



August 10, 2022

MEMORANDUM

To: Kristil Fossett, Ed. D., Instructional Director
Cluster 8

Keshia Hogue, Principal
Benjamin D. Foulois Academy

From: Michele Winston, CPA, Director
Internal Audit

Re: Student Activity Funds Financial Audit as of March 31, 2022

An audit of the financial records of **Benjamin D. Foulois Academy** was completed for the period July 1, 2018 through March 31, 2022. 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 Funds (APM) and Board of Education policies and procedures. The exceptions noted are included in the attached report.

As the principal of the school, you will be responsible for preparing an action plan by **September 12, 2022**, indicating steps that will be taken to ensure compliance with the APM. Please note that you are required to provide your signed and dated action plan using the attached Microsoft word template and any other correspondence to the Internal Audit Office, email address: internal.audit@pgcps.org. A copy of the action plan should be forwarded to Danyelle Washington, Business Analyst, email address: dany.washington@pgcps.org; and Katrina Greene, email address: katrina.greene@pgcps.org.

cc: Juanita Miller, Ed. D., Board Chair
Monica Goldson, Ed. D., Chief Executive Officer of Schools
Members, Board of Education
Mychael Dickerson, Chief of Staff
Michael Herbtzman, Chief Financial Officer
J. Michael Dougherty, Director, Financial Services
Helen Coley, Ed. D., Chief of School Support and Leadership
David Curry, Ed. D., Associate Superintendent
Joeday Newsom, Esq., Director, Board of Education Staff Office
Robin Welsh, Director of Monitoring, Accountability and Compliance
Katrina Greene, School Activity Fund Support Specialist
Janice Walters-Semple, CPA, Supervisor Internal Audit
Benjamin Hanks, Internal Auditor II

Internal Audit Report

Benjamin D. Foulois Academy
School Activity Funds

For the Period Ended March 31, 2022

**Benjamin D. Foulis Academy
School Activity Funds
Internal Audit Report
For Period Ended March 31, 2022**

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**Benjamin D. Foulois Academy
School Activity Funds
Internal Audit Report
For Period Ended March 31, 2022**

Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Benjamin D. Foulois Academy for the period July 1, 2018 to March 31, 2022. Benjamin D. Foulois' 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 Supporting Documentation for Disbursements*

The finding resulted in a 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, considering the deviation from the criteria described in the preceding paragraph, the SAF referred to above has mostly been administered in compliance with BOE policies and procedures and the APM, in all material respects, for the period ended March 31, 2022.



Michele Winston, CPA
Director, Internal Audit

**Benjamin D. Foulois Academy
School Activity Funds
Internal Audit Report
For Period Ended March 31, 2022**

SUMMARY

An audit of the school activity funds (SAF) for Benjamin D. Foulois Academy was completed for the period July 1, 2018 to March 31, 2022. The audit was conducted as part of the annual audit plan.

The audit indicated that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual for School Activity Funds (APM) and Board of Education (BOE) policies and procedures.

This audit report includes **1** finding, which occurred under the leadership of the current principal. The finding and the personnel responsible is included in the appendix at the end of the audit report. Detailed finding from the current audit is 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 APM and the 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, cancelled checks, all voided checks and Monetary Transmittal Form (MTF) envelopes submitted for the period July 1, 2018 to March 31, 2022. 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.

**Benjamin D. Foulois Academy
School Activity Funds
Internal Audit Report
For Period Ended March 31, 2022**

FINDING AND RECOMMENDATION

The audit resulted in the following finding and recommendation:

2023.01 Inadequate Supporting Documentation for Disbursements

There were 2 disbursements made without adequate documentation supporting. The disbursements did not include itemized supporting documentation that matched the amount of the disbursement:

- Check# 7535 was written for \$40.00 as a reimbursement for a Papa John's Pizza purchase. The supporting documentation for this disbursement included only a credit card payment receipt supporting a total purchase price of \$41.08. The payment receipt was not itemized to list each item purchased and the tax amount.
- Check# 7564 was written for \$428.51 as a reimbursement for Amazon.com purchases. The supporting documentation for this disbursement included only shopping cart totals and not an itemized list of the items purchased, which totaled to \$448.65.

According to the APM Section 4.5.3, *Cash Disbursements*, prior to ordering or purchasing goods or services, a School Funds Expenditure Form (SFEF) must be completed for each disbursement, including verification of the amount of funds available and itemized documentation to support the amount of the expenditure.

Recordkeeping staff was not aware of the requirements for SFEF documentation to include itemized receipts/invoices.

Mismanagement of disbursements constitutes non-compliance with BOE policies and procedures and increases financial risk to the school and staff. Lack of proper documentation for disbursements can obligate the school for goods and services that were unintended.

Recommendation: Recordkeeping staff should ensure that documentation used to support expenditures includes an itemized list of goods purchased. The principal should establish procedures to ensure that all disbursements are made in accordance with the requirements of the APM.

Benjamin D. Foulois Academy
School Activity Funds
Internal Audit Report
For Period Ended March 31, 2022

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Benjamin D. Foulois Academy was issued for the period ended June 30, 2018. Neither the principal nor the recordkeeping staff was in their current positions during that audit. There were **5** findings noted as a result of the previous audit and 1 was repeated. the current status is summarized below:

- **Mismanagement of Funds Received** – Condition was not noted during this audit.
- **Mismanagement of Disbursements** – Condition still exists. See **2023.01** regarding *Inadequate Supporting Documentation for Disbursements*.
- **Record Retention** – Condition was not noted during this audit.
- **Financial Reporting** – Condition was not noted during this audit; and
- **Fundraiser Forms** – Condition was not noted during this audit.

ACKNOWLEDGEMENT

We would like to thank the principal and staff of Benjamin D. Foulois Academy for their cooperation and assistance extended during the audit.

**Prince George's County Public Schools
Internal Audit Department**

School/Office: Benjamin Foulois Academy

Response Date September 12, 2022

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	<u>Status</u> Implemented Partially Implemented Not Implemented
1.	<u>2023.01</u> <u>Inadequate</u> <u>Supporting</u> <u>Documentation</u> <u>for</u> <u>Disbursements</u>	Recordkeeping staff should ensure that documentation used to support expenditures includes an itemized list of goods purchased. The principal should establish procedures to ensure that all disbursements are made in accordance with the requirements of the APM.	Mostly occur.	<ul style="list-style-type: none"> ● Professional Development for staff regarding procedures for Purchases and reimbursement. ● Required Staff signature for Confirmation of Training. ● Protocol will be placed in Staff Handbooks and Weekly Updates. ● Employees will submit a written request documenting what items and from what approved vendors they would like to purchase goods and services. ● After receiving approval for the amount and location to buy the goods/services, from the principal and accounting secretary, the employee will render an itemized receipt of goods purchased. ● The employee will receive a check only for the items that were 	September 16, 2022	Implemented

Principal Signature  _____

Date: September 7, 2022

				approved and for the previously designated amounts ● The approval form, the itemized receipt, and receipt from the check will be included in the records for check book keeping and internal and external audits.		
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Principal Signature *Toshia Aguirre*

Date: September 7, 2022