date 8/23/2023

9.	<u>2024.09</u> <u>Improvement</u> <u>Needed in</u> <u>Management</u> <u>Oversight</u>	<p>The principal should carefully review the policies and procedures as defined in the APM and develop internal controls to ensure compliance. There should be consistent involvement in daily operations relating to the administration of the school's resources. Improvement of the internal control environment should be emphasized by focusing on these 5 basic principles:</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 Performance. 	Concur	<p>The principal will leverage a rolling agenda that monitors the completion of duties and maintenance of records weekly. A clear delineation of duties will be shared with the entire staff, and the administrator over MTF will complete random checks for compliance. Quarterly checks on performance will align with BOY, MOY, and EOY</p>		
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Principal Signature  _____

Date 8/23/2023