



OFFICE OF INTERNAL AUDIT

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MEMORANDUM

March 12, 2026

To: Wanda Williams, Ed.D., Instructional Director
Cluster 14

Sharon Hill, Ed.D., Principal
Perrywood Elementary School

From: Deana Thorps, CPA, Director
Internal Audit

Re: **Financial Audit for the Period March 1, 2020, through September 30, 2025**

An audit of the financial records of **Perrywood Elementary School** was completed for the period March 1, 2020, through September 30, 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 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 **April 13, 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 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
Lisa Howell, Chief Financial Officer
Peggy J. Harrison, CPA, Director Financial Services
Kassandra Lassiter Ed.D., Associate Superintendent
Robin Welsh, Esq., Director, Office of Government Relations, Compliance and Procedures
Roderick Adams, Administrator, Compliance and Procedures
Katrina Greene, School Activity Funds Support Specialist
Cindy Adlien, Executive Director, Board of Education
Janice Walters-Semple, CPA, Supervisor, Internal Audit
Alicia Robinson, CGAP, CRMA, Internal Auditor II



**School Activity Fund Report –
Perrywood Elementary School
*March 1, 2020 – September 30, 2025***

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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Perrywood Elementary School for the period March 1, 2020, through September 30, 2025. Perrywood Elementary 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:

- *Record Retention*
- *Delinquent Deposits*
- *Mismanagement of Disbursements*
- *Delinquent Monthly Bank Reconciliations*
- *Administration of Checks*
- *Administration of Fund Transfers*
- *Administration of Vending Machine Contracts*
- *Administration of Fundraisers*

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 September 30, 2025.



Deana Thorps, CPA, Director
Internal Audit

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SUMMARY

Internal Audit completed an audit on the school activity funds (SAF) for Perrywood Elementary School for the period March 1, 2020, through September 30, 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 to determine whether the school was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and the 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, canceled checks, all voided checks and available Monetary Transmittal Form (MTF) envelopes submitted by staff for the period March 1, 2020, through September 30, 2025. Also, selected receipts, disbursements, and supporting documentation were reviewed for the said period. The audit results were based on available documentation.

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 Record Retention

Documentation to substantiate financial transactions was not available for review in the following **149** instances:

- **One** Cash Disbursement Supporting Documentation
- **Two** Missing MTF Logs
- **Nine** Voided Checks
- **27** Canceled Checks
- **110** End-of-year MTFs (Fiscal Year (FY) 2023 - **47**, FY 2024 - **63**)

The APM Section 6.12, *Record Retention*, requires the retention of all SAF records for a period of seven years and or until audited, including the current fiscal year. This includes but is not limited to financial reports, bank statements, receipts, disbursement authorities, MTFs, SFEFs, canceled checks, and contracts.

The recordkeeping staff did not maintain an adequate filing system to ensure that documents were retained. Additionally, there were periods during FY 2024 and FY 2025 when the recordkeeping staff was on approved leave. The financial records were placed in boxes in a disorganized manner when the auditor who conducted the audit separated from employment with Prince George's County Public Schools (PGCPS). Reportedly, there were instances where canceled check images were not received from the financial institution, and follow-up was not performed.

The absence of an effective records management system has resulted in BOE policies regarding the retention of SAF records not being followed. Failure to make financial records available for audit compromises the audit trail necessary for determining compliance with applicable requirements.

Recommendations: The principal and recordkeeping staff should establish and maintain an effective records management system for the school's financial documents. This system should ensure that documents are organized, securely stored, and easily retrievable for auditing purposes. Additionally, accountability should be assigned to the recordkeeping staff to ensure compliance with the established records management system.

2026.02 Delinquent Deposits

There were at least **eight** instances where funds were not remitted to the recordkeeping staff and deposited timely. The delinquencies ranged from **four** to **18** days.

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The APM 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. No more than \$250 should be kept in the building overnight. The MTF must be entirely completed, and documentation provided for all funds received.

Staff members did not always remit funds collected from students to the recordkeeping staff on the day of collection as required. Also, the recordkeeping staff failed to ensure that funds remitted were deposited timely with the financial institution.

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

Recommendations: The following are recommendations for proper management of funds received:

- A. The principal must communicate the importance of remitting and depositing funds promptly to staff members and the recordkeeping staff. Staff members and the recordkeeping staff must be held accountable for compliance.
- B. The principal should perform periodic reviews of deposit records to ensure compliance.

2026.03 Mismanagement of Disbursements

There were at least **seven** instances of non-compliance regarding the administration of disbursements.

