

OFFICE OF AUDITOR GENERAL (OAG)

OAG's team, roles and responsibilities

October 2023

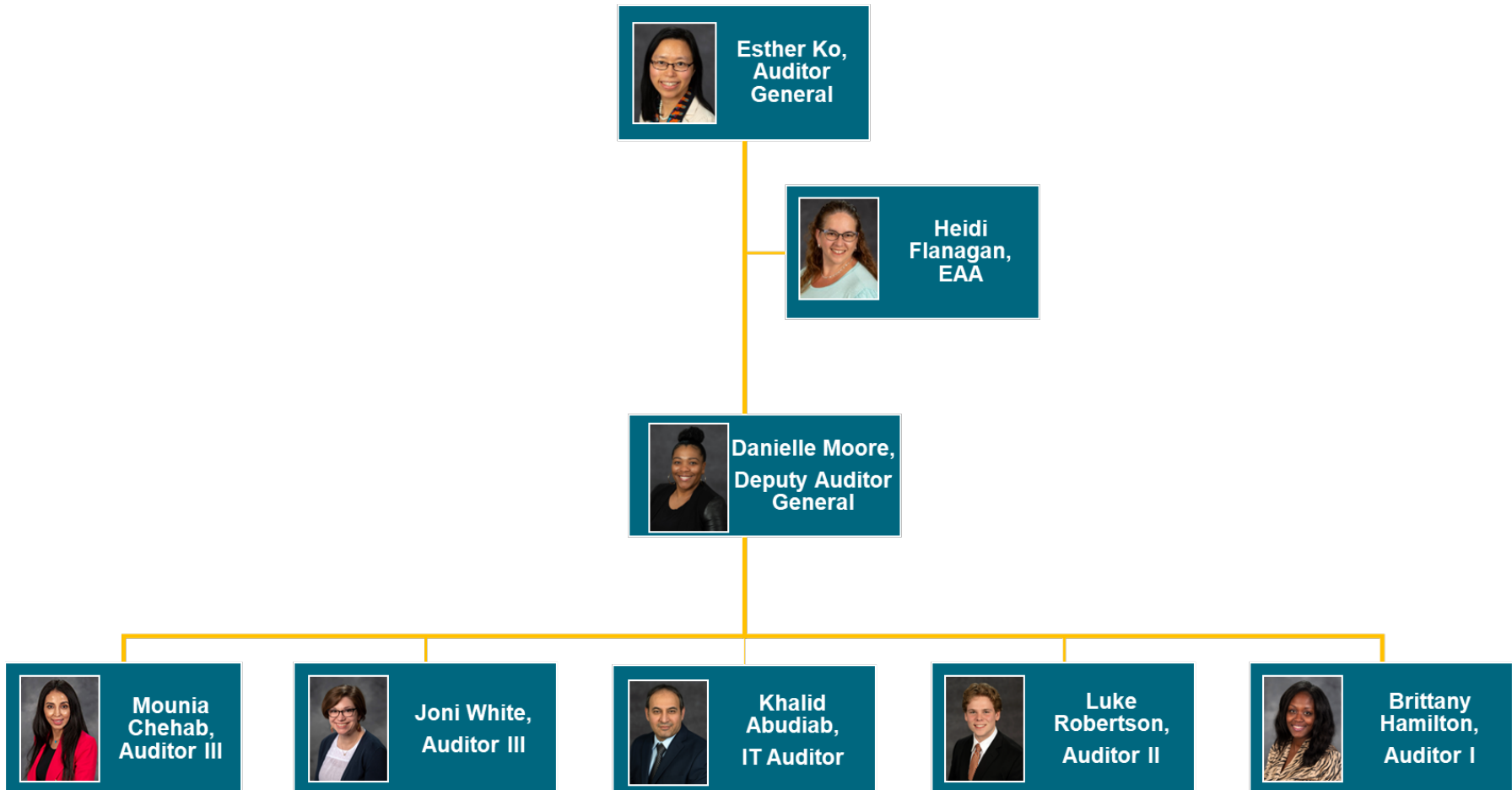


OAG's Mission, per School Board **Policy 1105**, *Auditor General Authority*:

To promote Fairfax County Public Schools' achievement of its strategic goals, Office of the Auditor General's (OAG) mission is to independently determine whether the ongoing processes for controlling fiscal and administrative operations and performance throughout Fairfax County Public Schools are adequately designed, functioning in an efficient, effective manner, and fully accountable to its citizens of Fairfax County.

