



March 31, 2023

MEMORANDUM

To: Darryl Evans, Ed. D., Instructional Director
Cluster 5

Rashida Edwards, Principal
Rosaryville Elementary School

From: Michele Winston, CPA, Director
Internal Audit

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

An audit of the financial records of **Rosaryville Elementary School** was completed for the period September 1, 2016 through December 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 **May 1, 2023** 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, School Activity Fund Support Specialist, email address: katrina.greene@pgcps.org.

cc: Judy Mickens-Murray, Board Chair
Monica Goldson, Ed. D., Chief Executive Officer of Schools
Members, Board of Education
Mychael Dickerson, Chief of Staff
Helen Coley, Ed. D., Chief, School Support and Leadership
Kassandra Lassiter, Ed. D., Associate Superintendent
Michael Dougherty, Esq., Director, Financial Services
Robin Welsh, Director of Monitoring, Accountability and Compliance
Roderick Adams, Compliance and Procedures Administrator
Katrina Greene, School Activity Fund Support Specialist
Janice Walters-Semple, CPA, Supervisor Internal Audit
Alicia Robinson, Internal Auditor II

Internal Audit Report

Rosaryville Elementary School

School Activity Funds

For the Period Ended December 31, 2022

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School Activity Funds
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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Rosaryville Elementary School for the period August 1, 2016 to December 31, 2022. Rosaryville Elementary 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:

- *Mismanagement of Funds Received,*
- *Mismanagement of Disbursements,*
- *Financial Reporting Requirements,*
- *Restricted Fund Account Deficits,*
- *Administration of Vending Machines,*
- *Fundraiser Reports Not Completed, and*
- *Improvement Needed in Management Oversight*

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, the SAF referred to above, has been administered in compliance with BOE policies and procedures and the APM, in all material respects, for the period ended December 31, 2022.



Michele Winston, CPA
Director, Internal Audit

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SUMMARY

Internal Audit Department completed an audit of the school activity funds (SAF) for Rosaryville Elementary School for the period August 1, 2016 to December 31, 2022. The audit was conducted as part of the annual audit plan.

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 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 August 1, 2016 to December 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.

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FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2023.01 Mismanagement of Funds Received

There were at least **16** instances of non-compliance regarding the administration of collections. The following indicates the issues of non-compliance:

- A. ***Delinquent Deposits:*** There were at least **8** instances where funds collected by staff were not remitted to the recordkeeping staff promptly and deposited timely. Delinquent remittance of funds ranged from **4 to 173** days. The 2 most delinquent deposits are stated as follows: there was one instance where \$126.00 was collected for a field trip and remitted on March 11, 2020, but the funds were not deposited until August 31, 2020, resulting in a grossly delinquent deposit of approximately **173** days. In another instance, funds totaling \$30.00 were collected for Chromebooks on July 9, 2021, but were not remitted for deposit until October 25, 2021, resulting in a grossly delinquent remittance of approximately **108** days. ***This condition was also noted during the previous audit for the period that ended August 2016.***
- B. ***Missing Documentation:*** There were **3** instances where MTFs, deposit slips, and corresponding remittance information could not be located for review. ***This condition was also noted during the previous audit for the period that ended August 2016.***
- C. ***End of Year MTF Process Not Followed:*** The year-end MTF submission process was not operating as required. MTF envelopes for 5 staff members were not submitted in sealed signed MTF envelopes. ***This condition was also noted during the previous audit for the period that ended August 2016.***

The following criteria are established in the APM:

- A. The APM section 4.5.2.2 (1) *Collecting Funds and Guidelines for Bank Deposits*, requires all funds collected to be remitted to the recordkeeping staff on the day of collection. The recordkeeping staff is required to make timely deposits with the financial institution.
- B. The APM Section 6.12, *Record Retention*, states that all SAF records must be retained for a period of 7 years and/or until audited, including the current fiscal year.
- C. The APM, Section 4.5.2.2 *Cash Receipts, General Policies*, requires faculty and program managers to place their MTF remittance copies in envelopes with their

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signature affixed over the seal. MTF envelopes are required to be submitted to the designated administrator prior to departing the school at year-end.

