



OFFICE of INTERNAL AUDIT

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MEMORANDUM

February 20, 2026

To: Eunice Humphrey, Instructional Director
Cluster 10

Denice Nabinett Ed.D., Principal
DuVal High School

From: Deana Thorps, CPA, Director
Internal Audit

Re: **DuVal HS Financial Audit for the Period January 1, 2023, through May 31, 2025**

An audit of the financial records of **DuVal High School** was completed for the period January 1, 2023 through May 31, 2025. The audit indicates that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual for School Activity Fund (APM) and Prince George's County Board of Education policies and procedures. The exceptions noted are included in the attached report.

As principal of the school, you will be responsible for preparing an action plan by **March 20, 2026**, indicating steps that will be taken to ensure compliance with the APM. Please note that you are required to provide your action plan using the attached Microsoft Word template and any other correspondence to the Internal Audit Office, email address internal.audit@pgcps.org. Please forward this template as a Microsoft Word document. A copy of your action plan should also be forwarded to Shaquana Mitchell, Business Analyst, email address: shaquana.mitchell@pgcps.org, Roderick Adams, Administrator, Compliance and Procedures, email address: roderick.adams@pgcps.org, and Katrina Greene, School Activity Funds Support Specialist, email address: katrina.greene@pgcps.org.

cc: Branndon Jackson, Chair, Board of Education
Members, Board of Education
Shawn Joseph, Ed.D., Interim Superintendent
Deann Collins, Ed.D., Chief of Staff
Carletta Marrow, Ed.D., Chief of Schools
Ed Ryans, Ed.D. Associate Superintendent, Area 3
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Janice Walters-Semple, CPA, Internal Audit Supervisor
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**School Activity Fund Report –
DuVal High School**
January 1, 2023 – May 31 2025

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Internal Auditor's Draft Report

We have examined the School Activity Funds (SAF) of DuVal High School for the period January 1, 2023 through May 31, 2025. DuVal High School's principal is responsible for the administration of SAF. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards and, accordingly, included examining, on a test basis, evidence supporting SAF, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Our examination disclosed the following **eight** findings:

- *Records Retention*
- *Delinquent Deposits*
- *Mismanagement of Disbursements*
- *Delinquent Monthly Bank Reconciliations*
- *Administration of Fund Transfers*
- *Administration of Fundraisers*
- *Administration of Grants and Donations*
- *Restricted Fund Account Deficits*

In our opinion, except for the deviation from the criteria described in the preceding paragraph, the SAF referred to above was administered in compliance with Prince George's County Board of Education (BOE) policies and procedures and the Accounting Procedures Manual for School Activity Funds (APM), in all material respects, for the period ended May 31, 2025.



Deana Thorps, CPA, Director
Internal Audit

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SUMMARY

Internal Audit completed an audit of the school activity funds (SAF) for DuVal High School for the period January 1, 2023 through May 31, 2025. The audit was conducted as part of the department's annual audit plan.

This audit report includes **eight** findings that occurred under the leadership of the former and current principals. A listing of the findings and the personnel responsible is included in the appendix at the end of the audit report. Detailed findings from the current audit are cited on the following pages with accompanying recommendations for corrective action.

OBJECTIVES

The objectives of the audit were to determine the effectiveness of the system of internal controls and whether the school was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and Prince George's County Board of Education (BOE). It is important to recognize that, while the audit report focused on deficiencies, it was intended to be constructive. The audit was not designed and conducted to evaluate the effectiveness of the educational programs in the school. Therefore, the absence of comments related to the educational programs should not be construed to imply that these programs are either adequate or deficient.

SCOPE

The audit was based on our examination of selected bank statements, financial reports, cancelled checks, all voided checks and available Monetary Transmittal Form (MTF) envelopes submitted by staff for the period January 1, 2023, through May 31, 2025. Also, selected receipts, disbursements and supporting documentation were reviewed for the said period. The audit results were based on available documentation as some financial records were not available for review (*Refer to Finding 2026.01 regarding Records Retention*).

This is an audit of funds related to students' activities at the school and does not include School Operating Resources (SOR) funds or any funds not derived from students' activities for the audit period.

FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2026.01 Records Retention

There were at least **247** instances where documentation to support the administration of SAF were not available for review:

- A. ***End of Year (EOY) MTF Envelopes*** – Selected EOY MTF envelopes from FY 2023 containing **81** pink MTF were not located for review. Selected EOY MTF envelopes from FY 2024 containing **50** MTFs (pink and yellow remittances) were also not available for review.
- B. ***Cash Receipt Documentation*** – There were **eight** instances where documentation to substantiate MTF totals were not available for examination. There were also **eight** instances where neither MTFs nor supporting documentation were made available for review.
- C. ***Disbursement Documentation*** – There were at least **90** instances where cancelled check documentation to substantiate disbursement were not made available for review. In addition, **three** SFEFs and **one** invoice were not included with disbursement records.
- D. ***Fund Transfer Journal Entry Proof Sheets (FTJEPS)*** - There were **six** instances where approved FTJEPS were not made available to support the appropriateness and accuracy of fund transfers.

The following criteria are established in the APM for administering SAF:

- A. Section 4.5.2.2 *Collecting Funds: Completing the Monetary Transmittal Form*–The white and yellow copies are submitted to the Bookkeeper with funds. After approving a MTF, the Bookkeeper returns the yellow copy to the originator. Prior to departing at year-end, faculty and program managers are to submit the pink and yellow copies of the MTF(s) in a sealed envelope (with their signature over the seal) to the designated administrator. The Bookkeeper will print the SFO RECEIPTEE HISTORY REPORT and submit it to a designated administrator. The MTF is also required to be entirely completed, and documentation provided for all funds received.
- B. Section 4.5.3.1 *Inclusion of Supporting Documentation* - All checks must have itemized documentation attached to the SFEF that supports the amount of the check.
- C. Section 6.12 *Record Retention* requires all SAF records to be retained for a period of seven years and/or until audited including the current fiscal year.

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- D. Section 4.5.4.2 *Transfers Between Restricted and Unrestricted Net Accounts* require each restricted fund transfer to be supported with a signed FTJEPS.

The following summarizes the causes of the deficiencies noted:

- A. The recordkeeping staff explained that the teachers delayed remitting proceeds from the schoolwide fundraisers which led to delays in the deposit of funds.
- B. The recordkeeping staff tenure began in December 2024 at which point she was not familiar with what constituted adequate deposit documentation. As such the internal controls to ensure that adequate document of deposit is maintained were not always performed.
- C. The recordkeeping staff and principal explained that the missing cancelled checks were not included with the school's monthly bank statements.
- D. The missing FTJEPS were misplaced in the other six instances because of an inadequate records management system.

The following are the potential effects of the mismanagement of funds received:

- A. Failure to comply with the procedures for managing EOY MTF remittances impact the quality of compensating evidence to provide support for collections.
- B. The absence of deposit documentation (partial or entire) makes it difficult to verify the accuracy of transactions recorded in Student Funds Online (SFO) and negates the opportunity to identify errors and possible fraud.
- C. Missing documentation hinders timely detection of errors in financial records and negates the audit trail necessary to determine the school's compliance with policies and procedures.
- D. The absence of documentation to substantiate journal entries removes evidence that the journal entries were appropriately approved and accurately posted to SFO. It also impacts the identification and correction of errors in a timely manner.

Recommendations: The following are recommendations suggested for proper management of Records:

- A. The principal and recording staff must implement an adequate records management system that ensures proper filing and retrieval of the school's financial records and enhance the school's internal control environment.

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- B. The recordkeeping staff must become familiar with the guidelines in the APM regarding adequate deposit documentation, administering disbursements and journal entry records.
- C. The principal should conduct monthly review of the school's financial records to ensure consistent compliance, adequacy and completeness.

2026.02 Delinquent Deposits

There were at least **15** instances where deposits were not processed in a timely manner, resulting in delinquencies that ranged from four and 25 days. There were also **16** instances where deposits exceeding \$250.00 were held overnight.

