

**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: Woodholme Elementary School
Follow-Up Audit Periods: SAF Revenue: November 1, 2019 through June 30, 2020
SAF Accounts: September 1, 2019 through March 31, 2021

Results: There were six findings from the October 23, 2019 audit report, five were resolved and one was partially resolved.

Source: Internal Audit report dated October 23, 2019			Source: Follow up performed on March 25, 2021											
#	Finding	Recommendation	Management Action Plan											
1	<p>Written money handling procedures are not sufficient. The written money handling procedures in use at the school do not include all the elements recommended by the Office of Accounting. The procedures are missing five required elements:</p> <p>a) Include a back-up in the event the bookkeeper is not available (receipt and deposit funds). b) Sponsors should maintain their own financial records. c) Sponsors should review SAF reports monthly. d) Procedures for pricing field trips. e) Individuals cannot be paid for services with a school check.</p>	<p>The current principal must ensure that the school's money handling procedures are updated to include all the recommended elements. Additionally, sponsors must be made aware of all modifications to the procedures.</p>	<p>The money handling procedures have been updated to address missing items and issues. Sponsors have been made aware of modifications. No back-up bookkeeper has yet been identified but two new clerical secretaries will begin working by November 1 and one will be selected and identified as the back-up.</p>	<p>RESOLVED Internal Audit reviewed the revised Woodholme Elementary School FY 2020 - 2021 money handling procedures and determined that all of the required elements were included. Additionally, the updated procedures were communicated to the staff and a back-up bookkeeper was identified and trained.</p>										
2	<p>Funds raised for student activities were not spent timely. Five of the 11 accounts reviewed, with a combined balance of \$3,625.33 as of September 13, 2019, had no activity during the audit period:</p> <table border="0"> <tr> <td>a) Woodholme Garden</td> <td>\$2,126.88</td> </tr> <tr> <td>b) Donation - Grey Rock Assoc.</td> <td>\$ 500.00</td> </tr> <tr> <td>c) Donation School Climate</td> <td>\$ 457.36</td> </tr> <tr> <td>d) Donation - Giant A Plus</td> <td>\$ 339.95</td> </tr> <tr> <td>e) School Store-STEM Fair Boards</td> <td>\$ 201.14</td> </tr> </table>	a) Woodholme Garden	\$2,126.88	b) Donation - Grey Rock Assoc.	\$ 500.00	c) Donation School Climate	\$ 457.36	d) Donation - Giant A Plus	\$ 339.95	e) School Store-STEM Fair Boards	\$ 201.14	<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 must review the SAF general ledger accounts at least once a year for inactivity.</p>	<p>Item e) has been addressed by transferring the STEM Fair Boards to the general fund. The remaining items will be addressed by having the funds earmarked to spend to have a direct benefit on the educational programming of students such as offsetting the cost of field trips and school supplies for classrooms.</p>	<p>PARTIALLY RESOLVED Internal Audit reviewed the activity in the five accounts from the prior audit, as of March 31, 2021, and determined:</p> <ul style="list-style-type: none"> - Three of the accounts have been resolved. - Two of the accounts continue to have no activity in the follow-up audit period. <p>The balance in the Woodholme Garden account remains with a balance of \$2,126.88 and the Donation - Grey Rock Assoc account now has a balance \$1,000.</p>
a) Woodholme Garden	\$2,126.88													
b) Donation - Grey Rock Assoc.	\$ 500.00													
c) Donation School Climate	\$ 457.36													
d) Donation - Giant A Plus	\$ 339.95													
e) School Store-STEM Fair Boards	\$ 201.14													
3	<p>Accounts had inappropriate deficit balances. Two of the 11 accounts reviewed, with a combined balance of \$(1,124.65) as of September 13, 2019, have deficit balances for the accounts:</p> <table border="0"> <tr> <td>a) One Card ID Payable</td> <td>\$ (837.75)</td> </tr> <tr> <td>b) School Store – Recorders</td> <td>\$ (286.90)</td> </tr> </table>	a) One Card ID Payable	\$ (837.75)	b) School Store – Recorders	\$ (286.90)	<p>The current principal must ensure that the deficit balance in the accounts is resolved by completing a journal entry to transfer funds from the General School account or the Discretionary account.</p>	<p>These deficit accounts were resolved on September 19, 2019 by transferring the funds from General School account to eliminate the negative balances.</p>	<p>RESOLVED Internal Audit reviewed the two journal entries, dated September 19, 2019, and determined that the One Card ID Payable and School Store - Recorders accounts negative balances were transferred to the General School account.</p>						
a) One Card ID Payable	\$ (837.75)													
b) School Store – Recorders	\$ (286.90)													

Source: Internal Audit report dated October 23, 2019			Source: Follow up performed on March 25, 2021	
#	Finding	Recommendation	Management Action Plan	Current Status
4	<p>Sales tax was accounted for incorrectly. Yearbook sales occurred directly through the vendor and were also sold through the school. The applicable sales tax was included in the payment to the yearbook vendor. Therefore, the yearbook vendor was responsible to submit the sales tax to the MD Comptroller. However, the sales through the school included the sales tax portion receipted to the Sales Tax Payable account. Since the vendor is remitting the sales tax, the school does not need to remit the vendor's portion of the sales tax.</p>	<p>The current principal must ensure that sales tax is accounted for accurately. The applicable sales tax related to the sale of yearbooks through the vendor should be transferred to the Yearbook account.</p> <p>Yearbook \$ 134.71 Sales Tax Payable (\$ 134.71)</p>	<p>Money in Sales Tax Payable will be moved to Yearbook account.</p> <p>Sales tax will be accurately calculated during yearbook sales this year.</p>	<p>RESOLVED Internal Audit reviewed the documentation submitted to the Comptroller of MD and the revenue received by the Comptroller of MD, to record the overpayment of sales tax. The overpayment of sales tax was accurately posted to the Yearbook account.</p> <p>Additionally, Internal Audit reviewed the activity in the Sales Tax Payable account for the follow-up audit period and determined that sales tax is calculated, posted, and remitted accurately to the Comptroller of MD.</p>
5	<p>Funds were not submitted and/or receipted promptly. Fifteen of the 25 revenue transactions reviewed were not submitted and/or receipted promptly. There was a delay of 2 to 7 business days between the date indicated on the sponsor's money envelope and the date on the BCPS receipt.</p>	<p>The current principal must ensure that funds are submitted and receipted without delay and that all sponsors are aware of the proper procedures related to the collection and remittance of funds.</p>	<p>Teachers will submit funds on the same day received and will be receipted within 24 hours (one business day). This was communicated to all teachers/sponsors and will be monitored by the principal.</p>	<p>RESOLVED Internal Audit reviewed 17 revenue transactions in the follow-up audit period and determined that all were submitted and/or receipted promptly. Additionally, the updated procedures were communicated to the staff and timely submission of funds is being monitored by the principal.</p>
6	<p>Money envelopes were not consistently used by sponsors. For 3 of the 25 revenue transactions tested, the money envelope was not completed by the sponsor. The administrative secretary completed the money envelope for the sponsor.</p>	<p>The current principal must ensure that money envelopes are used and completed by sponsors for all remittances.</p>	<p>Sponsors will complete money envelopes accurately. This was communicated to all teachers/sponsors and will be monitored by the principal.</p>	<p>RESOLVED Internal Audit reviewed 17 revenue transactions in the follow-up audit period and determined that all had a cash collection form, completed by the sponsor. Additionally, the updated procedures were communicated to the staff and the completion of cash collection forms are being monitored by the principal.</p>