

Internal Audit Report

Phyllis E. Williams Spanish Immersion School

School Activity Funds

For the Period Ended April 30, 2024

**Phyllis E. Williams Spanish Immersion School
School Activity Funds
Internal Audit Report
For Period Ended April 30, 2024**

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Internal Auditor's Report

We have examined the Student Activity Funds (SAF) of Phyllis E. Williams Spanish Immersion School for the period October 1, 2017, through April 30, 2024. Phyllis E. Williams Spanish Immersion 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 on File and*
- *Mismanagement of Funds Received*

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 Phyllis E. Williams Spanish Immersion School SAF, for the period ended April 30, 2024.

Janice Walters-Semple, CPA
Acting Director, Internal Audit



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SUMMARY

Internal Audit completed an audit of the school activity funds (SAF) for Phyllis E. Williams Spanish Immersion School for the period October 1, 2017, to April 30, 2024. The audit was conducted as part of the annual audit plan.

The audit report includes 2 findings which occurred under the leadership of the former and current principals. 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.

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, canceled checks, all voided checks and Monetary Transmittal Form (MTF) envelopes submitted for the period October 1, 2017, to April 30, 2024. Also, available receipts, disbursements and supporting documentation were reviewed for the said period. ***Certain financial records requested for review were not provided. See Finding 2025.01, Financial Records Not on File.***

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:

2025.01 Financial Records Not on File

The following financial records were not provided to substantiate SAF transactions during the audit:

- **105** End-of-Year MTFs (FY 2023)
- **6 Deposit Documents** FY 2023 **(5)**, FY 2024 **(1)**
- **2 Voided Checks**
- **2 Fund Transfer Journal Entry Proof Sheets**

The APM 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.

The school was undergoing renovation during the audit fieldwork. An effective records management system was not implemented. Consequently, certain financial records could not be located for review upon request.

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 recordkeeping staff's inability to provide requested financial records.

Recommendations: The current principal and recordkeeping staff must establish a standardized and consistent records management system, which ensures that all financial documents are retained by fiscal year and are retrievable when requested. The principal should complete periodic reviews of financial records to determine proper organization and retention. The recordkeeping staff must be held accountable to ensure that financial records are properly maintained and are accessible.

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2025.02 Mismanagement of Funds Received

The following instances of mismanagement of collections were noted:

- ***Delinquent Deposits:*** There were at least **4** instances where the current recordkeeping staff did not remit funds to the financial institution in a timely manner. Delinquent deposit of funds ranged from 4 to 7 days.
- ***Inaccurate Recording of Funds Collected:*** Monetary Transmittal Fund dates and deposit dates were not entered in the accounting system accurately in **3** instances.

The APM provides the following guidelines for processing funds received at schools:

- Section 4.5.2.2 (1) *Collecting Funds and Guidelines for Bank Deposits Completing the MTF, and 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, at least every other day.
- Section 3.2.2 *Bookkeepers/Financial Secretaries* requires the recordkeeping staff or financial secretary to accurately record and report the school's financial transactions.

The principal did not designate a specific time for teachers to remit funds collected to the recordkeeping staff. As such, teachers did not complete MTFs until after dismissal. This caused verification of SAF to occur later in the afternoon. As a result, funds were not deposited timely. The current recordkeeping staff did not properly record MTFs in SFO due to holding funds longer than required. The recordkeeping staff entered the transaction of a prior day with the current date in SFO instead of the MTF date. This practice resulted in inaccurate recording of MTFs in SFO.

Internal controls are compromised and there is the risk of loss of funds from delinquent deposits. Financial reporting is distorted when financial transactions are not accurately recorded in the accounting system.

Recommendations: The principal should conduct a periodic review of deposits and MTF logs to ensure compliance. The recordkeeping staff must establish a start and end time for teachers to submit MTFs. Also, the recordkeeper must allow time to complete all bookkeeping duties and make timely SFO entries and timely deposits.