- OAG reports to the School Board through the Audit Committee
- OAG is independent of the administration in the performance of its functions
- All FCPS schools, programs, departments, and functions are subject to audit or review by the Office of Auditor General
- Annually, the Auditor General shall submit to Audit Committee a work plan for the coming fiscal year which is then presented for approval by the School Board – *FY24 plan approved July 2023*

OAG Organization Chart



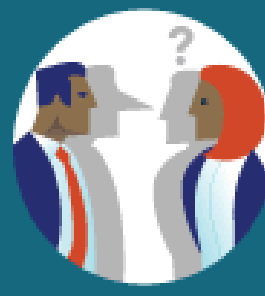
What does OAG do?



Risk
Assessment



Internal
Audit



Fraud,
Waste,
and
Abuse
Hotline



Outreach
and
Education



AUDIT PROCESS

- 1 RISK ASSESSMENT**
Identify and prioritize audit topics.
- 2 PLANNING**
Obtain a comprehensive understanding of the audit topic and objectives.
- 3 EXECUTION**
Test and evaluate audit objectives; validate results with management.
- 4 REPORTING**
Prepare and present audit report to School Board Audit Committee.
- 5 FOLLOW-UP**
Periodic checks on progress of recommended actions.

OAG performs audits in accordance with Government Auditing Standards (Yellowbook), which require:

- OAG auditors be independent of mind and appearance
- Audits be adequately planned and designed to obtain sufficient, appropriate evidence that provides a reasonable basis for findings and conclusions based on the audit objectives
- Suitable criteria, based on the audit objectives, be identified

Findings have five components:

- **Condition** is a situation that exists.
- **Criteria** identify the required or desired state or expectation with respect to the program or operation.
- **Cause** is the factor or factors responsible for the difference between the condition and the criteria, and may also serve as a basis for recommendations for corrective actions.
- **Effect or potential effect** is the outcome or consequence resulting from the difference between the condition and the criteria.
- **Recommendations** encourage improvements in the conduct of government programs and operations.

OAG Fiscal Year (FY) 2024 Audit Plan



FY23 Carried Over Engagements

- (1) Employee Evaluation Process
- (2) Local School Activity Funds Audit, June 30, 2023

New Engagements

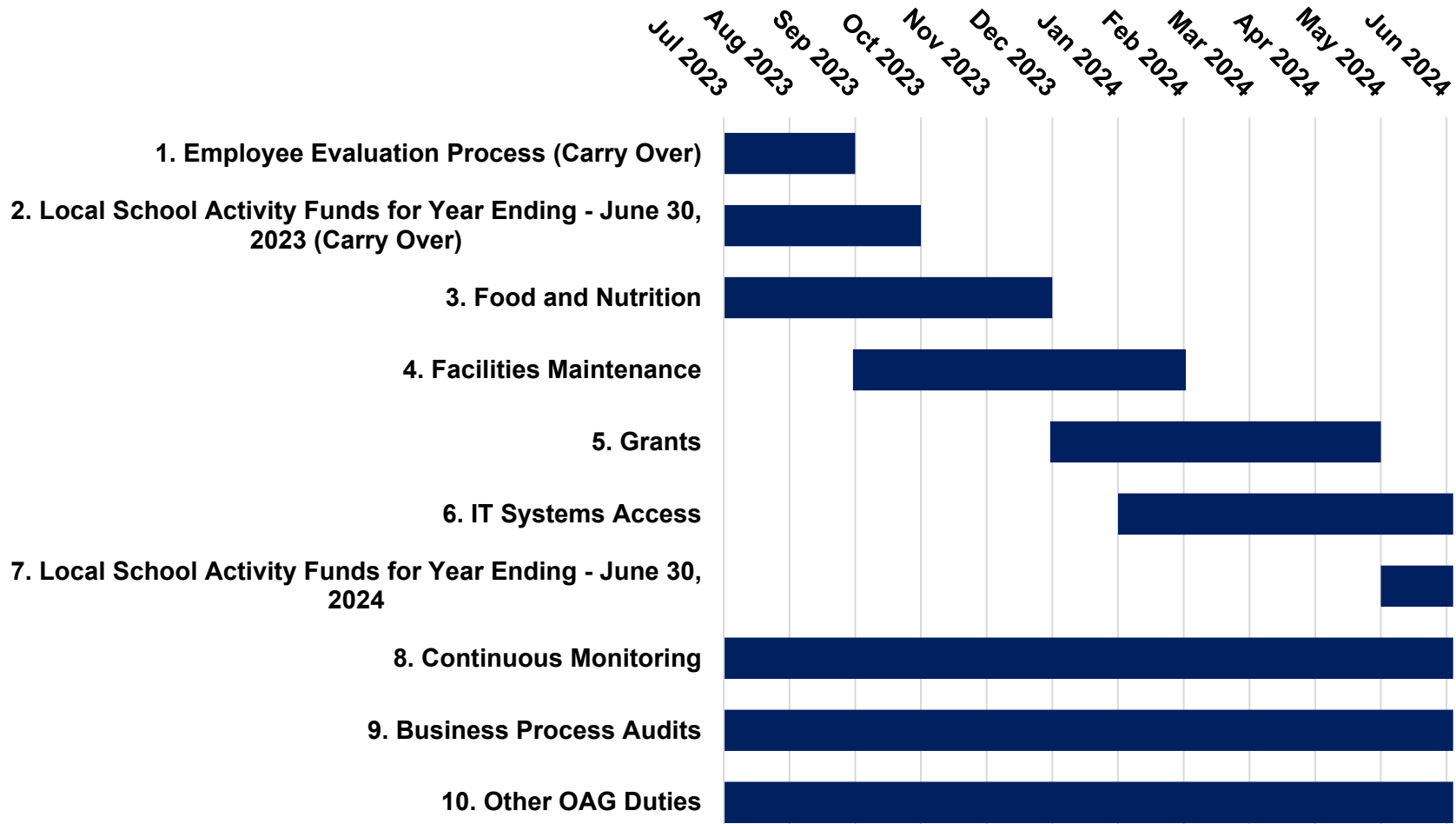
- (3) Food and Nutrition Services
- (4) Facilities Maintenance
- (5) Grants
- (6) IT Systems Access
- (7) Local School Activity Funds Audit, June 30, 2024
- (8) Continuous Monitoring
- (9) Business Process Audit
- (10) Other OAG Duties



