

Board of Education of Baltimore County
Office of Internal Audit

Follow Up to FY 2020 Change In Principal - SAF Audit

School Name:

Woodlawn High School

Follow-Up Audit Period:

SAF Transactions: March 1, 2020 to January 31, 2021
SAF Accounts: January 6, 2020 to April 22, 2021
SAF Manual Receipt Transactions: July 1, 2019 to April 22, 2021
Procurement Card Transactions: March 7, 2020 to January 6, 2021

Results: There were 13 findings from the February 17, 2020 audit report. Ten of the findings were resolved, two of the findings were partially resolved, and one finding was not resolved.

Source: Internal Audit report dated February 17, 2020			Source: Follow up performed on April 20, 2021
#	Finding	Recommendation	Management Action Plan
1	<p>There are no written money handling procedures. Although the school verbally communicated money handling procedures to the teachers and staff, there are no documented money handling procedures for the teachers and staff to access.</p>	<p>The current principal must ensure that the school's money handling procedures are documented and include all recommended elements. Additionally, sponsors must be provided with the written procedures.</p>	<p>The principal and fiscal assistant established written money handling procedures. Printed copies of money handling procedures were distributed to staff. A refresher session is scheduled with the staff for March 2, 2020.</p>
			<p>RESOLVED Internal Audit completed a review of the money handling procedures at all high schools after the prior audit was completed. The May 11, 2020 Review of SAF Money Handling Procedures report indicated that there were no findings for Woodlawn High School. We determined that the money handling procedures were updated, included all of the recommended elements, and were presented to staff on March 2, 2020. We also determined the money handling procedures are available to staff year-round on the Woodlawn High School shared drive.</p>
2	<p>SAF funds were not spent in a timely manner. As of January 6, 2020, 21 of the 45 SAF accounts reviewed, with a combined balance of \$9,143.56, have inappropriate balances or little to no spending activity: For one of the 45 accounts reviewed, the Pink Out account, the balance of \$1,189.06 represents funds that were raised for a charity, but never remitted to the charity. Twenty of the 45 accounts reviewed, with a combined balance of \$7,954.50, had little or no spending activity during the audit period. See Appendix A on page 12 for detail of the 20 accounts.</p>	<p>The current principal must develop a plan to spend the funds in these accounts in accordance with their intended purpose. The current principal must ensure that funds raised for charitable purposes are remitted to the charity in a timely manner. The current principal must review the SAF general ledger accounts at least once a year for inactivity and ensure that funds are spent in a timely manner.</p>	<p>The inactive accounts have been reviewed and will be reviewed monthly with Gail Peterson to develop a plan for spending. Additional notes regarding specifics are listed below in Appendix A. The funds have been dispersed to the charity accordingly.</p>
			<p>PARTIALLY RESOLVED Internal Audit reviewed the account balances of the 20 accounts from the prior audit, as of April 22, 2021, and determined that: - Five of the accounts have been resolved; - Fifteen of the accounts continue to have no spending activity. The unresolved findings are partially due to the virtual learning environment, and limited SAF activities. Therefore, it is anticipated that the accounts would have little to no activity during the follow-up audit period. However, five of the 15 accounts have had idle funds and no activity since January 2017. This issue has been identified as a finding in the past 3 audits conducted at Woodlawn High School. Please continue with your corrective actions. Appendix A has been updated to include spending activity through the follow-up audit period (attached).</p>
