



January 26, 2022

**MEMORANDUM**

To: **Danielle Moore**, Ed. D., Instructional Director  
Cluster 7

**John Mangrum**, Principal  
Dwight D. Eisenhower Middle School

From: **Michele Winston**, CPA,  
Director Internal Audit

Re: Financial Audit for March 1, 2017 through September 30, 2021

An audit of the financial records of **Dwight D. Eisenhower Middle School** was conducted for the period March 1, 2017 through September 30, 2021. The audit indicated that the school's financial records and procedures have improved since the previous audit; however, improvement is required for the school to be in full compliance with the requirements of the Accounting Procedures Manual for School Activity Funds and the Board of Education. The exceptions noted in the audit are documented in the attached audit report.

As the principal of the school, you will be responsible for preparing an action plan by **February 28, 2022** 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). A copy of the action plan should be forwarded to Danyelle Washington, Business Analyst, email address: [dany.washington@pgcps.org](mailto:dany.washington@pgcps.org); Katrina Greene, School Activity Funds Support Specialist, email address: [katrina.greene@pgcps.org](mailto:katrina.greene@pgcps.org) and Joeday Newsom, Esq., Ethics Compliance Officer, email address: [joeday.newsom@pgcps.org](mailto:joeday.newsom@pgcps.org).

Enc.

cc:

**Juanita Miller**, Ed. D., Chair, Board of Education  
**Monica Goldson**, Ed. D., Chief Executive Officer  
**Members**, Board of Education  
**Mychael Dickerson**, Chief of Staff  
**Helen Coley**, Ed. D., Chief, School Support and Leadership  
**David Curry**, Ed. D., Associate Superintendent, Middle Schools  
**Michael Herbstman**, Chief Financial Officer  
**James Dougherty**, CPA, Director, Financial Services  
**Joeday Newsom**, Esq. Ethics Compliance Officer  
**Robin Welsh**, Director of Monitoring, Accountability and Compliance  
**Katrina Greene**, School Activity Funds Support Specialist  
**Janice Walters-Semple**, CPA, Internal Audit Supervisor  
**Derrick Martin**, Internal Auditor II

# Internal Audit Report

Dwight D. Eisenhower Middle School  
School Activity Funds

For the Period Ended September 30, 2021

Dwight D. Eisenhower Middle School  
School Activity Funds  
Internal Audit Report  
For the Period Ended September 30, 2021

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Dwight D. Eisenhower Middle School  
School Activity Funds  
Internal Audit Report  
For the Period Ended September 30, 2021

Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Dwight D. Eisenhower Middle School for the period March 1, 2017 through September 30, 2021. Dwight D. Eisenhower Middle 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:

- *Delinquent Monthly Bank Reconciliations, and*
- *Restricted Fund Account Deficits*

Individually or in the aggregate, these findings resulted in 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 SAF referred to above, was administered in compliance with BOE policies and procedures and the APM, in all material respects, for the period ended September 30, 2021.



Michele Winston, CPA  
Director, Internal Audit

Dwight D. Eisenhower Middle School  
School Activity Funds  
Internal Audit Report  
For the Period Ended September 30, 2021

**SUMMARY**

Internal Audit completed an audit of the school activity funds (SAF) for Dwight D. Eisenhower Middle School for the period March 1, 2017 to September 30, 2021.

The principal has made significant progress in correcting deficiencies identified during the previous audit as of February 28, 2017. This current audit indicated that the school's financial records and procedures require some continued improvement to be in accordance with the Accounting Procedures Manual for School Activity Funds (APM) and Board of Education (BOE) policies and procedures.

Both findings included in this audit report occurred under the leadership of the current principal. 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 (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 selected bank statements, financial reports, and available cancelled checks, all voided checks, and Monetary Transmittal Form (MTF) envelopes submitted by staff for the period March 1, 2017 to September 30, 2021. Also, selected 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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**FINDINGS AND RECOMMENDATIONS**

The audit resulted in the following findings and recommendations:

**2022.01 Delinquent Monthly Bank Reconciliations**

The following was noted regarding the school's monthly reconciliations:

- There were **2** instances where the recordkeeping staff failed to complete the monthly bank reconciliation by the 15<sup>th</sup> of the subsequent period. The monthly bank reconciliations were 4 and 8 days delinquent.
- There were **4** instances where the principal did not perform review and approval of monthly bank reconciliation as required.

The APM, Section 5.1.2 *Procedures: Monthly Reconciliations and Financial Reporting* requires the completion of monthly bank reconciliations by the bookkeeper within 7 days after receiving the statement from the bank. Typically this process should be completed by the 15<sup>th</sup> of each month. The completed reconciliation should be forwarded to the principal every month for review and approval.

Reportedly, the delinquencies occurred because the recordkeeping staff is a 10 month employee. As a result, she would have been required to report to work during the summer months to ensure timely completion of the monthly bank reconciliations.

Failure to complete and review monthly bank reconciliations results in untimely detection of discrepancies that may occur from month to month and could result in unreliable financial reporting upon which administrators rely to make financial decisions.

**Recommendation:** The principal and recordkeeping staff should devise a plan to ensure that monthly bank reconciliations are prepared by the 15<sup>th</sup> of the subsequent period and reviewed as required. The principal should coordinate with Accounting and Financial Reporting Office on the preparation of bank reconciliation during the summer months.