The following causes resulted from the non-compliance regarding the management of funds received:

- A. The staff and recordkeeping staff did not ensure the deposit of funds in 2 of the 8 instances due to unexpected COVID-19 closures. Also, staff members held funds longer than required in the remaining instances.
- B. The recordkeeping staff acknowledged that the organization of financial records needs improvement to ensure proper maintenance and retrieval of the school's financial records.
- C. The principal was not aware that the end-of-year MTFs are required to be submitted in sealed, signed envelopes even though this was a finding from the previous audit.

The following are potential effects from the non-compliance of management of funds received:

- A. Staff and recordkeeping staff were not held accountable for remitting and depositing funds timely. Internal controls are compromised when funds are retained in the school for several days and/or months. Failure to remit funds timely increases the risk of embezzlement or loss of funds.
- B. Internal controls are compromised when appropriate documentation is not provided for funds received by the recordkeeping staff. The audit trail for determining that all funds collected are subsequently remitted and deposited is removed when adequate financial records are not maintained.
- C. The ineffective end-of-year MTF process constitutes non-compliance with BOE policies and procedures. Further, the integrity of MTF remittances could be impaired when MTF remittances are not maintained in signed sealed envelopes as required.

Recommendations: The following recommendations are suggested to help ensure collections are properly managed:

- A. Staff members should be held accountable for remitting funds collected to the recordkeeping staff on a daily basis. The recordkeeping staff should be held accountable for remitting funds timely to the financial institution promptly.

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- B. The recordkeeping staff should implement a better organized records management system that ensures all receipt documentation is maintained on file and retrievable upon request. The principal should perform periodic reviews of documentation to ensure compliance with BOE policies and procedures.
- C. The principal should ensure compliance with the APM regarding the end-of-year MTF envelope submission processes to support the integrity of the end of year MTFs.

2023.02 Mismanagement of Disbursements

There were at least **23** instances of non-compliance regarding disbursements. The following indicates the instances of non-compliance:

- A. ***Inadequate Approval and Documentation of Expenditures:*** There were at least **11** instances where there was no supervisory pre-approval or approval for checks issued. The School Funds Expenditure Forms (SFEF) were not completed to reflect appropriate approval. ***This condition was also noted during the previous audit for the period that ended August 2016.***
- B. ***Missing Documentation:*** There were at least **2** instances where documentation to support expenditures (check stubs, SFEFs, and supporting documentation) were not provided during the audit. ***This condition was also noted during the previous audit for the period that ended August 2016.***
- C. ***Delinquent Vendor Payments:*** There were at least **4** instances where vendor payments were not issued timely resulting in delinquent payments ranging from **14 – 64** days. An invoice dated June 27, 2022, for laminating supplies with a due date of July 27, 2022, was not paid until September 29, 2022, resulting in a delinquency of **64** days. In a separate instance, an invoice dated July 30, 2021, for laminating supplies with a due date of August 29, 2021, was not issued until October 8, 2022, resulting in a delinquency of **40** days. ***This condition was also noted during the previous audit for the period that ended August 2016.***
- D. ***Voided Checks Not Properly Defaced:*** There were **6** instances where voided checks were not properly defaced by removal of the signature line and account lines.

The following summarizes the criteria for the deficiencies noted:

- A. The APM Section 4.5.3, *Cash Disbursements* requires that prior to ordering or purchasing goods or services, a SFEF must be completed and signed by the principal. The form includes space for staff to indicate the amount of funds

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available in the relevant account prior to the principal pre-approval. SFEF and checks should be signed as final approval of payment.

- B. The APM Section 6.12, *Record Retention*, states that all SAF records must be retained for a period of 7 years and/or until audited, including the current fiscal year.
- C. The APM Section 4.5.3.1 (1) & (2) *Cash Disbursement Inclusion of Supporting Documentation* requires invoices and/or reimbursements should be paid within 30 days of receipt and have appropriate documentation.
- D. The APM, Section 4.5.3.2 & 4.5.3.4 (e), *Summary of Check Disbursement Procedures and Check Writing* respectively requires accounting for a physical check when an error is made at the time of processing or when a check is damaged. Voided checks are required to be defaced by the removal of the signature and account lines.

