

**Board of Education of Baltimore County  
Office of Internal Audit**

**Audit Report  
Project #2020.002  
November 17, 2020**



**Summary Report:  
Procurement Card Transaction Review  
Central Offices**

**Distribution List:**

Dr. Darryl L. Williams  
*Superintendent*

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*Chief Administrative and Operations Officer*

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## BACKGROUND

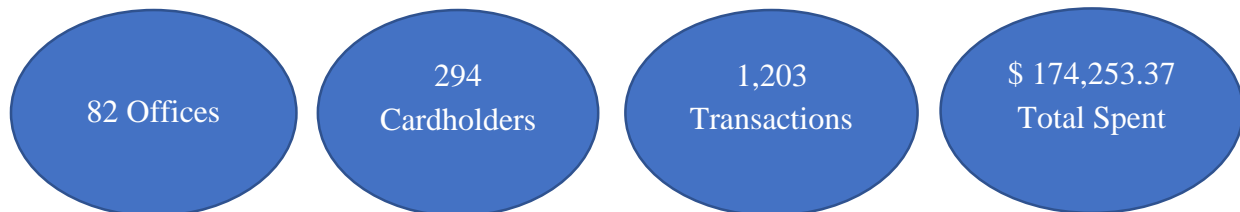
On March 12, 2020, Governor Larry Hogan and State Superintendent Dr. Karen Salmon announced that all Maryland public schools must close in response to the COVID-19 pandemic. As a result, all Baltimore County Public Schools (BCPS) schools and offices closed on Monday, March 16, 2020. However, since March 16, 2020, central office staff continued business operations and assisted in the development of a continuity of learning plan to provide students with continuous learning through the closure. Currently, school and office buildings continue to be closed to the public and some employees continue to work remotely.

Due to the closure, the Office of Internal Audit (Internal Audit) identified several potential internal control issues related to the use of procurement cards (p-cards) in a remote work environment:

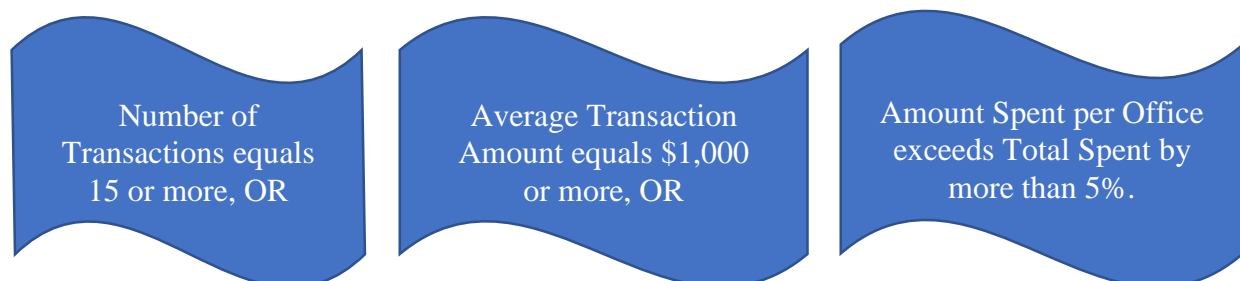
1. Did the approving official approve the purchases?
2. Were original receipts or invoices retained for purchases?
3. Were the purchases necessary to support the continuity of instructions and operations?
4. Where are the purchases housed while buildings are closed?

## SCOPE, OBJECTIVE AND METHODOLOGY

Internal Audit downloaded all procurement card transactions made by BCPS central office<sup>1</sup> cardholders for the period March 16, 2020 to June 8, 2020:



Transactions were analyzed for each office to determine if certain criteria were met:



<sup>1</sup> Excludes Department 042 – Office of Internal Audit

Twenty-one offices met the criteria and transactions were judgmentally selected to determine if the purchases were approved; documentation was retained; purchases were necessary for continuity of instruction and operations; and the location of the items purchased:



## SUMMARY OF RESULTS<sup>2</sup>

**a. Purchases were not approved**

One approving official did not review or approve p-card purchases.

**b. Documentation was retained**

All approving officials stated that the required documentation for the selected p-card transactions was retained.

**c. Purchases were unnecessary for continuity of instruction and operations**

Two transactions were identified that were unnecessary for the continuity of instruction and operations:

1. A cardholder purchased items to create a waiting space for vendors related to bid activities. A portion of the funds used for these purchases was subsequently reimbursed to BCPS.
2. A cardholder split a \$7,200 purchase into two separate transactions to circumvent the cardholder's single transaction purchasing limit. There was not an urgent need for the items purchased, therefore, a purchase requisition should have been remitted to the Office of Purchasing.

**d. Items purchased are at employee residences**

For seven offices, a total of 33 items<sup>3</sup> with a unit cost of \$50 or more are located at employee residences for the purpose of remote operations. Approving officials and cardholders from these offices were reminded that the items are BCPS property and must be returned to the office location at the conclusion of remote operations or the employment of the individual.

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<sup>2</sup> Results are based on inquiry of approving officials and cardholders.

<sup>3</sup> The total value of the 33 items was \$5,425.11.

## RESULTS BY OFFICE

	Office Name	Purchases were Approved	Documentation was Retained	Purchases were Necessary	Items \$50+ at Employee Residence
1	Superintendent's Office	√	√	√	√
2	Department of Academic Services Office of Title I	√	√	√	X
3	Department of Academics Office of Mathematics PreK-12	√	√	√	√
4	Department of Academic Services Office of Advances Academics GT	√	√	√	√
5	Department of Academics Office of Career & Technology Education and Fine Arts - Music and Dance	√	√	X	√
6	Department of Human Resources Operations Employment Dispute Resolution	√	√	√	√
7	Business Services Operations Office of Transportation	√	√	√	√
8	Department of Fiscal Services Office of Purchasing	√	√	X	X
9	Department of Human Resources Recruitment and Staffing Office of Staffing	√	√	√	√
10	Department of Communications and Community Outreach BCPS TV	√	√	√	√
11	Division of Business Services Department of Fiscal Services	√	√	√	√
12	Department of Academics Office of Career & Technical Education and Fine Arts	√	√	√	X
13	Department of Communications and Community Outreach Copy and Print Services	X	√	√	√
14	Division of Curriculum and Instruction Department of Educational Options	√	√	√	X
15	Department of Facilities Management and Strategic Planning Office of Facilities Operations	√	√	√	√
16	Department of Information Technology Office of Enterprise Applications	√	√	√	X
17	Department of Information Technology Network Support Services	√	√	√	X
18	Department of Information Technology Technology Support Services	√	√	√	√
19	Department of Academic Services	√	√	√	√
20	Department of Business Services Operations Office of Food and Nutrition Services	√	√	√	√
21	Early Childhood Programs	√	√	√	X
<b>Total Number of Exceptions</b>		<b>1</b>	<b>0</b>	<b>2</b>	<b>7</b>