

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: Church Lane Elementary School
Follow-Up Audit Periods: SAF & P-card: July 1, 2020 through December 31, 2021

Results: There were ten findings from the July 10, 2020 audit report; eight were resolved, one was partially resolved, and one was not resolved.

Source: Internal Audit report dated July 10, 2020			Source: Follow up performed on February 11, 2022	
#	Finding	Recommendation	Management Action Plan	
1	<p>Lack of contract and commissions related to the snack vending machine. A written agreement with the snack vending machine vendor, Dew-Rolle Vending, is not on file at the school. Additionally, for the nearly 14-year period from September 1, 2006 through May 31, 2020, there was only one Dew-Rolle Vending commission check receipted and deposited to the school's SAF, for \$210.00 on September 26, 2019.</p>	<p>The current principal must ensure that a written agreement with an approved snack vending company is kept on file at the school. The agreement must include that the vending machine generates a profit to be used for the benefit of the school. Additionally, commissions must be receipted, deposited and posted to the SAF Vending Account.</p>	<p>We will ensure that a signed, written contract with an approved vendor is on file.</p> <p>We will create a vending account, also, to track profits.</p>	<p>RESOLVED: Internal Audit determined that the school has an approved Coca Cola contract. We also reviewed the general ledger for the follow-up audit period and determined there is a vending account to track the vending profits.</p>
2	<p>Lack of a back-up bookkeeper. A back-up has not been assigned and cross-trained to complete the bookkeeping duties if the administrative secretary is unable to do so.</p>	<p>The current principal must assign a designated person to whom collected funds are remitted in the absence of the administrative secretary. This individual must be trained to perform the bookkeeping duties.</p>	<p>The 10-month school secretary will take the training to serve as the back-up bookkeeper.</p>	<p>RESOLVED: Internal Audit determined, through inquiry of the principal, that the 10-month secretary is the back-up bookkeeper and attended the training on February 7, 2022.</p>
3	<p>Funds raised for student activities were not spent timely. Three of the six accounts reviewed, with a combined balance of \$11,646.52 had no activity during the audit period:</p> <p>a) Library \$647.89 b) Playground Equipment \$10,932.33 c) NSF account \$66.30</p>	<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 reach out to the executive director to create a plan to spend the funds in the 3 identified accounts.</p> <p>The principal will review the SAF general ledger accounts at the end of May and again mid-June to check for inactivity.</p>	<p>OVERALL - PARTIALLY RESOLVED: Internal Audit reviewed the account balances and activity of the three accounts with findings from the prior audit and determined that one of the three accounts with little or no spending activity in the prior audit was resolved. However, the other two accounts, with a balance of \$11,586.22, as of December 31, 2021, continues to have little activity.</p> <p>The principal stated that there are plans to spend the funds in the Library account and that she will work with the Office of Accounting to redirect the funds in the Playground Equipment account.</p>
4	<p>Sales tax was paid for school-related procurement card purchases and reimbursed for school-related SAF purchases. For two of the 18 procurement card transactions reviewed, sales tax which totaled \$5.27, was paid on expenditures related to the instructional program or for operational purposes.</p> <p>For six of the 14 SAF expenditures reviewed, sales tax which totaled, \$28.47 was reimbursed for SAF purchases related to the instructional program or for operational purposes.</p>	<p>The cardholder/purchaser must inform the vendor that the purchase is for Baltimore County Public Schools and is exempt from sales tax when items are purchased.</p> <p>The current principal must ensure that sales tax is not included in the procurement card charges or receipt when he/she reviews and approves the monthly procurement card packets and approves the SAF reimbursement.</p>	<p>The protocol for use of the tax-exempt card will be shared with all staff. Taxes paid will not be reimbursed. Tax exempt cards will be provided to all staff making purchases for reimbursement and for those staff members with procurement cards.</p>	<p>NOT RESOLVED: Internal Audit reviewed nine procurement card purchases in the follow-up audit period and determined that one purchase, related to the instructional program, included sales tax of \$49.63.</p> <p>Our review of all six SAF expenditures in the follow-up audit period did not identify any purchases where sales tax was paid.</p>

