OFFICE OF INTERNAL AUDIT
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MEMORANDUM

August 17, 2026

To: Daria Valentine, Instructional Director
Cluster 11

Katrina Lamont, Principal
Surrattsville High School

From: Deana Thorps, CPA, Director
Internal Audit

Re: Surrattsville High School Financial Audit for the Period February 1, 2022, through September 30, 2025

An audit of the financial records of **Surrattsville High School** was completed for the period February 1, 2022, through September 30, 2025. The audit indicates that the school's financial records and procedures require improvement to be in compliance with the Accounting Procedures Manual for School Activity Fund (APM) and Prince George's County Board of Education (BOE) 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 **September 17, 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., Superintendent
Deann Collins, Ed.D., Chief of Staff
Shavonne Smith, Chief Financial Officer
Carletta Marrow, Ed.D., Chief of Schools
Ed Ryans, Ed. D., Associate Superintendent, Area III
Peggy Harrison, CPA, Director, Financial Services
Katrina Greene, School Activity Funds Support Specialist
Robin Welsh, Esq., Director, Government Relations, Compliance and Procedures
Roderick Adams, Administrator, Compliance and Procedures
Janice Walters-Semple, CPA, Supervisor, Internal Audit
Alicia Robinson, CGAP, CRMA, Internal Auditor II

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS

School Activity Fund Report – Surrattsville High School

February 1, 2022 – September 30, 2025

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Internal Auditor’s Draft Report

We have examined the School Activity Funds (SAF) of Surrattsville High School for the period February 1, 2022, through September 30, 2025. Surrattsville 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 **six** findings:

- *Mismanagement of Funds Received*
- *Mismanagement of Disbursements*
- *Administration of Grants and/or Donations*
- *Administration of Checks*
- *Administration of Fundraisers*
- *Improvement Needed in Management Oversight*

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 Public Schools’ (PGCPS) 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

BACKGROUND

The Office of Internal Audit completed an audit on the school activity funds (SAF) for Surrattsville High School for the period February 1, 2022, through September 30, 2025. The audit was conducted as part of the department's annual audit plan.

This audit report includes **six** findings that occurred under the leadership of the current principal. 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 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 February 1, 2022, 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:

2027.01 Mismanagement of Funds Received

There were at least **nine** instances of non-compliance regarding the mismanagement of funds received:

A. ***Delinquent Deposits:*** There were at least **five** instances where funds were not remitted and/or deposited timely. Delinquency ranged from **four to eight days**.

B. ***Unsupported Deposits:*** There were at least **four** instances where MTFs were submitted without documentation to verify the source of funds collected for concession, pizza, and cookie sales. ***This condition was noted during the previous audit for the period ended January 31, 2022.***

The Accounting Procedures Manual (APM) for School Activity Funds (SAF) 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 filled out, and documentation should be provided for all funds received.

The following summarizes the causes of deficiencies noted:

A. Per the recordkeeping staff, staff members possibly remitted funds at the end of the day, the recordkeeping staff placed the funds in the vault and forgot about them. There was at least one instance where funds were dropped in the drop safe, and the staff member did not notify the recordkeeping staff per the school's internal procedures that the funds were dropped in the drop safe. Also, staff held onto funds and did not remit them on the day of collection.

B. Staff did not provide, and/or the recordkeeping staff did not ensure that appropriate documentation was provided for concession, pizza, and cookie sales.

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

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

B. Internal controls are compromised, and evidence to support appropriate documentation is impacted when adequate financial records are not available to substantiate collections. The audit trail is compromised when underlying documents are not maintained.

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

A. The principal must require timely remittance and deposit of funds. The staff and recordkeeping staff must be held accountable for compliance.

B. Staff and recordkeeping staff should ensure that supporting documentation is provided and verified for each MTF submitted before approving MTFs.

C. The principal and recordkeeping staff should establish inventory control guidelines for concession, pizza, and cookie sales for accountability of funds remitted.

D. The principal should perform periodic reviews of deposit records to ensure compliance.

<u>2027.02 Mismanagement of Disbursements</u>

There were at least **11** instances of non-compliance regarding the administration of disbursements.

A. ***Inadequate Pre-Approval of Expenditures:*** There were at least **eight** instances where the principal did not pre-approve SFEFs prior to purchases.

B. ***Delinquent Vendor Payments:*** There were at least **three** instances where vendor payments were not processed timely manner, resulting in delinquent payments ranging from **6– 15** days. ***This condition was noted during the previous audit for the period ended January 31, 2022.***

The following criteria are established in the APM for administering checks

A. Section 4.5.3, *Cash Disbursements* require that prior to ordering or purchasing goods or services, a SFEF must be completed and signed by the principal.

