

Board of Education of Baltimore County
Office of Internal Audit

Follow Up to FY 2020 School Activity Fund and Procurement Card (P-card) CHIP Audit

School Name: Lyons Mills Elementary School
 Follow-Up Audit Periods: P-card: July 1, 2021 through December 31, 2021
 SAF: May 1, 2021 through December 31, 2021
 SAF General Ledger accounts: August 7, 2020 through December 31, 2021

Results: There were six findings from the August 6, 2020 audit report; all six findings were resolved.

Source: Internal Audit report dated August 6, 2020			Source: Follow up performed on January 11, 2021	
#	Finding	Recommendation	Management Action Plan	
1	<p>Funds received for student activities were not spent timely. Fifteen of the 19 accounts reviewed, with a combined balance of \$7,337.32, had little or no activity during the audit period. See Appendix A for detail of the 15 accounts.</p>	<p>The current principal must develop a plan to spend these funds 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>See Appendix A for the Management Action Plan for Finding #1.</p> <p>The principal will review the SAF general ledger accounts monthly for inactivity.</p>	<p>RESOLVED: Internal Audit reviewed the account balances of the 15 accounts with findings from the prior audit and determined that all 15 of them were resolved.</p> <p>Internal Audit also determined, through inquiry of the principal, that the principal reviews the SAF general ledger accounts monthly for inactivity.</p>
2	<p>Written money handling procedures are not complete. The written money handling procedures in use at the school do not include all the elements recommended by the Office of Accounting. The procedures do not include: a) What to do with funds collected during after-school hours. b) Donations should be for the benefit of the schools and students. c) Donations should be maintained in separate accounts. d) School should request written documentation from the donor describing the intended use of donations. e) PTA/Boosters Clubs and their relationship with the school and financial responsibility.</p>	<p>The current principal must ensure that the school's money handling procedures are updated to include all the recommended elements and communicate the updates to all sponsors.</p>	<p>The attached money handling procedures have been updated to include the missing elements.</p> <p>The money handling procedures will be added to the faculty handbook and will be shared with all staff during teacher duty week. All instructional staff will sign a sign-in sheet acknowledging that they have been informed of the revised money handling procedures.</p> <p>The 12-month administrative secretary will attend new bookkeeper training.</p> <p>The 10-month secretary/back-up bookkeeper will attend the back-up bookkeeper training.</p>	<p>RESOLVED: Internal Audit reviewed the current money handling procedures and determined that the five missing elements were added.</p> <p>Internal Audit determined, through inquiry of the principal, that the money handling procedures were added to the faculty handbook and shared with staff during duty week. A sign-in sheet of those in attendance was maintained. We also determined that the administrative secretary attended new bookkeeper training and the 10 month secretary attended back-up bookkeeper training.</p>
3	<p>Segregation of duties was not maintained. The Office other administrative secretary is the sponsor for the BCPS One Card ID Payable Account. During FY20, the administrative secretary collected, receipted and recorded funds that totaled \$165.00 for this account.</p>	<p>The current principal must ensure that the administrative secretary does not collect funds.</p>	<p>The 10-month administrative secretary will collect, receipt and record funds for the BCPS One Card ID Payable Account. The administrative secretary will not directly collect funds for any reason.</p>	<p>RESOLVED: Internal Audit determined, through inquiry of the principal, that the school no longer collects funds for the BCPS One Card. We also determined that the administrative secretary does not collect funds for any reason.</p>

