

Board of Education of Baltimore County
Office of Internal Audit

Follow Up to SAF & P-CARD AUDIT

School Name: Johnnycake Elementary School
Follow-Up Audit Period: August 1, 2022 to December 31, 2022

Results: There were six findings from the July 28, 2022 audit report. Four findings are resolved, one is partially resolved and one is not resolved.

| Source: Internal Audit report dated July 28, 2022 | | | Source: Follow up performed on January 27, 2023 | |
|---|--|---|---|---|
| # | Finding | Recommendation | Management Action Plan | Current Status |
| 1 | <p>Funds raised for student activities were not spent timely.</p> <p>For three of the five accounts reviewed, with a combined balance of \$1,095.97 as of June 28, 2022, there was little to no expenditure activity during the audit period:</p> <ol style="list-style-type: none"> 1. Guidance/ Needy Families \$236.45 2. Library \$272.27 3. Instrumental Music \$587.25 | <p>The principal must develop a plan to spend the funds in the inactive accounts in accordance with their intended purpose. In addition, the principal must review the SAF general ledger accounts at least once a year for inactivity.</p> | <p>Principal will work with guidance, librarian, and instrumental music teacher to do the following:</p> <ul style="list-style-type: none"> • Discuss with each the remaining funds in their respective accounts. • Create a plan to use the funds for students by an assigned date. <p>Principal will work with 12 month admin secretary to ensure accounts are reviewed monthly including having the following actions completed:</p> <ul style="list-style-type: none"> • Proper paperwork and accounting procedures will be applied when/if materials are purchased or funds used. • Ensure accounts are updated and accurate. • Follow-up if items are ordered, but account balance has not indicated purchase has been finalized. • Keep track of receipts and purchases. | <p>RESOLVED</p> <p>Internal Audit reviewed the current status of these accounts with the principal and determined that procurement card purchases were initiated in January 2023 and will be reimbursed with funds from these accounts:</p> <ol style="list-style-type: none"> 1. Guidance Needy Families - games and supplies for counseling office 2. Library - books 3. Instrumental Music - microphone system for musical production <p>The principal also indicated that she has monthly meetings with the administrative secretary to discuss the status of SAF accounts.</p> |
| 2 | <p>School-specific written money handling procedures have not been developed.</p> <p>The document used by the school to convey money handling procedures to staff is not sufficient. The current document consists of presentation slides from a bookkeeper training held by the BCPS Controller's Office. It does not contain all of the information needed by school staff to comply with BCPS policies and procedures related to handling money.</p> | <p>The principal and administrative secretary must develop school-specific money handling procedures to include all recommended elements. The SAF accountants in the Controller's Office can provide a sample template for this purpose.</p> | <p>Principal will designate a time/date during teacher in-service week, to ensure ALL staff receive required training with regard to money handling procedures.</p> <p>12 month admin secretary will develop school-specific money handling procedures and provide the training using the BCPS recommended presentation and talking points.</p> <p>Money handling procedures presentation will be kept in Schoology for staff reference during the school year.</p> | <p>RESOLVED</p> <p>Internal Audit reviewed the current year money handling procedures and determined that they were school-specific and include all of the required elements. They were distributed during in-service week in August 2022 and were made available to staff on Schoology.</p> |
| 3 | <p>SAF expenditure documentation was not adequate.</p> <p>Of the three SAF expenditures reviewed, none had a check voucher or supporting documentation to indicate approval for the purchase and to detail what was purchased.</p> | <p>The principal and administrative secretary must ensure that:</p> <ul style="list-style-type: none"> • all SAF expenditures are approved prior to purchase • approval is indicated on a BCPS check voucher • an original, itemized receipt or invoice is provided prior to the issuance of payment to the vendor | <p>Principal will ensure that new 12 month admin secretary has received required training in order to effectively implement proper expenditure procedures.</p> <p>School based documentation procedures will be developed with 12 month admin secretary to ensure proper documentation of expenditures.</p> | <p>RESOLVED</p> <p>Internal Audit reviewed all four SAF purchases in the follow-up audit period and determined they were all properly supported. The administrative secretary has attended various required trainings including Bookkeeping, Operating Budget Management for Schools and Procurement Card training.</p> |
| 4 | <p>SAF transfer documentation was not retained.</p> <p>None of the four SAF transfer transactions selected for review were supported with a journal voucher form to indicate the reason for the transfer and the principal's approval of the transfer.</p> | <p>The principal and administrative secretary must ensure that:</p> <ul style="list-style-type: none"> • the principal reviews and approves all SAF transfers. • the journal voucher form, used to document the transfer of funds, is signed by the principal to indicate approval of the transfer. • the journal voucher form is retained in accordance with the BCPS Records Retention policy. | <p>12 month admin secretary will meet with Principal bi-weekly to review transfers and establish procedures for approval and complete vouchers.</p> | <p>RESOLVED</p> <p>Internal Audit determined through inquiry that the principal meets with the administrative secretary monthly, and as needed, to discuss SAF account activity, including transfers. Internal Audit reviewed the one SAF transfer in the follow-up audit period and determined that documentation was retained and it was properly approved by the principal.</p> |