Section 4.5.2.2 (1) Collecting Funds and Guidelines for Bank Deposits, Completing the MTF, and Preparing Bank Deposits, requires all funds collected to be remitted to the bookkeeper on the day of collection. The bookkeeper is also required to make timely deposits with the financial institution. The MTF must be entirely completed, and documentation provided for all funds received.

The recordkeeping staff explained that the teachers were delayed in remitting proceeds from the schoolwide fundraisers which led to delays in the deposit of funds.

Internal controls are compromised, and there is the risk of loss of funds when funds are not remitted and deposited as required.

Recommendation: The principal and recordkeeping staff must communicate the importance of submitting fundraising fund with proper documentation to the recordkeeping staff timely. Staff members must be held accountable for compliance.

2026.03 Mismanagement of Disbursements

There were at least **50** instances of non-compliance regarding the administration of disbursements:

- A. ***Inadequate Pre-approval of Expenditures*** – There were at least **29** instances where purchases were made prior to staff members obtaining the principal's approval.
- B. ***Incomplete Documentation of SFEEF*** - There were **seven** instances where SFEEFs were not entirely completed. For example, certain fields were not dated or both sections of the SFEEF were not always completed.
- C. ***Inadequate Documentation*** - There were **six** instances where documentation to substantiate disbursements was not adequate. The documentation included calculation errors resulting in errors posted to SFO in some instances.

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- D. ***Delinquent Payments*** – There were **eight** instances where payments not processed in a timely manner. Resulting in delinquent payments ranging from seven to 92 days.

The following criteria are established in the APM for administering disbursements:

- A. Section 4.5.3.1 *Pre-Approval by the Principal* states, prior to ordering or purchasing goods or services, a SFEF must be completed and signed by the principal.
- B. Section 3.1.1 *Bookkeepers and Financial Secretaries*, notes that the bookkeeper or financial secretary is responsible for accurately recording and reporting the school's financial transactions.
- C. Section 4.5.3.1 *Inclusion of Supporting Documentation* - All checks must have itemized documentation attached to the SFEF that supports the amount of the check.
- D. Section 4.5.3 *Cash Disbursements* require the payment of invoices by the due date or within 30 days of receipt.

The following summarizes the causes of the deficiencies noted:

- A. The recordkeeping staff was unaware of the requirement to obtain the principal's approval prior to obligating the school.
- B. The recordkeeping staff explained that she was new to her role and was not familiar with completing the SFEF properly.
- C. The recordkeeping staff was new to the position and did not fully understand what was considered adequate disbursement documentation.
- D. The recordkeeping staff explained six of the late payments occurred before their tenure. The staff brought the invoices to the administration's attention after the due dates in the other two instances.

The following are the potential effects of the mismanagement of disbursements:

- A. When expenditures are not approved as required, the school is exposed to the risk of inappropriate expenditures and the possibility of fraudulent purchases.
- B. Inadequate and incomplete disbursement documentation impacts the quality of supervisory and auditor review. Also, errors can go undetected when documentation is inadequate.
- C. Delinquent payments can affect the availability of funds as reported in the school's financial reports and impact the principal's ability to make fiscal decisions. It can also impact the school's relationship with vendors.

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Recommendations: The following are recommendations suggested for proper management of disbursements:

- A. The principal should initiate training from Accounting and Financial Reporting Office (AFRO) regarding cash disbursement procedures for staff members and the recordkeeping staff to ensure compliance with requirements for documentation of disbursements, pre-approval of purchases and processing of the school's disbursement transactions.
- B. The principal should conduct monthly review of the school's financial records to ensure compliance with the requirements for administering disbursements.

2026.04 Delinquent Monthly Bank Reconciliations

There were at least **eight** instances where monthly bank reconciliations were not prepared timely by the recordkeeping staff and reviewed by the principal as required. The delinquencies ranged from **four** to **73** days.

The APM Section 5.1.2 *Monthly Reconciliation and Financial Reporting* states that the bookkeeper is required to complete the monthly bank reconciliation within 7 days after receiving the statement from the bank. All financial reports are required to be completed by the 15th of the subsequent month and submitted to the principal for review and approval.

