

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

**Audit Report
Project #2020.022
July 24, 2020**



**Sollers Point Technical High School
SAF Audit & Procurement Card Audit**

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Kathleen Setzer
Incoming Principal

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Background

The Office of Internal Audit (Internal Audit) conducted an audit at Sollers Point Technical High School due to the retirement of the school's principal.

Ms. Kathleen Setzer was appointed as principal of Sollers Point Technical High School, effective July 1, 2020. Prior to this appointment, Ms. Setzer was the assistant principal at Patapsco High School for the past two years.

Audit Objectives

Internal Audit conducted an SAF and procurement card audit at Sollers Point Technical High 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 July 8, 2019 through July 6, 2020.
- To facilitate the transfer of responsibility over the school's financial, procurement, and contractual obligations between the outgoing and incoming principals.
- 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 three reportable audit findings:

1. Funds raised for student activities were not spent timely.
2. Blank receipt stock issued to the school was not available for review.
3. Procurement card purchases were split to avoid the transaction limit.

See pages three to five 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. Seven of the 15 accounts reviewed, with a combined balance of \$3,112.96, as of June 30, 2020, had no spending and/or activity during the audit period:</p> <table border="0"> <tr> <td>1. CISCO Level I</td> <td>\$157.98</td> </tr> <tr> <td>2. Auto Mechanics</td> <td>\$484.87</td> </tr> <tr> <td>3. Automotive Diesel</td> <td>\$917.33</td> </tr> <tr> <td>4. Culinary Optimist Club</td> <td>\$251.06</td> </tr> <tr> <td>5. NHS Technology</td> <td>\$391.66</td> </tr> <tr> <td>6. Computer Science</td> <td>\$630.06</td> </tr> <tr> <td>7. Student Parking</td> <td>\$280.00</td> </tr> </table>	1. CISCO Level I	\$157.98	2. Auto Mechanics	\$484.87	3. Automotive Diesel	\$917.33	4. Culinary Optimist Club	\$251.06	5. NHS Technology	\$391.66	6. Computer Science	\$630.06	7. Student Parking	\$280.00	<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>The principal will work with the sponsors to spend the money for the intended purpose.</p> <p>The principal will review the SAF accounts with the fiscal assistant yearly in April.</p>	January 2021
1. CISCO Level I	\$157.98																
2. Auto Mechanics	\$484.87																
3. Automotive Diesel	\$917.33																
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<p>2. Five receipts from the blank receipt stock, issued to the school when using manual receipts, were not accounted for or available for review. These receipts are used, primarily by the back-up bookkeeper, when the administrative secretary is not available to receipt the funds through the SAF financial system.</p>	<p>The current principal must ensure that all manual receipts issued to the school are safeguarded and once used, are recorded properly in the general ledger.</p>	<p>We have a file folder where manual receipts will be filed and secured and will be reviewed by the principal quarterly.</p>	July 2020														

Finding	Corrective Action	Management Action Plan	Target Date
<p>3. Procurement card purchases exceeding \$1,000 were split into multiple transactions to avoid the transaction limit. Two split purchases were identified:</p> <p>a) Fisher Auto Parts, which totaled \$1,441.90, was split into two transactions on the same day.</p> <p>b) Project Lead the Way, which totaled \$1,593.75, was split into two transactions by two cardholders, over a two-day period.</p>	<p>The current principal must ensure that procurement cardholders do not use their procurement card for non-travel purchases totaling more than \$1,000.</p> <p>The current principal must ensure that all purchases comply with the established purchasing procedures. The on-line catalog must be used when applicable and all purchases requiring a purchase order must be initiated in sufficient time to be properly processed by the Office of Purchasing.</p>	<p>The principal will review procurement card procedures with card holders during training with an emphasis on no splitting purchases. When purchases from different p-card holders in the same account string occur, documentation to support the separate purchases will be included on the reconciliation.</p> <p>The principal will review the purchasing procedures with the staff annually.</p>	<p>August 2020</p>