

Board of Education of Baltimore County  
Office of Internal Audit

Follow Up to FY 2020 Change In Principal - SAF Audit

School Name: Edmondson Heights Elementary School  
Follow-Up Audit Period: SAF Accounts & Revenue Transactions: October 1, 2019 to September 30, 2020

Results: There were three findings from the September 18, 2019 audit report. Two findings were resolved and one finding was partially resolved. There was also an additional finding identified.

Source: Internal Audit report dated September 18, 2019			Source: Follow up performed on October 23, 2020	
#	Finding	Recommendation	Management Action Plan	
1	<p><b>Funds raised for student activities were not spent timely.</b> Two of the 10 accounts reviewed, with a combined balance of \$343.80, as of September 9, 2019, had no activity during the audit period:</p> <p>a. Donations Misc. \$49.41 b. Music Vocal \$294.39</p>	<p>The current principal must develop a plan to spend the funds in the inactive accounts in accordance with their intended purpose.</p> <p>The current principal must review the SAF general ledger accounts at least once a year for inactivity.</p>	<p>Funds from the Donations Miscellaneous account will be transferred to the General School account. Funds from the Music Vocal account will be used by the current vocal music teacher.</p> <p>The principal will review the SAF general ledger accounts at least annually.</p>	<p><b>RESOLVED</b> Internal Audit determined that a journal entry, transferring \$49.41 from the Donations - Misc. account to the General School account, was posted on September 16, 2019. The principal and account sponsor are planning to spend the funds in the Music - Vocal account to purchase musical instruments for students after the COVID-19 closure. Additionally, the principal indicated she reviewed SAF accounts monthly with the Administrative Secretary prior to the COVID-19 closure and recently reviewed them in August 2020. She will resume monthly reviews of SAF accounts after school buildings reopen to students.</p>
2	<p><b>An account had an inappropriate balance.</b> The Yearbook Club account has a deficit balance of (\$758.28), as of September 9, 2019 because the original yearbooks had to be reprinted due to a misspelling. The misprinted yearbooks were appropriately included on the school's year-end obsolete inventory form.</p>	<p>The current principal must ensure that the deficit balance in the Yearbook Club account is resolved by completing a journal entry to transfer funds from the General School Account or the Discretionary account.</p>	<p>A journal entry will be made to transfer funds from the General School account to resolve the deficit balance left by the Yearbook Club account.</p>	<p><b>RESOLVED</b> Internal Audit determined that a journal entry, transferring \$758.28 from the General School account to the Yearbook Club account, was posted on September 16, 2019. As of September 30, 2020, the balance in the Yearbook Club account was zero and there were no additional deficit balances in SAF.</p>
3	<p><b>Money envelopes were not used and/or retained.</b> For seven of the 25 revenue transactions reviewed, a money envelope was not available to support the amount remitted by the sponsor.</p>	<p>The current principal must ensure that money envelopes are used and completed by sponsors for all remittances. Additionally, money envelopes must be turned in to the administrative secretary at year-end for retention.</p>	<p>The administrative secretary provided training to all teachers on 08/23/19 to review this process. The administrative secretary will also individually remind teachers of these policies when distributing money envelopes.</p>	<p><b>PARTIALLY RESOLVED</b> Internal Audit determined that the Administrative Secretary reviewed money handling procedures with all applicable staff at the beginning of FY20. For two of the 15 revenue transactions reviewed during the follow-up audit period, a money envelope was not available to support the amount remitted by the sponsor. Both of these transactions were related to the same account and sponsor. Internal Audit also noted one additional transaction where funds were remitted to the Administrative Secretary without a money envelope. These funds were recorded on a another sponsor's money envelope by the Administrative Secretary prior to receipt and deposit.</p>

**FOLLOW-UP ADDITIONAL FINDING:**

Internal Audit determined that four of the 15 revenue transactions reviewed were not submitted and/or received promptly. There was a delay of 3 to 12 business days between the date indicated on the sponsor's money envelope and the date on the BCPS receipt.

**RECOMMENDATION:**

The principal must ensure that funds are submitted and received without delay and that all sponsors are aware of the proper procedures related to the collection and remittance of funds.