- A. ***Inadequate Pre-Approval of Expenditures:*** There were **three** instances where pre-approval was not obtained for outstanding invoices and for the principal's purchases.
- B. ***Delinquent Payments:*** There were **four** instances where vendor payments and/or reimbursements to staff were not processed timely, resulting in delinquencies ranging from **four** to **532** days.

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

- A. Section 4.5.3, *Cash Disbursements* requires approval of the School Funds Expenditure Form (SFEF) by the principal prior to ordering or purchasing goods or services. It also prohibits check signers from signing their own reimbursement checks.
- B. Section 4.5.3 (2) *Inclusion of Supporting Documentation* requires reimbursements and/or invoices to be paid within 30 days of receipt.

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The following summarizes the causes of mismanagement of funds being disbursed:

- A. The principal, recordkeeping staff, and/or the assistant principal were not aware that the principal should not pre-approve their own anticipated purchases.
- B. Staff members and the current principal failed to remit receipts and/or invoices timely to the recordkeeping staff in some instances. The recordkeeping did not always ensure timely invoice payments due to her excused absence.

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

- A. Improperly approved purchases could result in inappropriate and unauthorized expenditures incurred on behalf of the school.
- B. Delinquent payments can affect the accuracy of financial reports and consequently of the principal's ability to make proper fiscal decisions.

Recommendations: The following are recommendations for ensuring that disbursements are properly managed:

- A. The principal should initiate training from Accounting and Financial Reporting Office (AFRO) and review the APM regarding cash disbursement procedures for staff members and the principal to be in compliance with the requirements regarding pre-approval of purchases.
- B. Staff should ensure that invoices and/or reimbursement requests are submitted timely to the recordkeeping staff for payment. The recordkeeping staff should ensure that all payment requests are processed timely. Reimbursements and invoices are required to be paid within 30 days of receipt or by the invoice due date. The principal must hold the staff members and the recordkeeping staff accountable for compliance.

2026.04 Delinquent Monthly Bank Reconciliations

There were **six** instances where the monthly bank reconciliations and financial reporting were not reviewed timely by the former principal. The delinquency ranged from **11** to **90** days. The recordkeeping staff did not complete the monthly reconciliations timely in two of the six instances.

The APM Section 5.1.2 *Monthly Reconciliation and Financial Reporting* states that the bookkeeper is required to complete the monthly bank reconciliation within seven 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.

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According to the former principal, the financial reporting documents were reviewed and signed when they were submitted. There were many occasions in FY 2024 where the recordkeeping staff was on leave and financial reports were not provided to the former principal on the day of completion.

The principal's fiscal responsibility is compromised when monthly bank reconciliation process 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 recordkeeping staff and current principal must implement internal controls to ensure that monthly bank reconciliations are completed and reviewed as required. In the absence of the recordkeeping staff, the AFRO should be contacted promptly to obtain assistance with the monthly bank reconciliation process.

2026.05 Administration of Voided Checks

There were at least **seven** instances of non-compliance regarding the administration of voided checks:

- A. ***Defacement of Voided Checks:*** There were **three** instances where voided checks were not properly defaced by the removal of the signature lines.
- B. ***Recordation of Voided Checks:*** There were **four** instances where voided checks were not entered in the school's financial accounting system.

The following criteria are established in the APM for administering voided checks:

- A. Section 4.5.3.2 *Summary of Check Disbursement Procedures and Check Writing*, respectively, requires accounting for a physical check when an error is made at the time of processing or when a check is damaged. Voided checks are required to be defaced by the removal of the signature and account lines.
- B. Section 4.5.3.4 (e), *Check Writing* requires that voided checks be entered in School Funds Online (SFO).

The recordkeeping staff did not always perform due diligence to ensure that voided checks were properly defaced by the removal of the signature and account lines, and that all voided checks were entered in SFO.

Inappropriate administration of voided checks exposes the school to check fraud through potential unauthorized negotiations.

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Recommendations: The recordkeeping staff should ensure that voided checks are properly defaced by the removal of the signature and account lines. Also, all voided checks should be entered into SFO as required. The principal should perform periodic supervisory reviews of checks to ensure compliance with BOE policies and procedures.

2026.06 Administration of Fund Transfers

There were at least **11** instances where Fund Transfer Journal Entry Proof Sheet (FTJEPS) did not contain evidence of the principal's approval.

The APM 4.5.4 *Transfer of Funds* states that transfers between restricted accounts are only authorized if reviewed and approved by the principal and the sponsor/students of the restricted accounts. Also, funds cannot be transferred from restricted to unrestricted.

The recordkeeping staff was not aware that the principal is required to review and approve all transfers; therefore, the FTJEPS were not printed.

