

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

**Follow Up to FY 2019 School Activity Fund and Procurement Card (P-card) CHIP Audit**

**School Name:** Hebbville Elementary School  
**Follow-Up Audit Periods:** SAF Accounts: August 21, 2019 - January 31, 2021  
 Expenditure & Revenue Testing: November 1, 2019 - June 30, 2020

**Results:** There were four findings from the August 21, 2019 audit report and all four were resolved.

Source: Internal Audit report dated August 21, 2019			Source: Follow up performed on March 24, 2021	
#	Finding	Recommendation	Management Action Plan	Current Status
1	<b>A donation was comminged with discretionay funds.</b> Donated funds were co-mingled with discretionary funds instead of being accounted for separately in a donation account.	The current principal must ensure that the donated funds are accounted for in a separate donation account. The administrative secretary must contact the Office of the Controller to establish the appropriate donation account. A journal entry must be completed to transfer \$263.33 from the Discretionary account to the donation account.	The funds will be moved and will be spent in accordance with its intended purpose.  Going forward, all donated funds will be deposited into an appropriate donation account and will be spent in accordance with its intended purpose.	<b>RESOLVED</b> Internal Audit reviewed the journal entry, dated August 27, 2019, and determined that a transfer of \$263.33 from the Discretionary account to the Donation Gamma Chapter account was completed. Per inquiry, the principal and administrative secretary are aware that any future donated funds must be accounted for in a separate SAF account.
2	<b>An SAF expenditure was made for a prohibited activity.</b> One SAF expenditure reviewed that totaled \$115.00, was for a prohibited activity. This expenditure was for a lunch provided to the teachers as an appreciation gift, it was not intended to be a business food expense.	The current principal must ensure that school activity funds are not used to purchase gifts for faculty and/or staff. Additionally, all school activity expenditures must contribute directly or indirectly to the educational program of the students.	Principal will council applicable employees. Going forward, if food is purchased, documentation will reflect appropriate reasoning.	<b>RESOLVED</b> Internal Audit reviewed nine expenditure transactions in the follow-up audit period and determined that there were no business food expenditures or unallowable purchases. Additionally, the school's money handling procedures have been updated. Since the staff recently returned to in-person school, there are plans to present the revised procedures at an upcoming staff meeting.
3	<b>A fund raiser was not properly approved prior to the event.</b> The sponsor for the NED Show fund raiser organized and held the event without prior approval of the principal. The School Fund Raiser Approval/Data Form was completed and approved after the completion of the event and the approval was backdated by the prior principal.	The current principal must ensure that the School Fund Raiser Approval/Data Form is completed by all sponsors and approved prior to the event.	Principal will council applicable employees. Appropriate money-handling procedures will be presented during pre-service week and included in the faculty handbook. Appropriate fundraising documents will be submitted prior to the start of the activity and will require approval of principal.	<b>RESOLVED</b> Internal Audit reviewed all SAF accounts since the prior audit and determined that no donations were received. Through inquiry with the school administration, we determined that the Hebbville Elementary School PTA will handle all fund raising activities for Hebbville Elementary School.
4	<b>Funds were not submitted and/or receipted promptly.</b> Three of the 25 revenue transactions reviewed were not submitted and/or receipted promptly. All three exceptions were for different fundraisers held by different sponsors. The funds collected for these fundraisers were held by the sponsor until the activity was complete and the funds were submitted on one remittance. The actual date of collection from the students could not be determined because the related cash collection sheets were either incomplete or missing. The maximum delay from the date of collection to the date of submission was between five and seven business days.	The current principal must ensure that funds are submitted and receipted on a daily basis, or as they are received, and that all sponsors are aware of and follow the proper procedures related to the collection and remittance of funds. This should include the proper completion of the money envelope and the cash collection sheet.	Appropriate money-handling procedures will be presented during pre-service week and included in the faculty handbook.  Going forward, all funds will be receipted appropriately and turned in/deposited daily.	<b>RESOLVED</b> Internal Audit reviewed 60 revenue transactions in the follow-up audit period and determined that all were submitted and/or receipted promptly. Additionally, the school's money handling procedures have been updated. Since the staff recently returned to in-person school, there are plans to present the revised procedures at an upcoming staff meeting.