



September 2, 2022

MEMORANDUM

To: Elizabeth Saunders, Instructional Director
Public Charter Schools

Sara Cypress, Acting Principal
Imagine Foundations at Morningside Public Charter School

From: Michele Winston, CPA, Director
Internal Audit

Re: Student Activity Funds Financial Audit as of June 30, 2022

An audit of the financial records of **Imagine Foundations at Morningside Public Charter School** was completed for the period July 1, 2021 through June 30, 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 **October 3, 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
Members, Board of Education
Mychael Dickerson, Chief of Staff
Michael Herbitsman, Chief Financial Officer
J. Michael Dougherty, Director, Financial Services
Helen Coley, Ed. D., Chief, School Support and Leadership
Robin Welsh, Director of Monitoring, Accountability and Compliance
Joeday Newsom, Director, Board of Education Staff Office
Monica Gaines, Ed. D., Charter Schools Liaison
Janice Walters-Semple, CPA, Supervisor Internal Audit
Alicia Robinson, Internal Auditor II

Internal Audit Report

Imagine Foundations at Morningside
Public Charter School
School Activity Funds

For the Period Ended June 30, 2022

**Imagine Foundations at Morningside Public Charter School
School Activity Funds
Internal Audit Report
For Period Ended June 30, 2022**

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**Imagine Foundations at Morningside Public Charter School
School Activity Funds
Internal Audit Report
For Period Ended June 30, 2022**

Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Imagine Foundations at Morningside Public Charter School for the period July 1, 2021 to June 30, 2022. Imagine Foundations at Morningside 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 finding for *Fundraiser Forms Not Completed*.

The finding 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, considering the deviation from the criteria described in the preceding paragraph, the SAF referred to above has not been administered in compliance with BOE policies and procedures and the APM, in all material respects, for the period ended June 30, 2022



Michele Winston, CPA
Director, Internal Audit

Imagine Foundations at Morningside Public Charter School
School Activity Funds
Internal Audit Report
For Period Ended June 30, 2022

SUMMARY

An audit of the school activity funds (SAF) of Imagine Foundations at Morningside Public Charter School was completed for the period July 1, 2021 through June 30, 2022. The audit was conducted as part of the department's 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 that occurred under the leadership of the former and current principal. The finding and the personnel responsible are included in the appendix at the end of the audit report. In addition, the detailed finding from the current audit is cited on the following page 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, cancelled checks, all voided checks and Monetary Transmittal Form (MTF) envelopes submitted for the period July 1, 2021 to June 30, 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.

Imagine Foundations @ Morningside Public Charter School
School Activity Funds
Internal Audit Report
For Period Ended June 30, 2021

FINDING AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2023.01 Fundraiser Forms Not Completed

The school conducted 2 school-wide fundraisers during the audit period for Class Shirts and a Read-A-Thon. An annual report summarizing the results for the fundraising events was not completed by the principal and/or designee as required.

The APM, Section 7.2.2, *Fundraising Procedures*, states that the principal should prepare (or designate the preparation) an annual report summarizing all fundraising activities concluded during the school year. The data in this annual report should be available for review by parents, other interested members of the community, and include the net amount retained as profit from each fundraising activity.

Efforts were not made by the former or acting principal to ensure the completion of the annual report summarizing the school's fundraising activities.

Failure to prepare the required fundraising report constitutes non-compliance with BOE policies and procedures and increases financial risk to the school. It decreases transparency of fundraising activities and the associated profits to interested parents and community members.

Recommendations: The acting principal and financial recordkeeping staff should develop and document specific procedures for fundraiser reporting. The procedures should lay out specific responsibilities for staff and administration and it should reflect APM procedures regarding fundraising reports. Specifically, the principal should prepare or designate the preparation of annual fundraising reports to ensure compliance. All fundraising reports should be maintained for future review.

Imagine Foundations @ Morningside Public Charter School
School Activity Funds
Internal Audit Report
For Period Ended June 30, 2021

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Imagine Foundations at Morningside Public School was issued for the period ended June 30, 2021. The Acting principal was not on staff during that audit. The acting principal's tenure began in February 2022. The recordkeeping staff was in her current position. There were 2 findings noted as a result of that audit and are summarized below:

- **Delinquent Payment of Invoice** – Controls appear to be working.
- **Restricted Account Deficits** – Controls appear to be working.

ACKNOWLEDGEMENT

We would like to thank the principal and staff of Imagine Foundations at Morningside Public Charter School for their cooperation and assistance extended during the audit.

**Prince George's County Public Schools
Internal Audit Department
School/Office: Imagine Morningside PCS
Response Date October 03, 2022**

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1.	<u>2023.01 Fundraiser Forms Not Completed</u>	The acting principal and financial recordkeeping staff should develop and document specific procedures for fundraiser reporting. The procedures should lay out specific responsibilities for staff and administration and it should reflect APM procedures regarding fundraising reports. Specifically, the principal should prepare or designate the preparation of annual fundraising reports to ensure compliance. All fundraising reports should be maintained for future review.	Concur	We will create a file folder for the fundraiser documents. The bookkeeper will review the folder upon completion of every fundraiser to ensure all documents are successfully completed. Fundraiser training will be given to all staff members prior to any approved Fundraiser Event. We will allot time during our scheduled staff meetings to implement training to ensure compliance of PGCPs procedures as it pertains to the annual fundraiser and reports.	11/1/2022	Not Implemented

Principal Signature Sana Aziz

Date 10-7-2022