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 principal and recordkeeping staff must implement procedures to ensure that all transfers are reviewed and approved by the principal as required. The recordkeeping staff must review the APM regarding fund transfers to understand the relevant guidelines and be in compliance.

2026.07 Administration of Vending Contract

The school has one beverage/snack vending machine located in the staff lounge. The previous contract signed and dated by the former principal was a multi-year (three-year) contract with automatic one-year renewal periods. The three-year contract term ended August 24, 2025. The school's current contract is the automatic one-year renewal signed by the former principal, whose tenure ended August 31, 2023.

The APM, Section 9.8, *Vending Machine Sales*, "All schools with vending machines must have a signed contract stipulating commissions due the school and the frequency that these commissions are required to be remitted. The contract term cannot exceed one year.

The former principal did not adhere to the prior audit recommendation to comply with policies and procedures for administering vending contracts.

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BOE policies and procedures were not followed regarding the one-year contract term. Internal controls were not sufficient to ensure that contract terms were followed and that the school received maximum financial benefit from the vending machine proceeds.

Recommendations: The current principal should ensure that a valid vending contract is on file as stipulated by the APM. The principal should seek guidance from the Purchasing and Supply Services to ensure compliance with BOE policies and procedures when administering the vending contract.

2026.08 Administration of Fundraisers

Requirements for administering fundraisers were not completed during the audit period. The school conducted approximately **six** sponsored fundraisers (Bookfairs) and **11** school-wide fundraisers for the audit period; however, *Fundraiser Request and Authorization Forms* and *Fundraiser Completion Reports* were not completed for the sponsored fundraisers. In addition, annual reports summarizing the school's fundraising activities were not completed to support compliance with fundraising requirements. School-wide fundraising activities included school pictures, school store, Mid-Atlantic Fundraising, and a Read-A-Thon.

The APM Section 7.2.2 *Fundraisers* requires schools to complete the *Fundraiser Request and Authorization Forms* and *Fundraiser Completion Reports* for sponsored fundraisers. Annual reports summarizing fundraising activities for all fundraisers are also required. These documents must be maintained on file for public and auditor review upon request.

The former and current principals were not aware of the fundraiser reporting requirements.

Failure to complete the required fundraiser reports constitutes non-compliance with BOE policies and procedures. It could not be readily determined whether the school's fundraisers yielded overall profits. Also, pertinent financial information for the school's administrators to make fiscal decisions was not available.

Recommendations: The principal should establish procedures to ensure completion of all Fundraiser Request and Authorization Forms and Fundraiser Completion Reports, to provide the results of each fundraising activity held during the school year. Also, the principal or designee should complete the required reports at the end of the school year summarizing fundraising activities held. Required reports must be maintained on file for public and auditor review.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Perrywood Elementary School was issued for the period ended February 29, 2020. During the previous audit, the current principal was not on staff; however, the recordkeeping staff in that position. There were **five** findings noted during that audit, and **three** are repeated in this current audit report.

- ❖ **Mismanagement of Disbursements** – Condition still exists. See **Finding 2026.03** *Mismanagement of Disbursements*.
- ❖ **Delinquent Financial Reporting** – Condition still exists. See **Finding 2026.04** regarding *Delinquent Monthly Bank Reconciliations*.
- ❖ **Vending Contract Not on File** – Controls appear to be working.
- ❖ **Principal Sponsored Activity (PSA) Account Deficit** – Controls appear to be working.
- ❖ **Fundraiser Reports Not Completed** – Condition still exists. See **Finding 2026.08** regarding *Administration of Fundraisers*.

ACKNOWLEDGEMENT

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



Perrywood Elementary School
 School Activity Funds
 Appendix - Findings Timeline
 For the Period Ended September 30, 2025

AUDIT FINDINGS	Carolyn Poole, Former Principal 06/18/04 - 08/31/23	Jason Simmons, Former Principal 08/07/23-06/30/24	Dr.Sharon Hill, Principal (08/05/24 - Current)	Gladys Kelly, Sec II/Recordkeeping Staff (11/26/18 - Current)
<i>2026.01: Record Retention</i>	X	X	X	X
<i>2026.02: Delinquent Deposits</i>	X	X	X	X
<i>2026.03: Mismanagement of Disbursements</i>	X	X	X	X
<i>2026.04: Delinquent Monthly Bank Reconciliations</i>		X		X
<i>2026.05 Administration of Checks</i>	X	X	X	X
<i>2026.06 Administration of Fund Transfers</i>	X	X		X
<i>2026.07 Administration of Vending Machine Contracts</i>	X			X
<i>2026.08 Administration of Fundraisers</i>	X	X	X	X
Total	7	7	5	8