B. Section 4.5.3 (2) *Inclusion of Supporting Documentation* requires reimbursements and/or invoices to be paid within 30 days of receipt.

The following summarizes the causes of mismanagement of funds disbursed:

A. The staff and recordkeeping staff did not always perform due diligence to ensure the principal's pre-approval was affixed to SFEFs as required before purchases were made.

B. Staff failed to remit receipts and/or invoices timely to the recordkeeping staff. Per the recordkeeping staff, *the accounting system was down the month of July to turn over school years.* Also, reportedly, *there was a recurring service that was billed to the county, and the school received the invoice late.*

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

A. The lack of pre-approval by the principal could result in inappropriate and unauthorized purchases.

B. 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.

<u>Recommendations</u>: The following are recommendations for ensuring disbursements are properly managed:

A. The principal and recordkeeping staff must implement and enforce internal controls to ensure pre-approval is obtained and documented on SFEF's prior to purchases being made.

B. Staff should ensure that invoices and/or reimbursements are remitted timely to the recordkeeping staff for payment. The recordkeeping staff should ensure that all invoices are paid on time. 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 and the recordkeeping staff accountable for compliance.

2027.03 Administration of Grants and/or Donations

There were at least **two** instances of non-compliance regarding the administration of a grant and a donation received by the school in Fiscal Year (FY) 2025:

A. ***Chick-fil-A Microgrant:*** The school applied for a $1,200.00 grant; however, they received $500.00 from the Chick-fil-A Leader Academy Microgrant. The grant focused on homeless moms to help them with not only their basic needs, but also to help them with the emotional and psychological toll of being homeless. It seeks to help them boost their confidence, care, and dignity. The funds were deposited on April 24, 2025, into the school's checking account.

   The grantor asked that the grantee agree to share details of the school's impact project upon completion, which the school agreed to.

B. ***B. K. Miller Donation:*** A local vendor completed an auction to raise funds for the school. The auction raised $12,500.00, which the school received on March 21, 2025, and deposited on March 24, 2025. Of the $12,500.00, $10,000.00 was for the Athletic Department, and $2,500.00 was for the Principal Sponsored Activity Account.

Administrative Procedure (AP) 3230, *Grant Assistance, Funding Solicitations, and Acceptance of Other Funds and Resources*, *F. Grants and D. Monetary Gifts/Donations: 2 – 4,* indicates the following:

F. Grants: The Sponsoring applicant must first inform the Office of Strategic Resource Planning if the prospective grant meets any of the following criteria:

1. *Requires restricted funds program financial reports;*
2. *Will generate program income to offset program implementation expenses;*
3. *Requires cash, in-kind matching funds, or a commitment/assurance of Board of Education resources;*
4. *Will be used for salaries, substitute teachers, workshop wages, or any other form of compensation; or*
5. *Provides a multi-year funding commitment.*

If none of the criteria apply, solicitation, administration, and management of a grant is dependent on the potential value of the grant assistance as outlined below and in Attachment B.

4) Grant Compliance:

   a. *For all grants and donations made directly to schools, irrespective of amount, the authorized school administrator must inform the Grants Financial Management Office (GFMO) via completion of a School Grants Reporting Form. The completed form and* *attachments should be provided to the GFMO within five (5) days of grant or donation award.*

D. Monetary Gifts/Donations:

2) *The receiving school shall coordinate donations of monetary gifts of any amount through the Office of Business and Non-Profit Partnerships (OBNP) using the Donations Form (see Attachment A) to prevent redundant or duplicative donations from the same sources which might hinder future initiatives; to coordinate with the Division of Business Management Services to ensure compliance with budgeting and accounting procedures set forth by the division; and to maintain equity among PGCPS entities (i.e., schools, offices and/or departments).*

3) *Cumulative monetary gifts totaling less than or equal to $5,000 in value from any one donor during the course of a fiscal year may be donated to an individual school or program and may be accepted by the building principal or program director. If the donor restricts the use of the donated funds for the acquisition of equipment, materials or services, the goods and/or services must be age-appropriate and meet the above-referenced suitability standard.*

4) *Monetary gifts totaling more than $5,000 and up to $50,000 from any one donor during the course of a fiscal year will be accepted only with the advance approval of the Chief Executive Officer.*

The principal and recordkeeping staff were not aware of the AP 3230 reporting requirements for grants or donations. The school is noncompliant with BOE policies and procedures related to the grants and donation reporting process. OBNP is unable to accurately document and report all donated funds received when documentation is not provided.