The following summarizes the causes for the deficiencies noted:

- A. The current recordkeeping staff failed to ensure that a SFEF was completed for all checks issued. According to the recordkeeping staff verbal approval was provided with the expectation that the SFEF would be completed after the purchase despite her knowledge of the APM requirement. However, follow-up actions were not taken to ensure that the SFEF was subsequently completed. The principal did not enforce the requirement for staff members to obtain pre-approval for all purchases made and during the check approval process.
- B. The recordkeeping staff acknowledged that the organization of financial records needs improvement to ensure proper maintenance and retrieval of the school's financial records.
- C. The recordkeeping staff stated that failure to process the payment for one of the invoices timely was due to an oversight. In the other instances the recordkeeping staff was on extended leave and late fundraiser orders were submitted.
- D. Even though the recordkeeping staff was aware that the voided checks had to be defaced by removal of the signature line, it was an oversight to complete the process for the 6 voided checks.

The following are the potential effects from the non-compliance of management of funds disbursed:

- A. Failure to complete the SFEF documenting the principal's pre-approval can contribute to an insolvent status when unauthorized disbursements are made.

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- B. Evidence to substantiate expenditures are not available when appropriate documentation is not included as part of the supporting documentation.
- C. Delinquent vendor payments can result in inaccuracies of funds available in fund accounts as reported in the school's financial reports. It also impacts the school/vendor relationship.
- D. Inappropriate administration of voided checks exposes the school to check fraud, through potential unauthorized negotiation.

Recommendations: The following recommendations are suggested to help ensure that the administration of disbursements is performed as required:

- A. The principal and recordkeeping staff must implement and enforce internal controls to ensure that prior to ordering or purchasing goods or services, a SFEF is completed, and approved by the principal. Schools and their SAF cannot be held liable for financial obligations made by staff if the individual fails to complete the form and obtain the appropriate supervisory approval signature.
- B. The recordkeeping staff should ensure all invoices are paid timely. Invoices are required to be paid within 30 days of receipt or by the invoice due date. The principal must hold the recordkeeping staff accountable for compliance.
- C. The recordkeeping staff must implement an effective records management system that ensures organization and retrieval of all disbursement records maintained by the school. The principal should complete periodic reviews of documentation to ensure compliance with BOE policies and procedures.
- D. The principal should perform periodic review of voided checks to ensure compliance with BOE policies and procedures relative to defacement. The recordkeeping staff should ensure that all voided checks are properly voided by removal of the signature line.

2023.03 Financial Reporting Requirements

There were at least **6** instances where monthly bank reconciliations and monthly financial reporting were not timely prepared by the recordkeeping staff, and **8** instances where related review and approval by the principal occurred delinquent. The delinquencies ranged from **5** to **15** days.

The APM section *5.1.2 Monthly Reconciliation and Financial Reporting* states that the bookkeeper is required to complete the bank reconciliation within 7 days of receiving the

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statement from the bank. All financial reports should be completed by the 15th of each month and submitted to the principal for review and approval.

The recordkeeping staff indicated the causes for delinquent monthly reporting occurred due to competing responsibilities (attendance at professional development and performance of student registration when the school had no registrar). The principal was not available for review and approval of the financial reports.

The principal’s fiscal responsibility is compromised when monthly reporting is not available and/or reviewed timely. Timing differences or other errors may not be detected and corrected promptly when the reconciliation process is not performed as intended.

Recommendations: The principal and recordkeeping staff should implement internal controls to ensure that the monthly financial reporting process is performed in accordance with the schedule requirements included in the APM (bank reconciliation within 7 days of receiving the statement from the bank and the completion of financial reports by the 15th of each month).

The principal and recordkeeping staff should meet monthly to review and approve the financial reports to ensure compliance.