The recordkeeping staff explained that the position was vacant from June 2024 through December 2024, resulting in the AFRO assisting with completion of the school's monthly reporting process which was not performed timely. There were also two instances where assistance was required from AFRO for support with reconciling issues causing delays in submission of the monthly bank reconciliations.

The principal's fiscal responsibility is compromised when the monthly bank reconciliation is not performed timely. Timing differences or other errors may not be detected and corrected promptly when the reconciliation process is not performed as intended.

Recommendations: The principal and recordkeeping staff should implement internal controls to ensure that the monthly bank reconciliation process is performed in accordance with the schedule requirements included in the APM when there is turnover in the recordkeeping staff position. The principal should also request training for the recordkeeping staff from AFRO to ensure that future reconciling issues do not affect timeliness of the monthly bank reconciliation process.

2026.05 Administration of Fund Transfers

There were **four** instances where Fund Transfer Journal Entry Proof Sheet (FTJEPS) did not have evidence of the Athletic Director approval of the athletic related transfers as indicated on the FTJEPS.

The APM Section 7.4.1 *Athletic Allotment requires* the allotment to be posted to the main Athletic Allotment Account and transferred into each specific sports allotment account. The school Athletic Director recommends to the principal an allocation of the allotment for each sport.

Reportedly, the recordkeeping staff's failure to maintain documentation of the Athletic Director's approval of the athletic transfers was an oversight in the four instances.

Failure to maintain proper approval of fund transfers weakens the internal control necessary to ensure that financial transactions posted to SFO are appropriate and accurate.

Recommendations: The recordkeeping staff must ensure that appropriate approval of FTJEPS is consistently maintained and made available for review upon request.

2026.06 Administration of Fundraisers

The school did not comply with the reporting requirements for administering fundraisers during the audit period. The school conducted approximately **25** schoolwide fundraisers for FY 2023 and FY 2023; however, annual reports summarizing the school's fundraising activities were not completed as required.

The APM Section 7.2.2 *Fundraisers* require the principal or a designee to prepare an annual report summarizing all fundraising activities concluded during the year. The data in this annual report should be available for review by parents, other interested members of the community, and include the net amount retained as profit from each fundraising activity.

The principal and recordkeeping staff were not in their current positions at the time the annual fundraiser reports were required to be prepared and were not aware of this requirement.

Failure to follow the reporting requirements for fundraisers constitutes non-compliance with BOE policies and procedures. In addition, it decreases the transparency of the school's fundraising activities and the associated profits to interested parents and community members. It could not be readily determined whether the school's fundraisers yielded an overall profit.

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Recommendation: The principal must establish internal controls to monitor completion of all the annual fundraiser reports required. The principal or a designee must complete the report at the end of the school year to summarize the fundraising activities held. The annual report must be maintained on file and made available for public and auditor review.

2026.07 Administration of Donations/Grants

The school received **five** donations that totaled **\$11,368.00** during the audit period that were not administered as required. The following donations were not reported to the Grants Financial Management Office (GFMO):

Description of Donations/Grants	Account Balance
<i>Non-specific Sports Donations</i>	\$7,227.00
<i>Booster Club Donation</i>	1,316.00
<i>Softball Donation</i>	400.00
<i>Soccer Donation</i>	179.00
<i>Football Donation</i>	289.00
<i>Basketball Donation</i>	207.00
<i>ProStart Grant</i>	750.00
<i>NSHSS Grant</i>	1,000.00
Total Donations/Grants	(\$11,368.00)

The APM Section 9.3, *Accounting for Grants and Donations* states that all grants and donations made directly to schools, irrespective of amount, is required to be reported to the GFMO on a *School Grant Reporting Form*.

The principal and recordkeeping staff were not aware of the reporting requirements for grants and donations as outlined in the APM. The school is noncompliant with BOE policies and procedures related to grants and donations reporting.

The GFMO is unable to accurately record, and report all donated or grant funds received without the school’s submission of a *School Grant Reporting Form*.