Other OAG Duties

- 1) Monthly Audit Committee Meetings
- 2) FCPS Fraud, Waste and Abuse Inquiry
- 3) OAG Annual Report
- 4) OAG FY25 Risk Assessment
- 5) OAG Outreach and Education
 - School Based Administrator training / Leaders Need to Know
 - Finance technicians and other stakeholder group training
 - Updates to OAG external website and the hub (i.e. internal website)
 - *Slide 12* for more information
- 6) OAG Staff Professional Development
- 7) OAG Quality Control Monitoring/Peer Review
- 8) Recommendations Follow-Up
- 9) Onboarding of New School Board & Audit Committee Members

FY24 OAG Work Plan



Fraud, Waste, and Abuse hotline

- OAG provides FCPS employees and the general public a confidential means for reporting suspected wrongdoing involving fraud, waste, and abuse of school assets and resources.
- As of September 15, 2023, OAG received 12 inquiries in FY24. All inquiries received on or before FY23 were completed. OAG received these inquiries via the hotline, internal audit email account, direct mails or walk-ins.

Inquiry Areas	FY21	FY22	FY23	Completed	FY24	Total
					Open	
Conflict of Interest	2	4	1	0	0	0
Documentation	4	4	11	4	1	5
Human Resources	8	9	10	2	1	3
Not Related to Fraud, Waste, and Abuse at FCPS	24	19	15	3	0	3
Procurement	3	1	3	0	0	0
Residency	4	5	3	0	0	0
Use of Assets	1	5	2	1	0	1
Vendor / Contractual Execution	0	1	2	0	0	0
Grand Total	46	48	47	10	2	12

- OAG takes all complaints and reports seriously and makes every effort to investigate credible matters in accordance with applicable laws, codes, policies, or regulations.

Fraud, Waste & Abuse Hotline:
 (571) 423-1333 (anonymous voicemail)
InternalAudit@fcps.edu (email is not anonymous)



Training and Education

- In FY23, OAG hosted 20 presentations to almost 900 FCPS personnel & outside stakeholders, including
 - DMV auditor group
 - NASBA training, topics including:
 - Annual Comprehensive Financial Report, annual mandatory external financial and federal grant audits;
 - Internal Investigation Overview;
 - Cybersecurity Fundamentals.
- In FY23, OAG developed a fraud, waste and abuse short video (collaborated with IT Learning). The link below is an animated training which provides a highlight of fraud, waste, and abuse categories and reporting means, to our employees. [Fraud, Waste, and Abuse Training](#)

Audit Buzz

- Periodical which provides an update into OAG's work by summarizing the results of completed audit projects, describing upcoming audits, and providing insight into other audit-related tasks
- Subscriptions available via FCPS *News You Choose* and routinely distributed in the weekly *Employee News* and *Infogram* after publishing
- Currently with about 2,400 subscribers and growing!

Visit “News You Choose” on www.fcps.edu. Enter your email address and then select ‘Audit Buzz Newsletter’ under Office of Auditor General.

Appendix

(1) Employee Evaluation Process Audit

Description

FCPS performance assessment process and evaluations are designed to provide all employees with increased opportunities for professional growth and development. This process is based on a supervisory cycle of reflection, observation, and discussion that leads to employee improvement.

Objectives / Scope

(1) Evaluate the existing employee evaluation process; (2) Evaluate how the process is managed at departments, offices and schools; and (3) Benchmark existing processes used by other school districts to identify best industry leading employee evaluation practices.