2023.04 Restricted Fund Account Deficits

There following **9** restricted fund accounts had deficits that totaled **(\$5,876.30)** as of December 31, 2022

| Account # | Account Description | Account Balance |
|------------------|------------------------------------|------------------------|
| 309.00 | Drama/Dance | (\$ 84.74) |
| 315.00 | 5 th Grade Activities | (\$ 371.80) |
| 420.40 | 4 th Grade Fieldtrips | (\$ 60.92) |
| 420.70 | Grade K. Fieldtrips | (\$ 855.87) |
| 450.20 | Principal Sponsored Activity (PSA) | (\$ 1, 209.87) |
| 480.00 | Yearbook | (\$ 606.22) |
| 505.00 | Agenda Books | (\$ 630.00) |
| 565.00 | Materials of Instruction | (\$ 752.99) |
| 572.00 | Instrumental Music | (\$ 1,303.89) |
| Total | | (\$ 5,876.30) |

The APM, Section 4.3 *Fund Accounts*, states that expenditures for all restricted accounts are limited to the amount of funds collected for those activities. Therefore, if restricted accounts exceed the available cash, the account is insolvent. As the fiduciary agent for the SAF, the principal should ensure that restricted accounts are solvent at all times.

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Also, the APM Section 9.6 *Principal Sponsored Activities (PSA) for Staff* indicates that expenditures for authorized principal-sponsored activities are restricted to funds available from the sources as outlined in the manual, which includes 100% vending commissions in the staff lounge, 25% of vending commissions from student-accessed machines up to the first \$50,000.00 and 15% of school-wide fundraising profits. As the fiduciary agent for the SAF, the principal should ensure that restricted accounts are solvent at all times.

The following summarizes the causes for the deficiencies noted below. Spending in most of the restricted fund accounts were approved without regard for the adequacy of the restricted fund account balances.

- A. **Drama/Dance:** The account was allowed to overspend without regard to the availability of funds. The deficit occurred prior to the current recordkeeping staff's tenure.
- B. **5th Grade Activities:** The school paid for promotional gifts for the 5th graders leaving.
- C. **4th Grade Field trip:** During FY 2020 sufficient funds were not collected for a field trip.
- D. **K Grade Field trip:** During FY 2020 sufficient funds were not collected for the pumpkin patch and NY field trips.
- E. **PSA Food:** The principal continued spending for staff food without regard for the availability of funds.
- F. **Yearbook:** During FY 2020, the school paid for the yearbooks due to COVID-19.
- G. **Agenda Books:** During FY 2020 agenda books did not sell as anticipated causing the current deficit.
- H. **Materials of Instruction:** Expenditures were posted to the restricted account even though there were no funds available to offset the expenditures.
- I. **Instrumental Music:** Music supplies were purchased and posted to the account even though there were no funds available to offset the expenses.

Overspending in restricted fund accounts results in insufficient funds being available to administer students' activities. Moreover, overspending in restricted fund accounts can result in the school becoming insolvent.

Recommendations: The principal should contact the Accounting and Financial Reporting Office for guidance on resolving the restricted fund account deficits. Spending in the PSA account must cease until the deficit is resolved. Also, focused planning and budgeting should occur to ensure that the school's resources are used efficiently and that further deficits do not occur.

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2023.05 Administration of Vending Machines

There were **2** vending machines located in the school’s teacher’s lounge during the audit period. However, there was no vending machine contract on file for FY 2020, FY 2021, FY 2022 or FY 2023.

Administrative Procedure 5135.2, *Principal’s Contracting Authority*, requires the principal, as an agent of the BOE, to approve and sign all agreements and contracts entered into for all school activities. Also, the APM, Section 9.8, *Vending Machine Sales*, states, “*all schools with vending machines must have a signed contract stipulating commissions due to the school and frequency that these commissions are remitted.*” The contract term cannot exceed one year.

The school’s administration did not seek the opportunity to obtain a signed contract from the vending machine company. The current recordkeeping staff reported being unaware of a contract since beginning in August 2018.

Failure to have a signed agreement with the vending company may increase the risk of inadequate maintenance of the machines and insufficient commission revenue from the vending machine vendor. Failure to have an active contract in place constitutes non-compliance with BOE policies and procedures. ***This condition was also noted during the previous audit for the period ended August 2016.***

Recommendation: Since the audit, the school was able to secure a valid vending machine contract. The principal must ensure that the vending machine contract remains current in accordance with the requirements of the APM and AP 5135.2.

2023.06 Fundraiser Reports Not Completed

The school did not comply with the requirements for administering sponsored fundraisers during the audit period as required. Fundraiser Authorization and Completion Reports were not completed for the **6** Book Fairs that were conducted during the audit period. The school also sponsored **9** school-wide Claire’s Gourmet fundraising activities during the audit period. The annual reports summarizing the fundraising activities were not completed as required.

