



March 7, 2024

**MEMORANDUM**

To: Elizabeth Saunders, Ed. D, Instructional Director  
Charter Schools

Gordon Libby, Principal, College Park Academy PCS High School  
Steven Baker, Principal, College Park Academy PCS Middle School

From: Michele Winston, CPA, Director  
Internal Audit

Re: School Activity Funds Audit for the Period October 1, 2021 through October 31, 2023

An audit of the school activity fund records of **College Park Academy Charter School** was completed for the period October 1, 2021 through October 31, 2023. The audit indicates that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual for School Activity Fund (APM) and Board of Education policies and procedures. The exceptions noted are included in the attached report.

As principals of the school, you will be responsible for preparing an action plan by **April 8, 2024** indicating steps that will be taken to ensure compliance with the APM. Please note that you are required to provide your action plan using the attached Microsoft word template and any other correspondence to the Internal Audit Office, email address [internal.audit@pgcps.org](mailto:internal.audit@pgcps.org). **Please forward this template as a Microsoft Word document.** A copy of your action plan should also be forwarded to Roderick Adams, Compliance and Procedures Administrator, email address: [roderick.adams@pgcps.org](mailto:roderick.adams@pgcps.org) and Katrina Greene, School Activity Funds Support Specialist, email address: [katrina.greene@pgcps.org](mailto:katrina.greene@pgcps.org).

Enclosure

cc: Judy Mickens-Murray, Board Chair  
Millard House, II, Superintendent  
Members, Board of Education  
Lisa Howell, Chief Financial Officer  
J. Michael Dougherty, Director, Financial Services  
Rahshene Davis, Ed. D., Chief of Schools  
Robin Welsh, Director of Office of Government Relations, Compliance and Procedures  
Ryvell Fitzpatrick, Executive Director, Board of Education  
Frank Turner II, Integrity and Compliance Officer  
Roderick Adams, Administrator, Compliance and Procedures  
Monica Gaines, Ed. D., Charter School Liaison  
Katrina Greene, School Activity Fund Support Specialist  
Janice Walters-Semple, CPA, Supervisor Internal Audit  
Theodore Dzodzomenyo, Internal Auditor II

# Internal Audit Report

## College Park Academy School Activity Funds

For the Period Ended October 31, 2023

**College Park Academy  
Internal Audit Report  
For Period Ended October 31, 2023**

**Table of Contents**

INTERNAL AUDITOR’S REPORT.....	2
SUMMARY .....	3
OBJECTIVES.....	3
SCOPE .....	3
FINDINGS AND RECOMMENDATIONS.....	4
STATUS OF PRIOR AUDIT FINDINGS .....	6
ACKNOWLEDGEMENT .....	7

**College Park Academy  
Internal Audit Report  
For Period Ended October 31, 2023**

**Internal Auditor's Report**

We have examined the School Activity Funds (SAF) of College Park Academy for the period October 1, 2021 to October 31, 2023. College Park Academy's principals are 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:

- *Disposition of Senior Class Accounts*
- *Administration of Senior Class Planning and Budget Workbook*
- *Year-End Monetary Transmittal Forms Submission Process*

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 October 31, 2023.



Michele Winston, CPA  
Director, Internal Audit

**College Park Academy  
Internal Audit Report  
For Period Ended October 31, 2023**

**SUMMARY**

Internal Audit completed an audit of the student activity funds (SAF) for College Park Academy for the period October 1, 2021 to October 31, 2023. The audit was conducted as part of the annual audit plan.

This audit report includes **3** findings that occurred under the leadership of the current principals. A listing of the findings and the personnel responsible are included in the appendix at the end of the audit report. Detailed findings from the current audit are cited on the following pages with accompanying recommendations for corrective action.

**OBJECTIVES**

The objectives of the audit were to determine the effectiveness of the system of internal controls and whether the school was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and the 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 October 1, 2021, to October 31, 2023. Also, available receipts, disbursements, and supporting documentation were reviewed for the said period. Audit results were based on available documentation.

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

**College Park Academy  
Internal Audit Report  
For Period Ended October 31, 2023**

**FINDINGS AND RECOMMENDATIONS**

**2024.01: Disposition of Senior Class Accounts**

Senior Class accounts were not administered as required. The following **12** Senior Class accounts have extended beyond their academic life.

