

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

**Audit Report
Project #2020.023
September 2, 2020**



**Winfield Elementary School
School Activity Fund &
Procurement Card Audit**

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Background

The Office of Internal Audit (Internal Audit) conducted an audit at Winfield Elementary School due to the time since the last audit. The prior audit was completed nine years ago, with a report date of February 10, 2011. This audit had two findings. A follow-up audit was completed on December 8, 2011. Both of the prior audit findings were resolved.

Audit Objectives

Internal Audit conducted a School Activity Fund (SAF) and Procurement card audit at Winfield Elementary School:

- To evaluate, on a sample basis, the internal controls and compliance over SAF revenue, expenditure, and transfer transactions and accounts for the period June 1, 2019 through May 31, 2020.
- To evaluate, on a sample basis, the internal controls and compliance over procurement card transactions for the period June 1, 2019 through May 31, 2020.
- To determine the school's compliance with applicable board policies, superintendent's rules, and current BCPS practice, as they relate to these transactions and accounts.

Internal Audit performed the audit by conducting interviews and examining documentation.

Summary of Results

Internal Audit identified four reportable audit findings:

1. Funds raised for student activities were not spent timely
2. SAF checks were not voided properly
3. Written money handling procedures are not sufficient
4. Procurement card activity reports were not completed for months with zero activity

See pages 3 to 5 for detailed information regarding the reportable audit findings, Internal Audit's recommended corrective actions, and management's action plan.

Follow-up

Internal Audit will conduct a follow-up audit to determine if management has successfully resolved the findings identified in this audit.

Findings, Corrective Action, and Management Action Plan

Finding	Corrective Action	Management Action Plan	Target Date												
<p>1. Six of the eight accounts reviewed, with a combined balance of \$11,303.25 as of June 30, 2020, had little or no activity during the audit period:</p> <table border="0"> <tr> <td>1. Discretionary</td> <td>\$10,427.57</td> </tr> <tr> <td>2. Grant - Walmart</td> <td>\$282.56</td> </tr> <tr> <td>3. Art</td> <td>\$21.86</td> </tr> <tr> <td>4. Technology Education</td> <td>\$502.04</td> </tr> <tr> <td>5. Music - Instrumental</td> <td>\$5.24</td> </tr> <tr> <td>6. Science - STEM</td> <td>\$63.98</td> </tr> </table>	1. Discretionary	\$10,427.57	2. Grant - Walmart	\$282.56	3. Art	\$21.86	4. Technology Education	\$502.04	5. Music - Instrumental	\$5.24	6. Science - STEM	\$63.98	<p>The principal must develop a plan to spend the funds in these six accounts in accordance with their intended purpose.</p> <p>The principal must review the SAF general ledger accounts at least once a year for inactivity.</p>	<p>1. Discretionary funds to purchase new laminating machine and poster maker for instructional materials</p> <p>2. Walmart grant will be used to replenish student school supplies for second quarter virtual learning session</p> <p>3. Transfer funds from Art to general fund</p> <p>4. Technology Education used to purchase online subscription for teachers reading a-z and laminating supplies.</p> <p>5. Transfer funds from Music - Instrumental to general fund</p> <p>6. STEM funds used to purchase 3rd grade Safe Racer STEM Fair supplies</p> <p>Principal will review SAF accounts for inactivity on a monthly basis.</p>	<p>Immediate action</p> <p>Nov 2020-Jan 2021</p> <p>Immediate action</p> <p>Sept-Nov 2020</p> <p>Immediate action</p> <p>Spring semester 2021</p> <p>Immediate action</p>
1. Discretionary	\$10,427.57														
2. Grant - Walmart	\$282.56														
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<p>2. All three of the voided checks processed in the audit period were not voided correctly. The signature section was not removed from the checks and two of the three checks reviewed were not marked as void.</p>	<p>The principal should ensure that misprinted or unnecessary checks are properly voided. The signature section must be removed and "VOID" must be written across the face of the check. All void checks must be retained with the school's financial records.</p>	<p>Principal will ensure proper void checks protocols and monthly monitoring of compliance.</p>	<p>Ongoing</p>
<p>3. The written money handling procedures in use at the school do not include all of the elements recommended by the Office of Accounting. The procedures do not include:</p> <ol style="list-style-type: none"> 1. What to do with funds collected after school hours 2. Donations should be maintained in separate accounts 3. Donations - should request written documentation from the donor describing the intended use of the funds 4. Access for teachers to view financial data in SFO 	<p>The principal must ensure that the school's money handling procedures are updated to include all of the recommended elements.</p> <p>Additionally, sponsors must be made aware of all modifications to the procedures.</p>	<p>Principal will ensure the money handling procedures are updated to include the recommended elements.</p> <p>Updated procedures will be distributed to staff at the beginning of the FY21 school year.</p>	<p>Sept 2020</p>

Finding	Corrective Action	Management Action Plan	Target Date
<p>4. The two current procurement cardholders had a combined 15 procurement card periods with zero transactions in the audit period. Internal Audit determined there were no signed Cardholder Activity Reports on file for 3 of the periods with zero transactions.</p>	<p>The cardholder must complete the Cardholder Activity Report for each billing cycle regardless of whether the card had activity.</p> <p>Additionally, the principal must review and sign all Cardholder Activity Reports on a monthly basis.</p>	<p>At monthly financial meetings, the principal will ensure that Cardholder Activity Reports are completed for all cardholders. Additionally, the principal will review and approve of all Cardholder Activity Reports.</p>	<p>Monthly beginning Sept 2020</p>