

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: Winfield Elementary School
Follow-Up Audit Periods: SAF: July 1, 2020 through December 13, 2021
P-Card: June 1, 2021 through November 30, 2021

Results: There were four findings from the September 2, 2020 audit report; two were resolved, one was partially resolved, and one was not resolved.

| Source: Internal Audit report dated September 2, 2020 | | | Source: Follow up performed on December 13, 2021 | | | | | | | | | | | | | |
|---|---|--|---|---|----------|--------|---------|-------------------------|----------|-------------------------|--------|-------------------|---------|--|---|--|
| # | Finding | Recommendation | Management Action Plan | | | | | | | | | | | | | |
| 1 | <p>Funds received for student activities were not spent timely. 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> | <ol style="list-style-type: none"> Discretionary funds to purchase new laminating machine and poster maker for instructional materials Walmart grant will be used to replenish student school supplies for second quarter virtual learning session Transfer funds from Art to general fund Technology Education used to purchase online subscription for teachers reading a-z and laminating supplies. Transfer funds from Music --Instrumental to general fund STEM funds used to purchase 3rd grade Safe Racer STEM Fair supplies <p>Principal will review SAF accounts for inactivity on a monthly basis.</p> | <p>OVERALL - PARTIALLY RESOLVED: Internal Audit reviewed the account balances and activity of the six accounts with findings from the prior audit and determined that five of the six accounts with little or no spending activity in the prior audit were resolved. However, one of the six accounts, with a balance of \$542.04, as of December 13, 2021, continues to have little activity.</p> <p>The unresolved finding is due to the virtual learning environment and limited SAF activities in FY20. Therefore, it is anticipated that the accounts would have little to no activity during the follow-up audit period. Please continue with your corrective actions. Please note that Appendix A has been updated to include spending activity through the follow-up audit period. (attached).</p> |
| 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 | | | | | | | | | | | | | | | |
| 2 | <p>SAF checks were not voided properly. 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>RESOLVED There were no voided checks in the follow-up audit period to review. However, per inquiry, Internal Audit determined that the proper void check process is in place, if a check needs to be voided:</p> <ul style="list-style-type: none"> - The check is posted as voided check in the system. - The principal signs voided check statement from the system. - VOID is written on the check. - The signature section of the check is removed. | | | | | | | | | | | | |

| Source: Internal Audit report dated September 2, 2020 | | | Source: Follow up performed on December 13, 2021 |
|---|--|--|--|
| # | Finding | Recommendation | Management Action Plan |
| 3 | <p>Written money handling procedures are not complete.</p> <p>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:</p> <ol style="list-style-type: none"> 1) What to do with funds collected during after-school hours. 2) Donations should be maintained in separate accounts. 3) School should request written documentation from the donor describing the intended use of donations. 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>RESOLVED</p> <p>Internal Audit reviewed the current money handling procedures and determined that all required elements were included in the documented procedures. Additionally, the updated procedures were distributed to the staff at the beginning of the school year.</p> <p>This audit step was also completed with the FY22 Change in Principal Review, report dated September 23, 2021, with no findings.</p> |
| 4 | <p>Procurement card activity reports were not completed for months with zero activity.</p> <p>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>NOT RESOLVED</p> <p>The two procurement cardholders had a combined three procurement card periods with zero transactions in the follow-up audit period. We determined that the Carholder Activity Reports for these three periods were not signed until requested by Internal Audit for review.</p> |

Appendix A

| Account Name | Balance at 6/30/2020 PRIOR AUDIT | Balance at 12/13/2021 FOLLOW- | Difference INC/(DEC) | FOLLOW-UP RESULT AND RESPONSE |
|---------------------------------------|--|-------------------------------------|-------------------------|---|
| Little or No Spending Activity | | | | |
| 1 Discretionary | \$10,427.57 | \$6,057.08 | \$ (4,370.49) | RESOLVED |
| 2 Grant - Walmart | \$282.56 | \$0.00 | \$ (282.56) | RESOLVED |
| 3 Art | \$21.86 | \$0.00 | \$ (21.86) | RESOLVED |
| 4 Technology Education | \$502.04 | \$542.04 | \$ 40.00 | NOT RESOLVED These funds will be used to purchase device chargers for students/staff. |
| 5 Music - Instrumental | \$5.24 | \$0.00 | \$ (5.24) | RESOLVED |
| 6 Science - STEM | \$63.98 | \$0.00 | \$ (63.98) | RESOLVED |
| Grand Total | \$ 11,303.25 | \$ 6,599.12 | \$ (4,704.13) | |