Administrative Procedure 5135.1, *Fundraising* requires schools to complete the Fundraiser Request and Authorization Forms, Fundraiser Completion Reports for sponsored fundraising events, and reports summarizing fundraising activities for all fundraisers sponsored. These documents must be maintained on file for public and auditor review upon request.

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The principal, recordkeeping staff and staff did not implement internal controls to ensure that the required fundraising documents were completed, approved and maintained on file for review.

It could not be readily determined whether the school's fundraisers yielded an overall profit for the school. As a result, pertinent financial information for the school's administrators to make fiscal decisions was not available. *This condition was also noted during the previous audit for the period ended August 2016.*

Recommendations: The principal must implement internal controls to enforce established procedures for the completion of all required fundraiser documents including the Fundraiser Request and Authorization and Fundraiser Completion Reports for all sponsored fundraisers held during the school year. Also, the principal or designee should complete reports at the end of each school year to summarize fundraising activities held. Required reports must be maintained on file for public and auditor review.

2023.07 Improvement Needed in Management Oversight

The previous audit report for Rosaryville Elementary School was issued for the period ended August 2016. During the previous audit, the current principal was on staff. The current recordkeeping staff's tenure began August 2018. There were **6** reportable conditions from that audit and **6** are repeated in this current audit report.

The principal is the fiduciary agent for SAF. In this role, the principal is responsible for ensuring that these funds are administered in accordance with BOE policies and procedures and spent to provide the maximum benefit possible to the students. "It is also important that the principal, who is ultimately responsible for these funds, be aware that the success of the internal control system rests largely with them."

Improvement is necessary to be in compliance with BOE policies and procedures as established in the APM. Students are not receiving the maximum possible benefit of the resources available to them.

Recommendations: The principal should continue to carefully review the APM and ensure that internal controls are operating effectively to ensure fiscal accountability. The principal must continue to be involved in the daily operations as it relates to the administration of the school's resources. Continued improvement of the internal control environment should be emphasized by focusing on these five basic principles of internal control:

- ❖ Clearly defined lines of authority and responsibility,
- ❖ Segregation of duties,
- ❖ Maintenance of adequate documents and records,

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- ❖ Limited access to assets, and
- ❖ Independent checks on performance

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Rosaryville Elementary School was issued for the period ended August 2016. During the previous audit, the current principal was on staff. The current recordkeeping staff began in August 2018. There were **6** findings noted as a result of that audit of which **6** still exist and are summarized below:

- ***Mismanagement of Funds Received*** – Condition still partially exists. **See Finding 2023.01** regarding *Mismanagement of Funds Received: Delinquent Deposits and Missing Documentation*.
- ***Mismanagement of Disbursements*** – Condition still exists. **See Finding 2023.02** regarding *Mismanagement of Disbursements*.
- ***Year-End Monetary Transmittal Form Procedures Not Followed*** – Condition still exists. **See Finding 2023.01** regarding *Mismanagement of Funds Received: End of Year MTF Process not Followed*.
- ***Administration of Voided Checks*** – Condition still exists. **See Finding 2023.02** regarding *Mismanagement of Disbursements: Voided Checks Not Properly Defaced*.
- ***Fundraiser Forms Not Completed*** – Condition still exists. **See Finding 2023.06** regarding *Fundraiser Reports Not Completed*.
- ***Expired Contract for Vending Machines*** – Condition still exists. **See Finding 2023.05** regarding the *Administration of Vending Machines*.