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**2022.02 Restricted Fund Account Deficits**

The following restricted accounts contained deficits which aggregated to approximately **(\$5,432.18)** as of September 30, 2021.

Account	Name	Amount
303.00	Orchestra	-\$1,719.13
450.30	PSA – Staff Appreciation	-\$ 156.62
450.50	PSA – Transfers in	-\$3,556.43
<b>Total</b>		<b>-\$5,432.18</b>

The Orchestra deficit was noted in the previous audit ended 2/28/17 and has carried forward to the current audit period. The PSA deficit amounts were also mentioned in the previous audit. However, these deficit decreased by \$5,357.58.

According to the APM, expenditures for all restricted accounts are limited to the amount of funds collected for those activities. However, if restricted expenditures exceed the available cash, the account is insolvent. As the fiduciary agent for SAF, the principal should ensure accounts are solvent at all times.

There were no purchases made from the PSA fund accounts since the previous audit. The principal has made significant progress on resolving the PSA fund account deficit by sponsoring fundraisers and making vending transfers. The school’s orchestra is not currently active because the school has no orchestra instructor. As such, the school has not made any attempt to clear the Orchestra fund account deficit.

**Recommendation:** The principal should continue to review fundraising profits and vending commissions periodically to ensure that appropriate transfers are made to the PSA fund account to assist with elimination of the deficit. The recordkeeping staff should consult with the Accounting and Financial Reporting Office for options to resolve the remaining deficits.

**STATUS OF PRIOR AUDIT FINDINGS**

The previous audit report for Dwight D. Eisenhower Middle School was issued for the period ended February 28, 2017. During that period, the principal was in the current position. The current recordkeeping staff’s tenure began during October 2017. The previous audit report included **16** reportable conditions, of which **2** are repeated in the current audit. The following findings were noted as a result of the prior audit and the current status is indicated as follows:

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- **Missing Funds** – Controls appear to be working.
- **Failure to Maintain a Current Vending Contract and Uncollected Vending Commission** – The controls appear to be working.
- **Mismanagement of Funds Received** – The controls appear to be working.
- **Mismanagement of Disbursements** – The controls appear to be working.
- **Field Trip Collections Paid Directly to Vender** – The controls appear to be working.
- **Unsupported Journal Entries** – The controls appear to be working.
- **Cheerleading Camp Funds Not Refunded** – The controls appear to be working.
- **Duplicate Sales Tax Remittance to State of Maryland** – The controls appear to be working.
- **Insolvent Principal Sponsored Accounts** – The condition still exists. **See Finding 2022.02** regarding *Restricted Fund Account Deficits*.
- **Excessive Restricted Fund Account Deficits** – The condition still exists. **See Finding 2022.02** regarding *Restricted Fund Account Deficits*.
- **Voided Check not Properly Administered** – The controls appear to be working.
- **Year-End MTF Process Not Followed** – The controls appear to be working.
- **Fundraiser Forms Not Completed** – The controls appear to be working.
- **Insecure Location for Funds Awaiting Deposit** – The controls appear to be working.
- **Record Retention** – The controls appear to be working.
- **Management Oversight** – The controls appear to be working.

### ACKNOWLEDGEMENT

We would like to thank the principal and staff of Dwight D. Eisenhower Middle School for their cooperation and assistance extended during the audit.



**Prince George's County Public Schools**  
**Internal Audit Department**  
**School/Office: Dwight D. Eisenhower MS**  
**Response Date February 28, 2022**

	<b>Findings</b>	<b>Recommendations</b>	<b>Concur Non-Conc ur Partially Concur</b>	<b>Action Plan</b>	<b>Corrective Action Date</b>	<b>Status Implemented Partially Implemented Not Implemented</b>
1.	<b><u>2022.01 Delinquent Monthly Bank Reconciliations</u></b>	The principal and recordkeeping staff should devise a plan to ensure that monthly bank reconciliations are prepared by the 15 <sup>th</sup> of the subsequent period and reviewed as required. The principal should coordinate with the Accounting and Financial Reporting Office on the preparation of bank reconciliation during the summer months.	Concur	<ul style="list-style-type: none"> <li>● Bookkeeper will prepare and submit the monthly bank reconciliations before the 15<sup>th</sup> of every month. The principal will sign and file the reconciliations by the 15<sup>th</sup> of every month.</li> <li>● Bookkeeper and principal will coordinate summer reconciliations.</li> </ul>	2/27/2022	Implemented
2.	<b><u>2022.02 Restricted Fund Account Deficits</u></b>	The principal should continue to review fundraising profits and vending commissions periodically to ensure that appropriate transfers are made to the PSA fund account to assist with elimination of the deficit. The recordkeeping staff should consult with the Accounting and Financial Reporting Office for options to resolve the remaining deficits.	Concur	<ul style="list-style-type: none"> <li>● Letter sent requesting the elimination of the debt. <ul style="list-style-type: none"> <li>○ <a href="#">DDEMS PSA Account Request - Feb. 28, 2022</a></li> </ul> </li> <li>● Continue fundraising to eliminate the debt if approval is not granted.</li> </ul>	2/27/2022	Partially Implemented

Principal Signature 

Date 2/28/2022