<b><u>Account #</u></b>	<b><u>Class</u></b>	<b><u>Amount</u></b>
304.01	Class of 2021 - Prom	\$ 145.44
304.02	Class of 2021 - Dues	\$ 1,719.44
304.04	Class of 2021 - Fundraisers	\$ 6.68
304.06	Class of 2022 - Dues	\$ 4,802.00
304.07	Class of 2022 - Prom	\$ 347.88
304.09	Class of 2020 - Activities	\$ 269.89
304.11	Class of 2020 - Prom	\$ 309.37
304.12	Class of 2020 - Fundraisers	\$ 817.10
310.08	Class of 2023 - Fundraisers	\$ 249.00
310.09	Class of 2023 - Dues	\$ 4,361.10
310.10	Class of 2023 – Activities/Prom	\$ 719.73
310.12	Class of 2019	\$ 2,769.96
<b>Total</b>		<b>\$ 16,517.59</b>

In accordance with Administrative Procedure (AP) No. 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 approval of the principal, for the final disposition of any residual class funds. Appropriate uses of residual funds include:

1. Donation to materials of instruction account.
2. Donation for specific school improvements or equipment.
3. Reservation for scholarship awards.
4. Transfer to Principal-Sponsored Activities (PSA) account, up to a maximum of 25 % of residual funds.

Further, Section C of Administrative Procedure 3450 requires the transfer of residual funds to the Materials of Instruction fund account in the absence of an adequate disposition plan.

Class sponsors failed to prepare the required budget workbooks (See 2024.02: Administration of Senior Class Planning and Budget Workbook). The Class of 2019 was the school's first senior class and class sponsors miscalculated the costs involved in administering class activities. As a result, collections from students were excessive and resulted in the school issuing refund checks to the senior students. However, some

**College Park Academy  
Internal Audit Report  
For Period Ended October 31, 2023**

students did not cash their refund checks resulting in the remaining Class of 2019 balance. Sufficient funds were not available in the remaining class accounts for FY 2020 through FY 2023 to satisfy the distribution requested in the final class disposition plans which resulted in the residual balances in those fund accounts.

The school did not follow BOE policies and procedures as established in the APM for administering Class Accounts. Dormant-Restricted funds could potentially be used to support student activities.

**Recommendation:** Class sponsors must be held accountable for preparing the budget workbooks. The recordkeeping staff, in consultation with the Accounting and Financial Reporting Office, should follow the procedure indicated in Section C of Administrative Procedure 3450 to transfer the residual funds to the Materials of Instruction account in lieu of an adequate disposition plan. Also, the recordkeeping staff should provide guidance to the class officers and sponsors regarding the allocation of residual funds to facilitate ease of distribution.

**2024.02: Administration of Senior Class Planning and Budget Workbook**

The Senior Class Planning and Budget Workbook was not developed and provided to the recordkeeping staff for inclusion with the school's annual report submitted to the Accounting and Financial Reporting Office during the audit period.

The APM, Section 7.3, *Class and Club Accounts*, requires that a copy of annual budgets for all school clubs should be provided to the school's bookkeeper. It further states that a Senior Class Planning and Budget Workbook must be included in the school's annual report submission due in mid-July.

According to the recordkeeping staff, failure to prepare the Senior Class Planning and Budget Workbook for submission to AFRO with the July reconciliation report was an oversight by the class sponsor.

The lack of class budgeting constitutes non-compliance with BOE policies and procedures and increases financial risk to the school. It decreases the coordination between club sponsors and the school administration regarding the planning and execution of necessary payments. The absence of a budgeting process will also increase the risk of insolvent accounts and has resulted in excessive collection for class activities (See 2024.01: Disposition of Senior Class Accounts.)

**Recommendations:** The principal and senior class sponsor in coordination with the financial recordkeeping staff should ensure that annual budgets are prepared and submitted to AFRO as required. The financial recordkeeping staff and senior sponsors should be held accountable for including the required senior class budget workbook with their final trimester report to AFRO in subsequent years.

**College Park Academy  
Internal Audit Report  
For Period Ended October 31, 2023**

**2024.03: Year-End Monetary Transmittal Forms Submission Process**

The year-end monetary transmittal process was not followed as prescribed in the APM. Staff members' MTF remittances (pink and yellow) were not included in their year-end MTF envelopes in 3 instances for FY 2022.

