

Internal  
Audit  
Report

**Carroll Manor Elementary School  
School Activity Fund and Procurement  
Card Audit**

*October 2023*

**Carroll Manor  
Code of Conduct**

**I will take care of myself,  
I will take care of others, and  
I will take care of our school.**



Baltimore County Public Schools  
Office of Internal Audit

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## BACKGROUND

Ms. Angela McNelly, Principal, Carroll Manor Elementary School (CMES), contacted Internal Audit and requested an audit of the school's SAF activity and P-card transactions due to a recent change in the Administrative Secretary position. Ms. McNelly has been the principal of Carroll Manor ES since July 1, 2018. The prior Administrative Secretary transferred to another BCPS Elementary School, effective August 21, 2023. The current Administrative Secretary transferred from Stemmers Run Middle School, effective September 5, 2023.

## OBJECTIVE, SCOPE & METHODOLOGY

**Objective** To evaluate the internal controls and compliance over school activity fund (SAF) and procurement card (P-card) transactions and to determine the school's compliance with applicable Board policies, Superintendent's rules, and current BCPS practices.

**Scope** Analysis of SAF activity and P-card transactions for the period July 1, 2022 to June 30, 2023.

**Methodology** To achieve the audit objectives, we performed the following:

- Reviewed SAF balances as of June 30, 2023, for appropriateness and inactivity.
- Reviewed a judgmental sample of FY23 SAF revenue and expenditure transactions for proper supporting documentation and approval.
- Reviewed a judgmental sample of FY23 SAF transfers for proper supporting documentation and approval.
- Reviewed the school's inventory of pre-numbered manual SAF receipt forms.
- Reviewed the school's current money handling procedures to ensure they contain elements required by the BCPS Controller's Office.
- Reviewed a judgmental sample of FY23 monthly P-card packets and transactions for proper supporting documentation and approval.

## RESULTS

### **1. Pre-numbered receipt stock issued to the school was not available for review and was not issued in numerical sequence.**

**Finding** One of the pre-numbered receipts provided to the school for issuing manual receipts was not accounted for or available for review. In addition, one of the issued receipts was used out of order.

**Recommendation** The principal must ensure that all manual receipts issued to the school are safeguarded and once used, are recorded properly in the general ledger. Manual receipts should also be issued in numerical sequence.

#### **Management's Corrective Action**

Will review the process for using and safeguarding pre-numbered receipts with the new Administrative Secretary.

#### **Responsible Person(s)**

Ms. McNelly, Principal, CMES

#### **Anticipated Completion Date**

Completed October 16, 2023

## 2. SAF transfers were not documented and/or approved by the principal.

**Finding** Internal Audit reviewed a judgmental sample of four SAF transfers in the audit period and determined that for two of the four SAF transfers reviewed, a journal entry proof sheet was not available to support the transfer of funds.

**Recommendation** The principal must ensure that the journal entry proof sheet, used to document the transfer of funds, is prepared by the administrative secretary and submitted to the principal for all SAF transfers.

### Management's Corrective Action

Will remind the new Administrative Secretary about the process for journal entry proof sheets. She continues to have regular SAF training with the Accounting Department.

### Responsible Person(s)

Ms. McNelly, Principal, CMES

### Anticipated Completion Date

Completed October 16, 2023

### **3. BCPS Procurement Card Manual single transaction spending limit was exceeded.**

**Finding** A non-travel related procurement card transaction within the audit period was over the single transaction limit of \$2,000. The prior administrative secretary was a travel procurement card holder with a single transaction limit of \$5,000; however, the BCPS Procurement Card Manual indicates that only travel related purchases may exceed the \$2,000 per transaction spending limit.

**Recommendation** The principal should review BCPS Procurement Manual requirements with all current procurement card holders to ensure the non-travel \$2,000 spending limit is not exceeded.

#### **Management's Corrective Action**

Met with the former Administrative Secretary to address the issue and included a letter with the signed p-card packet that I recognized the error while reviewing the packet submitted to me. Reviewed the single transaction limit of \$2000 with the new Administrative Secretary; she has also successfully completed the Operating Budget Management training courses and P-card training.

#### **Responsible Person(s)**

Ms. McNelly, Principal, CMES

#### **Anticipated Completion Date**

Completed October 16, 2023