3	<p>SAF transactions were not posted to the appropriate accounts. Internal Audit identified transactions that were not posted to the correct account in accordance with the Accounting Manual for School Activity Funds. *Funds collected for a fundraiser for Drama were posted to both the Fundraiser - Drama account and the Drama account. *Funds collected for a fundraiser for Band were posted to both the Band account and Band Uniforms account. *For 12 of the 40 SAF transfers reviewed, which totaled \$12,548.39, the reason for the transfer was to fix the initial transaction that was posted incorrectly in SFO. Including: **Funds collected were initially posted into the Accommodations account, then transferred to the appropriate account. **Funds collected for a field trip for the Class of 2020 were posted to the Field Trip account. The expenses, however, were posted to the Class account.</p>	<p>The current principal must ensure that all transactions are posted to the correct accounts and are in compliance with the <i>Accounting Manual for School Activity Funds</i>.</p>	<p>Money envelopes will be labeled so that funds will be posted to the appropriate account. Sponsors will receive additional training on March 2, 2020 to ensure that they indicate the appropriate account on the check request form so that invoices will be paid from the appropriate account.</p>
			<p>RESOLVED Internal Audit reviewed 55 revenue transactions in the audit period and determined that all were posted to the correct account. In addition, Internal Audit reviewed 26 transfers in the follow-up audit period and determined that none of the transfers were correcting entries, as identified in the prior audit. We determined that the money handling procedures were updated, included all of the recommended elements, and were presented to staff on March 2, 2020. We also determined the money handling procedures are available to staff year-round on the Woodlawn High School shared drive.</p>
4	<p>The operating budget was not reimbursed timely for SAF purchases. The operating budget was used for SAF expenditures, but was not reimbursed timely: *Class funds collected through SAF for prom were paid with the operating budget. The operating budget was not reimbursed for the \$149.96 paid for prom expenses. *Transportation costs, collected through SAF, for a field trip were paid with the operating budget. The operating budget was not reimbursed for the \$544.81 until the following fiscal year, over 7 months after the payment.</p>	<p>The current principal must ensure that a school check is remitted to BCPS for \$149.96 to reimburse the FY19 operating budget. Expenditures paid by the operating budget for SAF purchases must be remitted to the Office of Accounting in a timely manner, and within the same budget period.</p>	<p>All purchases made using BOE funds for SAF purchases due to vendor payment restrictions will be logged and reimbursed within 30 days from date of purchase. This matter has since been corrected and initially occurred when our fiscal assistant was out of the office for a leave. We will remit a check for \$149.96 to BCPS.</p>
			<p>PARTIALLY RESOLVED Internal Audit determined that the \$149.96 was not remitted to BCPS, as recommended in the prior audit. Woodlawn High School should remit the \$149.96 to BCPS. Internal Audit reviewed the activity in SAF accounts and determined that remittances to BCPS within the follow-up audit period were timely.</p>