The APM Section 4.5.2.2 (1) *Collecting Funds* indicates that the staff member is responsible for completing the MTF and maintaining an envelope containing all the MTF remittances (pink and yellow) prepared during the year. Staff members are required to submit copies in signed, sealed MTF envelopes to the designated administrator during the year-end checkout process. The envelopes should remain sealed and inaccessible to recordkeeping staff until requested by Internal Audit.

Reportedly, a staff member left the school mid-year and did not remit the MTF to the administrators. Staff members misplaced their MTF remittances in the other 2 instances.

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

**Recommendations:** The principals should ensure that MTF submission is included in the check-out process upon resignation or transfer of a staff member. Also, staff must be held accountable for returning MTFs as required. The financial secretary should continue to print the "Receiptee History" report from the school's accounting system listing MTFs issued and provide it to the administrator or the principal's designee responsible for collecting MTF envelopes at year-end. The principal's designee should ensure that all MTF envelopes are collected and remain sealed until reviewed by Internal Audit.

**STATUS OF PRIOR YEAR FINDINGS**

The previous audit report for College Park Academy was issued for the period ended September 30, 2021. The principals and financial secretary were in their current positions at that time. The following findings were noted as a result of the last audit and their current status is indicated below.

- **Mismanagement of Disbursements** - Condition was not noted during this audit.
- **Year-End Monetary Transmittal Forms Submission Process** - Condition still exists. See finding 2024.03 regarding *Year-End Monetary Transmittal Forms Submission Process*.
- **Excessive Spending in Restricted Accounts** - Condition was not noted during this audit.



**College Park Academy  
Internal Audit Report  
For Period Ended October 31, 2023**

**ACKNOWLEDGEMENT**

We would like to thank the principals and staff of College Park Academy for their cooperation and assistance extended during the audit.

**Prince George's County Public Schools**  
**Internal Audit Department**  
**School/Office- College Park Academy**  
**Response Due Date April 8, 2024**

	Findings	Recommendations	Concur Non-Concur Partially Concur	Action Plan	Corrective Action Date	<u>Status</u> Implemented Partially Implemented Not Implemented
1.	<u>2024.01 Disposition of Senior Class Accounts</u>	Class sponsors must be held accountable for preparing the budget workbooks. The recordkeeping staff, in consultation with the Accounting and Financial Reporting Office, should follow the procedure indicated in Section C of Administrative Procedure 3450 to transfer the residual funds to the Materials of Instruction account in lieu of an adequate disposition plan. Also, the recordkeeping staff should provide guidance to the class officers and sponsors regarding the allocation of residual funds to facilitate ease of distribution.	Concur	We will meet with the class sponsors and will review the budget workbooks with them. They will complete the budget workbooks prior to the end of the school year prior to their students being seniors. We will also have them complete attachment I in percentages instead of dollar amounts in the event the ending balance is not exactly what they expected. Senior last day is early May and invoices may not all have been received. The workbooks will be on file for the auditors.	3/2024	Implemented
2.	<u>2024.02 Senior Class Planning and Budget Workbook not</u>	The principal and senior class sponsor in coordination with the financial recordkeeping staff should ensure that annual budgets are	Concur	We will meet with the class sponsors and will review the budget workbooks with them. They will complete the budget		

Principal Signature\_\_\_\_\_



Date: April 8, 2024

	<b><u>completed and submitted</u></b>	prepared and submitted to AFRO as required. The financial recordkeeping staff and senior sponsors should be held accountable for including the required senior class budget workbook with their final trimester report to AFRO in subsequent years.		workbooks prior to the end of the school year prior to their students being seniors. These workbooks will be submitted with the July reconciliation to AFRO.		
3.	<b><u>2024.03 Year-End Monetary Transmittal Forms Submission Process</u></b>	The principals should ensure that, financial records are included in the check-out list and upon the resignation or transfer of the records must be received and retained. Also staff must be held accountable for returning MTFs as required. The financial secretary should continue to print the "Receiptee History" report from the school's accounting system listing MTFs issued and provide it to the administrator or the principal's designee responsible for collecting MTF envelopes at year-end. The principal's designee should ensure that all MTF envelopes are collected and remain sealed until reviewed by Internal Audit.	Concur	In this instance, MTFs were not collected from an employee that left before the school year ended. We have added the collection of MTFs from anyone that resigns prior to the end of the school year.	3/2024	Implemented

Principal Signature \_\_\_\_\_



Date: April 8, 2024