

Internal Audit Report

Chesapeake Math & IT Academy North
Elementary Public Charter
School Activity Funds

For the Period Ended January 31, 2024

**Internal Audit Report
Chesapeake Math & IT Academy North Elementary
Public Charter School
School Activity Funds
For Period Ended January 31, 2024**

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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Chesapeake Math & IT (CMIT) Academy North Elementary Public Charter School for the period August 1, 2022 to January 31, 2024. CMIT North Elementary Public Charter 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 a single finding: ***Inadequate Documentation of Disbursements***

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 January 31, 2024.



Michele Winston, CPA
Director, Internal Audit

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SUMMARY

Internal Audit completed an audit of the school activity funds (SAF) for CMIT North Elementary Public Charter School for the period August 1, 2022 to January 31, 2024. The audit was conducted as part of the annual audit plan.

This audit report includes **1** finding that occurred under the leadership of the current principal. The finding and the personnel responsible are included in the appendix at the end of the audit report.

OBJECTIVES

The objectives of the audit were to determine the effectiveness of the system of internal controls and whether the school was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and the 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, canceled checks, all voided checks, and Monetary Transmittal Form (MTF) envelopes submitted for the period August 1, 2022, to January 31, 2024. Also, available receipts, disbursements, and supporting documentation were reviewed for the said period.

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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FINDING AND RECOMMENDATION

2024.01 Inadequate Documentation of Disbursements

There were **2** instances where disbursements were not adequately supported. Price quotations were used to substantiate expenditures instead of invoices.

According to the APM Section 4.5.3.1 *Cash Disbursements Procedures*, all checks must have itemized documentation attached to the School Funds Expenditure Form that supports the amount of the check. Examples of supporting documentations 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.

The school conducted multiple field trips which required coordination for transportation with the same vendor. The inclusion of price quotations instead of invoices to support expenditures related to the field trips was due to the recordkeeping staff's oversight.

Inadequate supporting documentation does not facilitate an acceptable audit trail and results in the compromise of audit evidence. The assurance that purchases were recorded appropriately and in accordance with the prescribed policy is also impacted in the absence of the proper underlying documentation.

Recommendation: Recordkeeping staff must ensure that the support for disbursement of funds includes an original invoice or store receipt, bill of sale, etc. when processing disbursements. The principal must also ensure that checks submitted for signatures are accompanied by sufficient documentation to support the corresponding disbursement.

STATUS OF PRIOR YEAR FINDINGS

The previous audit report for CMIT North Elementary Public Charter School was issued for the period ended July 31, 2022. The current principal and recordkeeping staff were on staff during that audit. There were **no findings noted** as a result of that audit.

ACKNOWLEDGEMENT

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

Prince George's County Public Schools
Internal Audit Department
School/Office- CMIT North Elementary Public Charter School
Response Due Date June 20, 2024

Findings	Recommendations	Concur Non-Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1. <u>2024.01</u> Inadequate Documentation for Disbursements	Recordkeeping staff must ensure that the support for disbursement of funds includes an original invoice or store receipt, bill of sale, etc. when processing disbursements. The principal must also ensure that checks submitted for signatures are accompanied by sufficient documentation to support the corresponding disbursement.	Concur	The Bookkeeper will review and confirm receipt of an invoice or obtain a final invoice for payment from the field trip coordinator or vendor prior to disbursement. The Principal and Bookkeeper will review all disbursements during the monthly bookkeeping meeting.	3/13/2024	Implemented

Principal Signature _____



Date _____

3/13/2024