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STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Phyllis E. Williams Spanish Immersion School was issued for the period ended September 30, 2017. During the previous audit, the current principal was not on staff. However, the current recordkeeping staff was on staff. There were **6** findings noted because of that audit of which **1** finding still exists as summarized below:

- *Mismanagement of Funds Received* - See Finding 2025.2 regarding ***Mismanagement of Funds Received***.
- Mismanagement of Disbursements - Controls appear to be working.
- Administration of Voided Checks - Controls appear to be working.
- Financial Reporting - Controls appear to be working.
- Fundraiser Forms - Controls appear to be working.
- Transfers Not Properly Approved - Controls appear to be working.

ACKNOWLEDGEMENT

We would like to thank the principal and staff of Phyllis E. Williams Spanish Immersion School for their cooperation and assistance extended during the audit.



Phyllis E. Williams Spanish Immersion School
Student Activities Funds
Audit Report Appendix - Findings Timeline
April 30, 2024

AUDIT FINDINGS	Shawn Hintz, Former Principal (7/27/16 - 6/30/19)	Dr. Angelique Acebedo Barron, Former Principal (2/01/19 - 6/30/20)	Cynthia Rogers, Current Principal (7/01/20 - Current)	Carolyn Witt Recordkeeping Staff (6/25/04 - Current)
2025.01 Financial Records not on File	X	X	X	X
2025.02 Mismanagement of Funds Received	X	X	X	X
Total	2	2	2	2

Prince George's County Public Schools
Internal Audit Department
School/Office: Phyllis E. Williams Spanish Immersion- School Activity Funds
Response Due Date: October 28, 2024

	Findings	Recommendations	Action Plan	Corrective Action Date	Implemented	Status Partially Implemented	Not Implemented
2025.01 Financial Records Not on File	<p>The following financial records were not provided to substantiate SAF transactions during the audit:</p> <ul style="list-style-type: none"> - 105 End-of-Year MTFs (FY 2023) - 6 Deposit Documents FY 2023 (5), FY 2024 (1) - 2 Voided Checks - 2 Fund Transfer Journal Entry Proof Sheets 	<p>The current principal and recordkeeping staff must establish a standardized and consistent records management system, which ensures that all financial documents are retained by fiscal year and are retrievable when requested. The principal should complete periodic reviews of financial records to determine proper organization and retention. The recordkeeping staff must be held accountable to ensure that financial records are properly maintained and are accessible.</p>	<p>1. The principal and the bookkeeper have established a consistent records management system which ensures that all financial documents are retained by fiscal year and available for retrieval</p>	10/28/24	Yes		


CFO/Principal/Director's Signature 
Date 10/28/2024

			<p>upon request.</p> <p>2. The principal completes a review of the financial records on a monthly basis.</p> <p>3. The bookkeeper is held accountable to ensure that all financial records are properly maintained and accessible upon request.</p>			Yes		
						Yes		

CFO/Principal/Director's Signature 

Date 10/28/2024

<p>2025.02 Mismanagement of Funds Received</p>	<p>The following instances of mismanagement of collections were noted:</p> <ul style="list-style-type: none"> ▪ Delinquent Deposits: There were at least 4 instances where the current recordkeeping staff did not remit funds to the financial institution in a timely manner. Delinquent deposit of funds ranged from 4 to 7 days. ▪ Inaccurate Recording of Funds Collected: Monetary Transmittal Fund dates and deposit dates were not entered in the accounting system accurately in 3 instances. 	<p>The principal should conduct a periodic review of deposits and MTF logs to ensure compliance. The recordkeeping staff must establish a start and end time for teachers to submit MTFs. Also, the recordkeeper must allow time to complete all bookkeeping duties and make timely SFO entries and timely deposits.</p>	<p>Whenever funds are collected, counted and received and taken to the bank, MTF's are completed by any/all staff members to ensure compliance. All funds are given to the bookkeeper prior to 1:30 pm. The bookkeeper counts the money and the money is taken to the bank and deposited by the</p>	<p>Yes</p>		
				<p>Yes</p>		

CFO/Principal/Director's Signature 

Date 10/28/2024

			close of business for that day. No money is placed in the vault.				
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CFO/Principal/Director's Signature

Date

10/18/2024

Elizabeth S. Parker