| Source: Internal Audit report dated July 28, 2022 | | | Source: Follow up performed on January 27, 2023 | |
|---|---|---|---|---|
| # | Finding | Recommendation | Management Action Plan | |
| 5 | <p>Procurement card procedures were not followed.</p> <p>None of the 10 sampled monthly packets were available for review to ensure that purchases were reconciled by the cardholder and approved by the principal.</p> <p>Two of the 18 sampled transactions were not supported with documentation to detail the items purchased. Both were from W.B. Mason and totaled \$1,060.96.</p> | <p>The cardholder must ensure that:</p> <ul style="list-style-type: none"> • he/she completes and reconciles his/her procurement card packet each month • the packet includes the Statement of Account Report, the Bank Memo Statement and itemized documentation for each purchase • he/she signs the Statement of Account Report to document his/her reconciliation of the purchases <p>The principal must ensure that:</p> <ul style="list-style-type: none"> • cardholders submit a monthly procurement card packet • the packet contains all required documents • all purchases are appropriate • he/she signs the Statement of Account to document his/her approval of the purchases | <p>Principal will meet with staff for whom P-Cards responsibilities are given to explain procedures for documenting the purchasing of materials using the P Card.</p> <p>12 month admin secretary will use a folder system in which, P card documentation is collected, stored, and signed by Principal</p> | <p>PARTIALLY RESOLVED</p> <p>Internal Audit determined through inquiry that the principal met with Pcard holders regarding the procedures for documenting Pcard purchases. We also determined that the administrative secretary implemented a filing system to maintain Pcard documentation.</p> <p>Internal Audit also tested a sample of nine Pcard transactions in the audit period and determined all were supported by adequate documentation. However, there were no signed Cardholder Activity Reports for any of the five monthly Pcard packets tested. The principal indicated that these reports would be generated and approved on a monthly basis going forward.</p> |
| 6 | <p>Procurement card activity reports were not completed for months with \$0 activity.</p> <p>There were no signed Cardholder Activity Reports on file for any of the 13 procurement card periods where there were no purchase transactions during the period.</p> | <p>The cardholder must ensure that:</p> <ul style="list-style-type: none"> • he/she prints and signs the Statement of Account for each billing cycle regardless of whether the card had activity. <p>The principal must ensure that:</p> <ul style="list-style-type: none"> • the cardholder remits a signed Statement of Account report each month for review and approval. | <p>Principal will meet with staff for whom P-Cards responsibilities are given to explain procedures for documenting non-purchasing months.</p> <p>12 month admin secretary will use a folder system in which, P card documentation is collected, stored, and signed by Principal</p> | <p>NOT RESOLVED</p> <p>Internal Audit determined that there were no signed Cardholder Activity Reports on file for any of the nine procurement card periods where there were no purchase transactions during the follow-up audit period. As a result of our follow-up review, the administrative secretary generated Cardholder Activity Reports for the periods we tested and had the principal review and approve them. The principal indicated that these reports would be generated and approved on a monthly basis going forward.</p> |