Source: Internal Audit report dated February 17, 2020			Source: Follow up performed on April 20, 2021	
#	Finding	Recommendation	Management Action Plan	
			Current Status	
5	<p>Money envelopes were not consistently used and/or retained. For 6 of the 23 revenue transactions reviewed, documentation was not available to support the accuracy of the amount receipted:</p> <p>a.) For 5 transactions totaling \$571.00, there was no sponsor money envelope available to review, and b.) For 1 transaction totaling \$170.00, the transaction was not indicated on the sponsor's money envelope.</p>	<p>The current principal must ensure that money envelopes are used and completed by sponsors for all remittances.</p> <p>Additionally, money envelopes must be turned in to the fiscal assistant at year-end for retention.</p>	<p>Money envelopes have been inventoried and signed out to staff. Printed copies of money handling procedures were distributed to staff. A refresher session is scheduled with the staff for March 2, 2020.</p> <p>Money envelopes will be remitted to the fiscal assistant at year-end for retention.</p>	<p>RESOLVED Internal Audit reviewed 55 revenue transactions in the follow-up audit period and determined that except for one money envelope, all the money envelopes were available for review. The one exception was verbally communicated with the administration and the sponsor.</p> <p>Internal Audit determined that the money handling procedures were updated and presented to staff on March 2, 2020 and September 4, 2020. We also determined the money handling procedures are available to staff year-round on the school's shared drive. We also determined that money envelopes are collected and retained, by the fiscal assistant, at year-end.</p>
6	<p>Manual receipts were not posted accurately and properly handled. Manual receipts were not posted accurately and were not properly handled.</p> <p>*Manual receipts were not issued in sequential order.</p> <p>*Two of the 75 manual receipts in the audit period were not posted to the account that was indicated on the receipt.</p> <p>*For six of the 75 manual receipts in the audit period, the manual receipt numbers were not posted in SFO.</p> <p>*For 31 of the 75 manual receipts reviewed, the applicable SFO receipts were not provided to the sponsor.</p>	<p>The current principal must ensure that manual receipts are posted accurately and properly handled in compliance with the <i>Accounting Manual for School Activity Funds</i>.</p>	<p>The fiscal assistant and her back up will review the receipt book and each receipt to ensure that the receipts are continuously written in chronological order, properly posted to SFO, and provided to the sponsor.</p>	<p>RESOLVED Internal Audit reviewed the 45 manual SAF receipts in the follow-up audit period and determined that all were properly handled and accounted for in the school's general ledger.</p>
7	<p>Manual receipt errors were not corrected timely. Transfers to correct manual receipt posting errors were not timely. For 8 of the 75 manual SAF receipts in the audit period, a journal entry was completed 1-6 months after the receipt was issued to record the funds in the proper account.</p>	<p>The current principal must ensure transfers to correct manual receipt errors are completed timely and in compliance with the <i>Accounting Manual for School Activity Funds</i>.</p>	<p>The fiscal assistant meets monthly with Gail Peterson and journal entries are reviewed at that time. This will prevent transfers from being outstanding by several months.</p>	<p>RESOLVED Internal Audit reviewed the 45 manual SAF receipts in the follow-up audit period and determined that all were properly handled and accounted for in the school's general ledger. The need for correcting manual receipt entries did not apply in the follow-up audit period.</p>
8	<p>Funds were not deposited promptly. Deposits made at the bank in FY19 totaled \$193,892.09. An analysis of the deposits indicates that funds were taken to the bank by the fiscal assistant every 3.73 business days and the average amount of each deposit was \$3,779.81. However, during an approximate two-month period when the fiscal assistant was on leave, funds were taken to the bank more frequently by the back-up bookkeeper. On average, a deposit was made every 1.6 days and the average amount of each deposit was \$1,405.60.</p>	<p>The current principal must ensure that funds are deposited without delay. The back-up bookkeeper should make bank deposits if the fiscal assistant cannot perform the duty.</p>	<p>The fiscal assistant has planned daily bank trips as needed. The back-up bookkeeper will continue to make bank deposits, if the fiscal assistant is absent or cannot make the deposit.</p>	<p>RESOLVED Internal Audit reviewed 55 revenue transactions in the audit period and determined that except for one deposit with two receipts, the deposits were timely. The one exception was communicated with the administration.</p> <p>Internal Audit also determined that the back-up bookkeeper will make deposits, if needed, and when the fiscal assistant cannot make the deposit timely.</p>
9	<p>Documentation to support SAF expenditures was not adequate. Documentation to support SAF expenditures was not adequate:</p> <p>a.) For 1 of the 60 SAF expenditures reviewed, there was no documentation available to support the purchase. b.) For 1 of the 60 SAF expenditures reviewed, a non-itemized invoice was provided instead of original, itemized invoice. Additionally, the amount of the invoice was greater than the amount paid.</p>	<p>The current principal must ensure that all SAF expenditures are supported with original, itemized receipts or invoices prior to authorizing the expenditure.</p>	<p>The fiscal assistant will ensure that all required itemized documentation is submitted by account sponsor. Additionally, the principal will ensure the proper documentation is provided, when authorizing the expenditure.</p>	<p>RESOLVED Internal Audit reviewed 24 expenditure transactions in the follow-up audit period and determined that the expenditures were all supported with adequate documentation.</p> <p>Additionally, Internal Audit determined through inquiry that the proper documentation was provided to the principal when authorizing the expenditure.</p>
10	<p>SAF transfers were not documented. For 3 of the 40 SAF transfers reviewed, the journal entry form was not available to document the principal's approval of the transfer.</p>	<p>The current principal must review and approve all transfers of school activity funds. The journal entry form, used to document the transfer of funds, must be signed by the principal to indicate her approval of the transfer.</p>	<p>The principal will review and approve all transfer journal entries during the weekly financial meeting with the fiscal assistant.</p>	<p>RESOLVED Internal Audit reviewed 26 transfers in the follow-up audit period and determined that all were supported with a journal entry form.</p>