Source: Internal Audit report dated August 6, 2020			Source: Follow up performed on January 11, 2021	
#	Finding	Recommendation	Management Action Plan	Current Status
4	<p>Procurement card and SAF purchases were made for prohibited activities.</p> <p>Twelve procurement card and SAF expenditures, which totaled \$2,935.24, were made for prohibited activities. Food and gift purchases were made for teacher appreciation and end-of-year celebrations during FY19. These activities were not held for a business purpose or to further the school system's goals. See Appendix B of the original report for detail of the 12 transactions.</p>	<p>The current principal must ensure that operating and school activity funds are not used to purchase food and gifts for staff members for non-business related purposes. All school activity expenditures must contribute directly or indirectly to the educational program of the students.</p> <p>Additionally, the current principal must ensure that all food purchases for staff members meet the Food Purchase Parameters.</p>	<p>The principal will meet with the bookkeeper weekly to review and approve all purchases. The principal will ensure that operating and school activity funds are not used to purchase food and gifts for staff members for non-business related purposes. The principal will ensure all school activity expenditures contribute directly or indirectly to the educational program of the students.</p> <p>A statement regarding purchasing food and gifts for the staff was added to the money handling procedures and will be shared with all staff.</p>	<p>RESOLVED:</p> <p>Internal Audit reviewed eight procurement card purchases and eight SAF expenditures in the follow-up audit period and did not identify any purchases that were made for prohibited activities.</p> <p>We determined that two of the procurement card purchases and one SAF expenditure had the proper documentation to meet the Food Purchase Parameters.</p> <p>We also determined, through review of the money handling procedures, that a statement was added regarding food and gifts for staff.</p>
5	<p>Procurement card purchases were split to avoid the \$1000 limit.</p> <p>A procurement card purchase from The Book Rack, which totaled \$2,354.35, was split into three transactions over a three business day period to avoid the \$1,000 transaction limit.</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 ensure all purchases comply with the established purchasing procedures. Procurement card purchases will not be split to avoid the \$1000 limit. The on-line catalog will be used when applicable and all purchases requiring a purchase order will be initiated in enough time to be properly processed by the Office of Purchasing.</p>	<p>RESOLVED:</p> <p>Internal Audit reviewed all the procurement card purchases in the follow-up audit period and did not identify any split purchases.</p>
6	<p>Imprinted staff t-shirts were purchased from an unapproved vendor.</p> <p>A teacher purchased imprinted staff T-shirts from an unapproved vendor (Amazon) for a school reading event and requested reimbursement from a fundraiser account that was intended to pay for a 1st grade field trip .</p>	<p>The current principal must ensure that:</p> <p>a) An approved vendor is used for all school purchases. Staff must be reminded that Amazon is not an approved BCPS vendor.</p> <p>b) Funds raised by students must be used for their advertised and intended purpose.</p>	<p>The principal will meet with the bookkeeper weekly to review and approve all purchases. The administrative secretary will ensure that an approved vendor is used for all school purchases. Staff will be reminded that Amazon is not an approved BCPS vendor. The principal will ensure all school activity expenditures contribute directly or indirectly to the educational program of the students.</p> <p>Additionally, the following statement was added to the money handling procedures: Funds raised by students will be used for their advertised and intended purpose.</p>	<p>RESOLVED:</p> <p>Internal Audit reviewed all procurement card purchases and SAF expenditures in the follow-up audit period and did not identify any purchases to unapproved vendors.</p> <p>We also determined, through review of the money handling procedures, that the statement was added: "Funds raised by students will be used for their advertised and intended purpose."</p>

Appendix A

Account Name	Balance at 6/30/2020 PRIOR AUDIT	Balance at 12/31/2021	Difference INC/(DEC)	FOLLOW-UP RESULT AND RESPONSE
Little or No Spending Activity				
1 Spirit Wear - Students	\$214.91	\$ -	\$ (214.91)	RESOLVED
2 Spirit Wear - Staff	\$28.30	\$ -	\$ (28.30)	RESOLVED
3 Donation – Vex	\$446.28	\$ -	\$ (446.28)	RESOLVED
4 Music - Vocal	(\$102.91)	\$ -	\$ 102.91	RESOLVED
5 Physical Education	\$30.63	\$ 1,425.68	\$ 1,395.05	RESOLVED
6 STEM	\$376.17	\$ -	\$ (376.17)	RESOLVED
7 STEM - Expo	\$449.79	\$ -	\$ (449.79)	RESOLVED
8 Fundraiser - Vex	\$575.00	\$ -	\$ (575.00)	RESOLVED
9 Fundraiser – Fall Fun	\$1,889.81	\$ -	\$ (1,889.81)	RESOLVED
10 Student Council	\$213.37	\$ -	\$ (213.37)	RESOLVED
11 Yearbook	\$928.14	\$ -	\$ (928.14)	RESOLVED
12 SLIME Club	\$140.50	\$ -	\$ (140.50)	RESOLVED
13 Vex Robotics Club	\$100.00	\$ 674.94	\$ 574.94	RESOLVED
14 Bicycle Program	\$1,926.11	\$ -	\$ (1,926.11)	RESOLVED
15 MESA	\$121.22	\$ -	\$ (121.22)	RESOLVED
Total	\$7,337.32	\$2,100.62	(\$5,236.70)	