

Board of Education of Baltimore County
Office of Internal Audit

Follow Up to Change in Principal - SAF Audit

School Name: Chapel Hill Elementary School
Follow-Up Audit Period: February 1, 2020 to February 28, 2021

Results: There were three findings from the January 27, 2020 audit report. Two findings were resolved and the current status of the third finding could not be determined at this time.

Source: Internal Audit report dated January 27, 2020			Source: Follow up performed on March 18, 2021	
#	Finding	Recommendation	Management Action Plan	
1	<p>Unused and improperly printed receipts were not reprinted or properly voided in SFO. Internal Audit identified 10 instances during the audit period where unused or improperly printed receipts were not reprinted on the SFO issued receipt stock or were not properly voided in SFO as follows:</p> <ul style="list-style-type: none"> · Six SFO receipts, which were not used due to printing errors, were <u>not</u> voided in SFO. However, the original SFO blank stock was accounted for in our review. · One receipt was printed and issued to the sponsor on blank paper. The original SFO blank stock could <u>not</u> be located. · Three receipts were printed on blank paper in error, and were <u>not</u> reprinted on SFO blank receipt stock. The original SFO blank stock was accounted for in our review. 	<p>The current principal must ensure that receipts are printed accurately, per the <i>School Funds Online Fund Accounting Systems User's Guide</i>.</p> <p>If an SAF receipt is accidentally printed on blank paper, it should be re-printed onto the issued SFO receipt stock. Any damaged SFO receipt stock should be voided and recorded in SFO accordingly and should never be discarded.</p>	<p>The Principal will work with the Administrative Secretary to ensure that all receipts are printed on pre-printed receipt stock. If there is a jam they will be voided, recorded in SFO and kept in the appropriate month's file and printed on the next receipt stock number.</p>	<p>RESOLVED Internal Audit reviewed all SAF revenue transactions in the follow-up audit period and determined that the SFO receipts were accounted for and were properly used and printed.</p>
2	<p>Failure to maintain segregation of duties. The administrative secretary received cash (\$4,745 in FY 2019) and order forms for tickets to the annual Mustangs Off Broadway show (MOB) directly from patrons. These funds were not counted or recorded prior to being forwarded to one of six event sponsors. The sponsors would rotate who counted the funds each day, so one sponsor didn't have the responsibility every day. Once the sponsor counted the funds, he/she would record it on a shared MOB money envelope and forward the envelope containing the money and the order forms back to the administrative secretary for receipt and deposit. The administrative secretary would then create a seating chart from the order forms, and distribute the tickets ordered to the students.</p> <p>The same process is used for the sale of MOB T-shirts and videos. The amount collected for MOB T-shirts and video sales in FY 2019 totaled \$1,571.00.</p>	<p>The current principal must ensure that segregation of duties is maintained related to the collection and receipt of school funds. The administrative secretary must not collect funds or receipt funds that have not been counted and documented by another individual first. A money envelope and individual receipts must be provided for each individual who collects and counts the funds.</p>	<p>The Principal will ensure that segregation of duties is established related to the collection and receipt of school funds.</p> <p>The Administrative Secretary will not be collecting any funds in the school. All the Mustangs Off Broadway future collections will be made through OSP.</p>	<p>RESOLVED Internal Audit determined that the MOB program was cancelled for FY20 and FY21 due to the pandemic. The principal indicated that the process has changed for future collections related to the MOB shows. Ticket sales will be established through the Online School Payments (OSP) program. The Administrative Secretary is no longer involved in directly receiving cash for school activities.</p>

Source: Internal Audit report dated January 27, 2020			Source: Follow up performed on March 18, 2021	
#	Finding	Recommendation	Management Action Plan	
3	<p>SAF funds were not spent in a timely manner. Eight of the 12 SAF accounts reviewed, with a combined balance of \$2,858.12 as of November 18, 2019, had little to no activity during the audit period:</p> <ol style="list-style-type: none"> 1. Music and Movement \$168.05 2. PTA - donation Gr 5 \$24.14 3. Art \$167.68 4. Technology Education \$1,898.25 5. Chess Club \$150.00 6. Lego Club \$150.00 7. Jumping Mustangs \$150.00 8. WCHES \$150.00 	<p>The current principal must develop a plan to spend the funds in the inactive accounts in accordance with their intended purpose. The current principal also must review the SAF general ledger accounts at least once a year for inactivity.</p>	<p>The Principal and Administrative Secretary have spoken to the sponsors of these accounts and will be used during the 2019-2020 school year. If they are not used they will be placed in the SFO General Fund Account.</p> <p>The Principal will review the SAF accounts at least annually for inactivity.</p>	<p>COULD NOT DETERMINE Internal Audit reviewed the account balances of the 8 accounts, as of February 28, 2021, and determined that:</p> <ul style="list-style-type: none"> - One of the accounts has been resolved; - Seven of the accounts had no activity. <p>Due to the virtual learning environment, SAF activities are limited; therefore, it is anticipated that the accounts would have little to no activity during the follow-up audit period. We could not appropriately evaluate whether this finding has been resolved and will monitor the applicable activities once more transactions and activity occur. Please continue with your corrective actions. Please refer to Attachment A for balances in these accounts as of February 28, 2021.</p>

Appendix A

Account Name		Balance (as of 11/18/19) PRIOR AUDIT	Balance (as of 2/28/21) FOLLOW-UP	Difference INC/(DEC)	Current Status
Little or No Spending Activity					
1	Music and Movement	\$ 168.05	\$ 168.05	\$ -	no activity since prior audit
2	PTA - donation Gr 5	\$ 24.14	\$ -	\$ (24.14)	Resolved, balance transferred to General Account
3	Art	\$ 167.68	\$ 167.68	\$ -	no activity since prior audit
4	Technology Education	\$ 1,898.25	\$ 1,898.25	\$ -	no activity since prior audit
5	Chess Club	\$ 150.00	\$ 150.00	\$ -	no activity since prior audit
6	Lego Club	\$ 150.00	\$ 150.00	\$ -	no activity since prior audit
7	Jumping Mustangs	\$ 150.00	\$ 150.00	\$ -	no activity since prior audit
8	WCHES	\$ 150.00	\$ 150.00	\$ -	no activity since prior audit
<i>Total - Little or No Spending Activity</i>		\$ 2,858.12	\$ 2,833.98	\$ (24.14)	