Source: Internal Audit report dated February 17, 2020			Source: Follow up performed on April 20, 2021	
#	Finding	Recommendation	Management Action Plan	
			Current Status	
11	<p>Procurement card and SAF Purchases were made for prohibited activities. Nine purchases, which totaled \$3,734.26, were made for prohibited activities:</p> <p>*Two purchases for food, which totaled \$1,997.00, were purchased with procurement cards from Chick Fil A for teacher appreciation, which did not meet the requirement of the BCPS Food Parameters; the purpose was not to further the school system's goals.</p> <p>*Four purchases for gift cards, which totaled \$1,066.75, were purchased with procurement cards from Amazon and Blackhawk Network (BHN) Gift Cards for extended year-end student incentives. There was no record of which students received these gift cards.</p> <p>*Three purchases for gifts, which totaled \$670.51, were purchased from Things Remembered and Amazon for the Class of 2019 Administrators, Sponsors, and student officers for the assistance and work for the Class of 2019.</p> <p>** 2 purchases, which totaled \$441.25, were procurement card purchases ** 1 purchase, which totaled \$229.26, was an SAF purchase.</p>	<p>The current principal must ensure that budgeted and SAF funds are not used to purchase items that are prohibited; intended as gifts for faculty, staff and/or students.</p> <p>Additionally, all operating fund and SAF expenditures must contribute directly or indirectly to the educational program of the students.</p> <p>A list of the students who received gift cards must be maintained with the documentation when gift cards are purchased as student incentives.</p> <p>The current principal must review the Food Purchase Parameters to ensure that all food purchases for staff meet this criteria.</p>	<p>Procurement Cardholders and SAF account sponsors have received communication indicating that no additional purchases for food, that do not meet BCPS food parameters, will be approved.</p> <p>There will be a meeting with Extended Year Learning Program (EYLP) staff and administration to discuss the incentive plan and gather documentation to account for any gift cards that are dispersed to students.</p> <p>Class officers and advisors will be made aware that school activity funds may not be used to purchase any gifts.</p>	<p>RESOLVED Internal Audit reviewed 24 SAF expenditure transactions and 39 procurement card purchases in the follow-up audit period and determined that there were no purchases made for prohibited activities.</p> <p>Additionally, the Fiscal Assistant reviewed BCPS food parameters with applicable employees at a staff meeting on March 2, 2020. BCPS policy on gifts was discussed with class officers and advisors at a virtual meeting on September 4, 2020. The meeting with EYLP staff referenced in the corrective action plan was not held due to the COVID-19 closure and has been re-scheduled for May 2021.</p>
12	<p>Documentation to support procurement card purchases was not adequate. Documentation to support procurement card purchases was not adequate:</p> <p>*For 3 of the 75 procurement card purchases reviewed, which totaled \$962.77, there was no documentation available to support the purchase.</p> <p>*For 4 of the 75 procurement card purchases reviewed, which totaled \$2,447.90, order forms or non-itemized receipts were provided instead of original, itemized receipts or invoices.</p>	<p>The current principal must ensure that all procurement card purchases are supported with original, itemized receipts or invoices prior to authorizing the monthly packet.</p>	<p>Procurement procedures were redistributed to all card holders. Card holders who fail to provide supporting documentation for purchases will have card privileges revoked.</p>	<p>NOT RESOLVED Internal Audit reviewed 39 procurement card purchases in the follow-up audit period and determined the documentation to support two of the purchases was not adequate:</p> <ul style="list-style-type: none"> For one purchase, which totaled \$156.74, there was no documentation available to support the purchase. For one purchase, which totaled \$39.95, a PayPal statement was provided instead of an original receipt or invoice.
13	<p>Purchases were made from an unapproved vendor. Two procurement card purchases, which totaled \$1,232.00, were made from an unapproved vendor for screen-printed shirts.</p>	<p>The current principal must ensure that all screen-printed shirt purchases are made from an approved vendor, according to Screen Printing and Embroidery for Apparel and Accessories contract (BCPS JBO-705-18).</p>	<p>An updated list of approved vendors for screen-printing has been provided to all card holders and account managers.</p>	<p>RESOLVED Internal Audit reviewed 39 procurement card transactions in the follow-up audit period and determined that except for one immaterial screen-printing purchase, all purchases were made from approved vendors. The one exception was communicated with the administration and the cardholder.</p> <p>Internal Audit also determined an updated list of approved vendors for screen-printing was provided to applicable staff in March 2020.</p>