Recommendation: The principal and recordkeeping staff must review APM to become familiar with the reporting requirement for donations and grants received at the school. The principal must establish procedures to ensure that all future donations and grants are properly documented and reported to GFMO. The recordkeeping staff must be held accountable for compliance.

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2026.08 Restricted Fund Account Deficits

The following restricted accounts had deficits totaling **(\$ 2,753.66)** as of May 31, 2025:

Account #	Account Name	Amount
304.29	Class of 2022 Dues	(\$ 53.24)
304.52	Dormant Account	(\$ 606.40)
304.71	Class of 2017 Due	(\$ 721.52)
326.00	Aerospace Club	(\$ 640.00)
435.00	ID Badges/Security	(\$ 138.11)
450.30	PSA Staff Appreciation	(\$ 550.00)
510.10	Pro Start Team	(\$ 44.39)
	Total Deficits	(\$ 2,753.66)

According to the APM Section 5.2.1 *Financial Reporting Requirements: Procedures*. "... if restricted funds exceed the available cash, the account is insolvent. As the fiduciary agent for SAF, the principal should ensure that restricted accounts are solvent at all times." Section 4.5.3.1 *Restricted Accounts require the principal and the bookkeeper to exercise particular care to ensure restricted funds (i.e. clubs and organizations, athletics, field trips, etc.) are never used to cover unrestricted expenditures. The following explanation was provided for the mismanagement of restricted accounts.*

The principal and recordkeeping staff explained that deficits in the following accounts: 304.29, 304.52, 304.71, 435.00 existed prior to their tenure and could not provide any explanations for those deficits. The principal approved expenditures for fieldtrip, staff appreciation and Pro Start Team activities where sufficient funds were not available in the remaining three accounts: 326.00, 450.30 and 510.10.

Excessive spending in restricted accounts constitutes noncompliance with BOE policies and procedures and can increase the risk of the school becoming insolvent.

Recommendation: The principal should contact the AFRO for guidance on resolving the restricted fund account deficits. Also, focused planning and budgeting should occur to ensure that the school's resources are used efficiently to prevent further deficits.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for DuVal High School was issued for the period ended December 31, 2022. The current principal and recordkeeping staff were not in the current position during that audit. The previous audit included **six** audit findings and **five** repeated in the current audit report. The following findings were noted as a result of that audit and the current status is indicated below:

- **Mismanagement of Funds Received** – Condition still partially exists. See **Finding 2026.02** regarding *Delinquent Deposits*.
- **Mismanagement of Disbursements** – Condition still partially exists. See **Finding 2026.03** regarding *Mismanagement of Disbursements*.
- **Mismanagement of Voided Checks** – The condition was not noted during the audit.
- **Mismanagement of Fund Transfers** – Condition still exists. See **Finding 2026.05** regarding *Administration of Fund Transfers*.
- **Mismanagement of Bank Reconciliations** – Condition still exists. See **Finding 2026.04** regarding *Delinquent Monthly Bank Reconciliations*.
- **Overspending in Restricted Accounts** – Condition still exists. See **Finding 2026.08** regarding *Restricted Fund Account Deficits*.

ACKNOWLEDGEMENT

We would like to thank the principal and staff of DuVal High School for their cooperation and assistance extended during the audit.



DuVal High School
Student Activities Funds - January 1 2023 - May 31 2025
Appendix - Findings Timeline

AUDIT FINDINGS	Pamela Smith, Former Principal Jan 2023 - June 2024	Tammie Moreland, Former recordkeeping staff Jan 2023 - June 2024	Denice Nabinett, Principal Jul 2024- date	Glynis Matthews, Recordkeeping staff (Dec 2024 - date)
2026.01: Records Retention	X	X	X	X
2026.02: Delinquent Deposits	X	X	X	X
2026.03: Mismanagement of Disbursements	X	X	X	X
2026.04: Delinquent Monthly Bank Reconciliations			X	X
2026.05 Administration of Fund Transfers			X	X
2026.06: Administration of Fundraisers	X	X		
2026.07: Administration of Grants and Donations	X	X		
2026.08: Restricted Fund Account Deficits	X	X	X	X
Total	6	6	6	6