ACKNOWLEDGEMENT

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

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

School/Office: Rosarville ES

Response Date May 1, 2023

| | Findings | Recommendations | Concur Non- Concur Partially Concur | Action Plan | Corrective Action Date | Status Implemented Partially Implemented Not Implemented |
|----|---|---|--|--|---|---|
| 1. | <u>2023.01 Mismanagement of Funds Received</u> | <p>The following recommendations are suggested to help ensure collections are properly managed:</p> <p>A. Staff members should be held accountable for remitting funds collected to the recordkeeping staff on a daily basis. The recordkeeping staff should be held accountable for remitting funds timely to the financial institution promptly.</p> <p>B. The recordkeeping staff should implement a better organized records management system that ensures all receipt documentation is maintained on file and retrievable upon request. The principal should perform periodic reviews of documentation to ensure compliance with BOE policies and procedures.</p> <p>C. The principal should ensure compliance with the APM regarding the end-of-year MTF envelope submission processes to support the integrity of the end of year MTFs.</p> | <p>Concur</p> <p>Concur</p> <p>Concur</p> | <p>A. The principal will make staff aware of the expectations for: remitting funds collected to the recordkeeping staff on a daily basis by: including expectations and applicable administrative procedures in the staff handbook and reviewing such content quarterly. The principal will monitor staff members adherence to the communicated expectations and will follow progressive disciplinary practices to address infractions.</p> <p>B. Annually, the recordkeeping staff (Sec. II) will establish an organization management system (that ensures all receipt documentation is maintained on file and retrievable upon request) that is shared with and approved by the</p> | <p>March 2023- June 2024</p> <p>March 2023- June 2024</p> | <p>Partially Implemented</p> <p>Partially Implemented</p> |

Principal Signature *Rashida Edwards*

Date May 1, 2023

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| | | | | <p>principal. The principal will review/audit the organization management system on a quarterly basis.</p> <p>C. The principal will make staff aware of the expectations for: the end-of-year MTF envelope submission processes by: including expectations (aligned w/APM) in the staff handbook and reviewing such content quarterly. The principal will monitor staff members adherence to the communicated expectations and will follow progressive disciplinary practices to address infractions.</p> | March 2023-June 2024 | Partially Implemented |
| 2. | <u>2023.02 Mismanagement of Disbursements</u> | <p>The following recommendations are suggested to help ensure that the administration of disbursements is performed as required:</p> <p>A. The principal and recordkeeping staff must implement and enforce internal controls to ensure that prior to ordering or purchasing goods or services, a SFEF is completed, and approved by the principal. Schools and their SAF cannot be held liable for financial obligations made by staff if the individual fails to complete the form and obtain the appropriate supervisory approval signature.</p> <p>B. The recordkeeping staff should ensure all invoices are paid timely. Invoices are required to be paid within 30 days of receipt or by the invoice due date. The principal must hold the recordkeeping staff accountable for compliance.</p> | <p>Concur</p> <p>Concur</p> | <p>A. By including written expectations/guidelines in the staff handbook and reviewing such content quarterly, the principal will inform and monitor the following expectations and staff members' adherence: <i>Internal Controls: Prior to ordering or purchasing goods or services, a SFEF is completed, and approved by the principal. Schools and their SAF cannot be held liable for financial obligations made by staff if the individual fails to complete the form and obtain the appropriate supervisory approval signature.</i> The principal will follow progressive disciplinary practices to address infractions.</p> | March 2023-June 2024 | Partially Implemented |

Principal Signature Rashida Edwards

Date May 1, 2023

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| | | <p>C. The recordkeeping staff must implement an effective records management system that ensures organization and retrieval of all disbursement records maintained by the school. The principal should complete periodic reviews of documentation to ensure compliance with BOE policies and procedures.</p> <p>D. The principal should perform periodic review of voided checks to ensure compliance with BOE policies and procedures relative to defacement. The recordkeeping staff should ensure that all voided checks are properly voided by removal of the signature line.</p> | <p>Concur</p> <p>Concur</p> | <p>B. The principal will meet with recordkeeping staff (Secretary II) monthly to ensure that all invoices are paid within 30 days of receipt or by the invoice due date. Additionally, the principal will review disbursements at the time of each check signing to ensure timely payment, supervisory approval, and sufficient documentation matching the check total. If not compliant, the principal will follow progressive disciplinary practices to address violations/ infractions.</p> <p>C. Annually, the recordkeeping staff (Sec. II) will establish an organization management system (that ensures organization and retrieval of all disbursement records maintained by the school). This system will be shared with, approved by, and monitored by the principal quarterly.</p> <p>D. The principal will review voided checks quarterly to ensure compliance with BOE policies and procedures relative to defacement. Principal will ensure that at the time a check is voided, the recordkeeping staff has properly deface the check, printed the Voided Check Proof Sheet (VCPS), and obtained supervisory approval verifying that the check has been properly defaced and entered in SFO. Additionally, during this quarterly review, the principal will verify that the recordkeeping staff (Sec II) has properly voided checks by removing the signature line.</p> | <p>March 2023- June 2024</p> <p>March 2023- June 2024</p> | <p>Partially Implemented</p> <p>Partially Implemented</p> <p>Partially Implemented</p> |
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Principal Signature *Rashida Edwards*