Recommendations: The principal must ensure that all future donation funds are properly documented and reported to the GFMO or OBNP. The school should submit the required Grant and Donation Reporting Form to GFMO or OBNP for the applicable funds received.

2027.04 Administration of Checks

There were at least **30** instances of non-compliance regarding the administration of voided checks:

A. ***Voided Checks not Properly Defaced:*** There were at least **two** instances where voided checks were not properly defaced by the removal of the signature lines. ***This condition was noted during the previous audit for the period ended January 31, 2022.***

B. ***Voided Checks not Entered in SFO:*** There were **28** 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 & 4.5.3.4 (e), *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 SFO.

The recordkeeping staff did not always perform due diligence to ensure voided checks were properly defaced by the removal of the signature and account lines. The recordkeeping staff was not aware that checks that were mistakenly printed over were supposed to be entered in SFO. Inappropriate administration of voided checks exposes the school to check fraud through potential unauthorized negotiations.

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

2027.05 Administration of Fundraisers

The annual reports summarizing fundraising activities for FY 2022 to FY 2025 were not completed to support compliance with the fundraising activities conducted. There were approximately 27 fundraisers conducted during the audit period totaling approximately $54,046.24.

Administrative Procedure 5135.1, *Fundraising* 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 recordkeeping staff did not understand how to complete the Annual Fundraising Summary Report and/or its purpose. Failure to complete fundraisers constitutes non-compliance with BOE policies and procedures. It could not be readily determined whether the school's fundraisers yielded an overall profit. As a result, pertinent financial information for the school's administrators to make fiscal decisions was not available.

Recommendations: The principal or designee should complete reports at the end of the school year summarizing fundraising activities held. Required reports must be maintained on file for public and auditor review.

2027.06 Improvement Needed in Management Oversight

The previous audit report for Surrattsville High School was issued for the period ended January 31, 2022. During the previous audit, the current principal and recordkeeping staff were on staff. There were **five** reportable conditions noted during that audit, and **three** are repeated in this current audit report.

The principal is the fiduciary agent for the student activity funds. In this role, the principal is responsible for ensuring that these funds are administered in accordance with BOE policies and procedures and spent to provide the maximum benefit possible to the students. "It is also important that the principal, who is ultimately responsible for these funds, be aware that the success of the internal control system rests largely with them."

Continued improvement is necessary to comply with BOE policies and procedures as established in the APM. Students are not receiving the maximum possible benefit of the resources available to them.

Recommendations: The principal should continue to carefully review the APM and ensure that internal controls are operating effectively to ensure fiscal accountability. The principal must continue to be involved in the daily operations as it relates to the administration of the school's resources. Continued improvement of the internal control environment should be emphasized by focusing on these five basic principles of internal control:

- ❖ Clearly defined lines of authority and responsibility,
- ❖ Segregation of duties,
- ❖ Maintenance of adequate documents and records,
- ❖ Limited access to assets, and
- ❖ Independent checks on performance

Status of Prior Audit Findings

The previous audit report for Surrattsville High School was issued for the period ended January 31, 2022. During the previous audit, the current principal and recordkeeping staff were on staff. There were **five** reportable conditions noted during that audit, and **three** are repeated in this current audit report.

- **Untimely Completion of Monthly Financial Reporting –** Controls appear to be working.

- **Records Management –** Controls appear to be working.

- **Mismanagement of Funds Received –** Condition still exists. **See Finding 2027.01** regarding *Mismanagement of Funds Received: Unsupported Deposits*.

- **Mismanagement of Disbursements –** Condition still exists. **See Finding 2027.02** regarding *Mismanagement of Disbursements: Delinquent Vendor Payments*.

- **Mismanagement of Voided Checks –** Condition still exists. **See Finding 2027.04** regarding *Mismanagement of Checks: Voided Checks Not Properly Defaced*.

ACKNOWLEDGEMENT

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

Surrattsville High School
School Activity Fund
Findings Timeline
September 30, 2025

AUDIT FINDINGS	Katrina Lamont Principal	Keisha Hensley Recordkeeping Staff
2026.01: Mismanagement of Funds Received	X	X
2026.02: Mismanagement of Disbursements	X	X
2026.03: Administration of Grants and/or Donations	X	X
2026.04: Administration of Checks	X	X
2026.05 Administration of Fundraisers	X	X
2026.06 Improvement Needed in Management Oversight	X	X
Total	6	6