Source: Internal Audit report dated July 10, 2020			Source: Follow up performed on February 11, 2022	
#	Finding	Recommendation	Management Action Plan	Current Status
5	Money envelopes were not used and/or retained. For seven of the 35 revenue transactions reviewed, a money envelope was not available to support the amount remitted by the sponsor.	The current principal must ensure that money envelopes are used and completed by sponsors for all remittances. Additionally, money envelopes must be turned in to the administrative secretary at year-end for retention.	Money envelopes will be collected immediately after field trips and at end of year. This will be added to the close-out protocol. The proper procedure for managing money and money envelopes will be shared with the staff.	RESOLVED: Internal Audit reviewed all five revenue transactions in the follow-up audit period and did not identify collections that required the use of a money envelope. However, we determined through inquiry of the principal that the proper procedures related to the use of money envelopes are in place at the school and were shared with the staff. Additionally, the collection of money envelopes was added to the school's close-out procedures.
6	Funds were not submitted and or receipted promptly. One of the 35 revenue transactions reviewed was not submitted and/or receipted promptly. There was a delay of eight business days between the date indicated on the sponsor's money envelope and the date on the BCPS receipt.	The current principal must ensure that funds are submitted and receipted without delay and that all sponsors are aware of the proper procedures related to the collection and remittance of funds.	The proper procedures related to the collection and remittance of funds will be shared with all sponsors.	RESOLVED: Internal Audit reviewed all five revenue transactions in the follow-up audit period and did not identify delays in the receipting of funds received. Additionally, we determined through inquiry of the principal that the proper procedures related to the collection and remittance of funds are in place at the school and were shared with all sponsors.
7	Documentation to support SAF food-related expenditures was not adequate. For all five of the SAF business food-related purchases reviewed, which totaled \$354.21, the documentation provided did not meet the requirements of the BCPS Food Parameters; there was no agenda or attendee information provided.	The current principal must ensure that all SAF business food-related purchases include the proper documentation per the BCPS Food Parameters.	All food purchased will fit within the BCPS Food Parameters. Agenda and attendee information will be provided. The parameters and expectations will be shared and understood with staff.	RESOLVED: Internal Audit reviewed all six SAF expenditures in the follow-up audit period and did not identify any food purchases. However, we determined through inquiry of the principal that business food-related purchases will meet the requirements of the BCPS Food Parameters. These procedures and expectations were shared with the staff.
8	SAF expenditures were made for prohibited activities. One of the 14 SAF expenditures reviewed, which totaled \$81.33, was made for a prohibited activity. Teacher appreciation gifts of Burts Bees products were purchased with discretionary funds. Further review of the Discretionary account identified \$2,678.92 that was spent from July 2016 - March 2020 for the purchase of Keurig cups and coffee supplies for the faculty room.	The current principal must ensure that school activity funds are not used to purchase items that are intended as gifts for faculty and/or staff. Additionally, all school activity expenditures must contribute directly or indirectly to the educational program of the students.	SAF will only be used for allowable purchases. All purchases will contribute directly or indirectly to the educational program of students. Coffee will be donated or purchased through the PTA.	RESOLVED: Internal Audit reviewed all six SAF expenditures in the follow-up audit period and did not identify any purchases that were made for prohibited activities.
9	Food purchased for students did not meet Superintendent's Wellness Rule – 5470. Three of the 14 expenditures reviewed, that totaled \$270.16, did not meet the requirements of the Superintendent's Wellness Rule - 5470. Food-related activities or food offered to students on school property during the regularly scheduled school day is required to conform with the wellness rule.	The current principal must ensure that food purchased for students meets the requirements of the Superintendent's Wellness Rule - 5470.	All food-related activities and food offered to students on school property will conform with the wellness rule. These guidelines will be shared with staff.	RESOLVED: Internal Audit reviewed all six SAF expenditures in the follow-up audit period and did not identify any food purchases. However, we determined through inquiry of the principal that all food purchased for students will meet the requirements of the BCPS Superintendent's Wellness Rule – 5470.
10	Activity reports were not completed for months with \$0 activity. There were no signed Cardholder Activity Reports on file for 19 of the 20 procurement card periods where there were zero transactions in the period.	The cardholder must complete the Cardholder Activity Report for each billing cycle regardless of whether the card had activity. Additionally, the current principal must review and sign all Cardholder Activity Reports.	All cardholders will complete the Cardholder Activity Report each billing cycle regardless of whether the card had activity. I will review and sign all Cardholder Activity Reports.	RESOLVED: Internal Audit reviewed all the zero activity procurement card reports in the follow-up audit period and determined that they were all available and approved by the principal.