


August 25, 2022

MEMORANDUM

To: Sheena Hardy, Instructional Director
Cluster 3

Patricia Wells-Frazier, Ed. D., Principal
Panorama Elementary School

From: Michele Winston, CPA, Director 
Internal Audit

Re: Financial Audit for July 1, 2017 through April 30, 2022

An audit of the financial records of **Panorama Elementary School** was completed for the period July 1, 2017 through April 30, 2022. The audit indicates that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual (APM) for School Activity Funds (SAF) and Board of Education (BOE) policies and procedures. The exceptions noted in the audit are documented in the attached audit report.

As principal of the school, you will be responsible for preparing an action plan by **September 26, 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. **Please forward this template as a Microsoft Word document.** A copy of your action plan should also be forwarded to Danyelle Washington, Business Analyst, email address: dany.washington@pgcps.org; and Katrina Greene, School Activity Funds Support Specialist, email address: katrina.greene@pgcps.org.

Enclosure

cc: Juanita Miller, Ed. D., Board Chair
Monica Goldson, Ed. D., Chief Executive Officer
Members, Board of Education
Mychael Dickerson, Chief of Staff
Michael Herbstman, Chief Financial Officer
James Dougherty, Esq., Director, Financial Services
Kassandra Lassiter, Ed. D., Associate Superintendent, Area 1
Helen Coley, Ed. D., Chief, School Support and Leadership
Joeday Newsom, Esq., Director, Board of Education Staff Office
Robin Welsh, Director of Monitoring, Accountability and Compliance
Katrina Greene, Student Activity Fund Support Specialist
Janice Walters-Semple, CPA, Supervisor Internal Audit
Rhonda Carter, Internal Auditor II

Internal Audit Report
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For the Period Ended April 30, 2022

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For the Period Ended April 30, 2022

Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Panorama Elementary School for the period July 1, 2017 through April 30, 2022. Panorama Elementary 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 finding, *Unapproved Fund Transfers*.

Individually or in the aggregate, the finding resulted in a material deviation from Board of Education (BOE) policies, procedures, and the requirements of the Accounting Procedures Manual (APM) for SAF.

In our opinion, except for the deviations 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 April 30, 2022.



Michele Winston, CPA, Director
Internal Audit

Panorama Elementary School
School Activity Funds
Internal Audit Report
For the Period Ended April 30, 2022

SUMMARY

The Internal Audit Department completed an audit of the School Activity Funds (SAF) for Panorama Elementary School for the period July 1, 2017 through April 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 current principal. The finding and the personnel responsible is included in the appendix at the end of the audit report. In addition, details of the finding 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 complies with the policies and procedures of the APM and the BOE. It is important to recognize that, while the audit 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 bank statements, financial reports, selected cancelled checks, and all voided checks and Monetary Transmittal Form (MTF) envelopes submitted by staff for the period July 1, 2017 through April 30, 2022. In addition, selected receipts, disbursements, and supporting documentation were reviewed for the aforementioned 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 finding and recommendation.

2023.01: Unapproved Fund Transfers

Fund transfers reviewed during the audit were not always processed in accordance with BOE policies and procedures. There were **26** instances where evidence to substantiate the approval of fund transferred was not documented on the Fund Transfer Journal Entry Proof Sheets. The fields for documenting preparation and approval were not completed.

The APM Section 4.5.4.2 *Transfers Between Restricted and Unrestricted/Net Accounts* states that transfers between restricted accounts are only authorized if reviewed and approved by the Principal. Evidence of approval is documented on the Fund Transfer Journal Entry Proof Sheet.

The Fund Transfer Journal Entry Proof Sheets were not consistently completed by the recordkeeping staff and the principal in accordance with the requirements of the APM. The recordkeeping staff assumed that the journal entry register could be used in lieu of the signed Fund Transfer Journal Entry Proof Sheets for confirmation of fund transfers.

Lack of consistency in preparation, review and approval of documentation to support funds transferred constitute non-compliance with BOE policies and procedures.

Recommendation: The principal must establish internal controls to ensure that each fund transfer is supported by a completed Fund Transfer Journal Entry Proof Sheet that is reviewed and approved as evidenced by signatures on the Fund Transfer Journal Entry Proof Sheet.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Panorama Elementary School was issued for the period ended June 30, 2017. During that period, the current principal and recordkeeping staff were assigned to the school. The previous audit report included **5** reportable conditions, and there are no repeat findings in the current audit. The following findings were noted as a result of the prior audit, and the status is indicated below:

- **Inadequate Approval of Disbursements** – Controls appear to be working.
- **Delinquent Deposits** – Controls appear to be working.
- **Voided Checks Not Properly Administered** – Controls appear to be working.

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- **Fundraiser Forms Not Completed** – Controls appear to be working.
- **Insecure Location of Funds Awaiting Deposit** – Controls appear to be working.

ACKNOWLEDGEMENT

We would like to thank the principal and staff of Panorama Elementary School for their cooperation and assistance extended during the audit.

**Prince George's County Public Schools
Internal Audit Department
School/Office: Panorama ES
Response Date September 26, 2022**

	Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1.	<u>2023.01: Unapproved Fund Transfers</u>	The principal must establish internal controls to ensure that each fund transfer is supported by a completed Fund Transfer Journal Entry Proof Sheet that is reviewed and approved as evidenced by signatures on the Fund Transfer Journal Entry Proof Sheet.	Concur	The principal and bookkeeper will consistently complete and follow the required APM procedures by establishing internal controls to ensure that when making fund transfers. That each fund transfer is supported by completing the Fund Transfer Journal Entry Proof Sheet. This will be reviewed and approved as evidence by signatures on the Fund Transfer Journal Entry Proof Sheet.	August 25, 2022	Implemented

Principal Signature: *Patriola Fragler*

Date: 9/26/2022