Date May 1, 2023

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| 3. | <u>2023.03 Financial Reporting Requirements</u> | The principal and recordkeeping staff should implement internal controls to ensure that the monthly financial reporting process is performed in accordance with the schedule requirements included in the APM (bank reconciliation within 7 days of receiving the statement from the bank and the completion of financial reports by the 15th of each month). The principal and recordkeeping staff should meet monthly to review and approve the financial reports to ensure compliance. | Concur | The principal will meet with recordkeeping staff (Secretary II) monthly to ensure that the monthly financial reporting process is performed in accordance with the schedule requirements included in the APM (bank reconciliation within 7 days of receiving the statement from the bank and the completion of financial reports by the 15th of each month. If not compliant, the principal will follow progressive disciplinary practices to address infractions. | March 2023- June 2024 | Partially Implemented |
| 4. | <u>2023.04 Restricted Fund Account Deficits</u> | The principal should contact the Accounting and Financial Reporting Office for guidance on resolving the restricted fund account deficits. Spending in the PSA account must cease until the deficit is resolved. Also, focused planning and budgeting should occur to ensure that the school's resources are used efficiently and that further deficits do not occur. | Concur | The principal will contact the Accounting and Financial Reporting Office for guidance on resolving the restricted fund account deficits. Principal will not authorize spending in the PSA account until the deficit is resolved. The principal will meet with recordkeeping staff (Secretary II) monthly to reconcile the budget in order to prevent creating deficits. | March 2023- June 2024 | Partially Implemented |

Principal Signature *Rashida Edwards*

Date May 1, 2023

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| 5. | <u>2023.05</u> <u>Administration of Vending Machines</u> | Since the audit, the school was able to secure a valid vending machine contract. The principal must ensure that the vending machine contract remains current in accordance with the requirements of the APM and AP 5135.2. | Concur | Annually, at the beginning of each fiscal year, the principal will verify that the vending machine contract is current in accordance with the requirements of the APM and AP 5135.2. | March 2023- June 2024 | Partially Implemented |
| 6. | <u>2023.06</u> <u>Fundraiser Reports Not Completed</u> | The principal must implement internal controls to enforce established procedures for the completion of all required fundraiser documents including the Fundraiser Request and Authorization and Fundraiser Completion Reports for all sponsored fundraisers held during the school year. Also, the principal or designee should complete reports at the end of each school year to summarize fundraising activities held. Required reports must be maintained on file for public and auditor review. | Concur | By including written expectations/guidelines in the staff handbook and reviewing such content quarterly, the principal will inform and monitor the following expectations for: the completion of all required fundraiser documents including the Fundraiser Request and Authorization and Fundraiser Completion Reports for all sponsored fundraisers held during the school year. | March 2023- June 2024 | Partially Implemented |
| 7. | <u>2023.07</u> <u>Improvement Needed in Management Oversight</u> | The principal should continue to carefully review the APM and ensure that internal controls are operating effectively to ensure fiscal accountability. The principal must continue to be involved in the daily operations as it relates to the administration of | Concur | The principal will meet with recordkeeping staff (Secretary II) monthly to review APM procedures and guidelines, review and update RES internal controls, and to reconcile budget spending. | March 2023- June 2024 | Partially Implemented |

Principal Signature *Rashida Edwards*

Date May 1, 2023

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| | | <p>the school's resources. Continued improvement of the internal control environment should be emphasized by focusing on these five basic principles of internal control:</p> <ul style="list-style-type: none">❖ Clearly defined lines of authority and responsibility,❖ Segregation of duties,❖ Maintenance of adequate documents and records,❖ Limited access to assets, and❖ Independent checks on performance | | | | |
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Principal Signature *Rashida Edwards*

Date May 1, 2023