Appendix A

	Account Name	Balance (as of 1/6/20) PRIOR AUDIT	Balance (as of 4/22/21) FOLLOW-UP	Difference INC/(DEC)	FOLLOW-UP RESULT AND RESPONSE
Little or No Spending Activity					
1	National Honor Society (NHS)	\$ 991.74	\$ 2,035.02	\$ 1,043.28	NOT RESOLVED: Tassels will be purchased for this year's NHS students.
2*	Lost books – Science	\$ 855.12	\$ 855.12	\$ -	NOT RESOLVED
3*	Scholarship – Chinese Exchange	\$ 640.00	\$ 640.00	\$ -	NOT RESOLVED
4	Strong Males	\$ 433.32	\$ -	\$ (433.32)	RESOLVED
5	Cooperative Education	\$ 430.81	\$ -	\$ (430.81)	RESOLVED
6	Emerging Leaders of Tomorrow	\$ 429.18	\$ 429.18	\$ -	NOT RESOLVED
7	FEA – Educators Rising	\$ 427.83	\$ 427.83	\$ -	NOT RESOLVED
8	National French Honor Society	\$ 419.85	\$ 419.85	\$ -	NOT RESOLVED
9	Gay Straight Alliance	\$ 414.65	\$ 414.65	\$ -	NOT RESOLVED
10*	Robotics Club	\$ 409.17	\$ 409.17	\$ -	NOT RESOLVED
11	National Art Honor Society	\$ 280.09	\$ 280.09	\$ -	NOT RESOLVED
12	Lost Books – Business	\$ 240.00	\$ -	\$ (240.00)	RESOLVED
13	Lost Books – Math	\$ 222.16	\$ 102.15	\$ (120.01)	RESOLVED
14*	Future Health Workers	\$ 176.02	\$ 176.02	\$ -	NOT RESOLVED
15	Library and Media Services	\$ 134.33	\$ 134.33	\$ -	NOT RESOLVED
16	Real Authentic Poets	\$ 109.27	\$ 109.27	\$ -	NOT RESOLVED
17	Guidance – Homeless	\$ 79.40	\$ 79.40	\$ -	NOT RESOLVED
18*	Business Ed	\$ 36.20	\$ 276.20	\$ 240.00	NOT RESOLVED
19	Guidance	\$ 22.89	\$ 22.89	\$ -	NOT RESOLVED
20	Strong Female Turkey Drive	\$ 13.41	\$ -	\$ (13.41)	RESOLVED
Total - Little or No Spending Activity		\$ 6,765.44	\$ 6,811.17	\$ 45.73	

* The \$2,356.51 in idle funds in these five accounts have been identified as a finding in the past three audits but have yet to be resolved. See audit reports dated January 3, 2017, February 9, 2018, and February 17, 2020.