Internal Stakeholders

- (1) Department of Human Resources (HR), Office of Equity and Employee Relations
- (2) Schools, Offices, and Departments

Schedule

This performance audit is estimated to take five months to complete.

(2) Local School Activity Funds Audit (LSAF), June 30, 2023

Description

In accordance with the Code of Virginia (8VAC20-240-40), all LSAF (i.e. including all the approximate 200 FCPS sites) shall be audited annually.

Objectives / Scope

(1) Verify local school financials and year-end cash reporting are not materially misstated, and (2) Review selected revenue and expenditure transactions for compliance (including procurement card transactions).

Internal Stakeholders

- (1) Department of Financial Services
- (2) Schools, Offices & Departments (with LSAF)

Schedule

The final division-wide report is expected to be presented to the Audit Committee in October 2023.

(3) Food and Nutrition Audit

Description

The Office of Food and Nutrition Services (FNS) is responsible for providing all meals and refreshments served in FCPS schools. The program also strives to educate students about nutrition and promote the choice of healthy foods throughout their lives.

Objectives / Scope

(1) Examine compliance with federal, state, & FCPS requirements; (2) Understand FNS business objectives and key performance measures, and evaluate if the information systems generate comprehensive and useful performance metrics; (3) Benchmark whether FNS is optimally organized & staffed to carry out their mission; (4) Evaluate whether FNS utilizes vendors & consultants (if any) effectively and efficiently; (5) Determine how FNS monitors food waste, meal participation & inventory turnover; and (6) Evaluate the financial accountability in handling FNS related revenue & expenditure, including overtime & student debts.

Internal Stakeholders

- (1) Department of Financial Services
- (2) Food and Nutrition Services

Schedule

This performance audit is estimated to take five months to complete.

(4) Facilities Maintenance Audit

Description

The Office of Facilities Management is responsible for providing routine preventive and corrective maintenance for FCPS facilities infrastructure including repairing and replacing failed equipment, aging buildings, and energy management systems; as well as maintaining the grounds.

Objectives / Scope

(1) Evaluate the current status of the remaining recommendations from the FY 2018 Facilities Maintenance audit; (2) Evaluate FCPS internal controls over facility maintenance, specifically for maintenance work orders and determine if (a) estimate is aligned with the work being performed, (b) whether the work flow is effective; (3) Evaluate FCPS policy and regulation and controls surrounding facility maintenance assets and inventory, and monitoring of hours (including overtime) worked by staff; and (4) Conduct a physical count of select facility maintenance assets and inventory.

Internal Stakeholders

- (1) Department of Facilities and Transportation Services
- (2) Office of Facilities Maintenance

Schedule

This performance audit is estimated to take five months to complete.

(5) Grants Audit

Description

Program managers ensure that the grant is managed in accordance with the grant agreement, federal guidelines, and FCPS regulations and policies.

Objectives / Scope

(1) Examine compliance with grant requirements, including if grants are spent in accordance with the purpose and objectives; (2) Evaluate the design and operation of applicable internal controls, including division-wide and site-based controls, stipends, pay bands, and management monitoring activities (including program outcomes).

Internal Stakeholders

- (1) Specific Grants Process Owners
- (2) Department of Financial Services (as needed)

Schedule

This performance audit is estimated to take five months to complete. Specific grants will be selected to audit.

(6) IT Systems Access Audit

Description

System access is a system security technique that regulates who or what can be viewed or used in a computing environment. The Department of Information Technology (DIT) serves the diverse technology needs of FCPS staff, students and central office teams managing information resources and ensuring security and integrity for large number of FCPS systems.

Objectives / Scope

(1) Evaluate the user access controls over FCPS systems and data such as (a) physical access controls to safeguard physical IT assets (data centers and servers); (b) logical access controls to properly (i) assign access privileges to users based on their roles and responsibilities, (ii) validate user identities and (iii) manage changes in access; (2) Evaluate the compliance with applicable laws and regulations, such as Family Educational Rights and Privacy Act (FERPA), and (3) Select specific IT applications and evaluate the operating effectiveness of the controls put in place by DIT and/or the appropriate business technology teams.

Internal Stakeholders

- (1) Department of Information Technology (DIT)
- (2) Departments, Offices, and Schools

Schedule

This audit is estimated to take five months to complete.

(7) Local School Activity Funds Audit, June 30, 2024

Description

In accordance with the Code of Virginia (8VAC20-240-40), all LSAF (i.e. including all the approximate 200 FCPS sites) shall be audited annually.

Objectives / Scope

(1) Verify local school financials and year-end cash reporting are not materially misstated, and (2) Review selected revenue and expenditure transactions for compliance (including procurement card transactions).

Internal Stakeholders

- (1) Department of Financial Services
- (2) Schools, Offices & Departments (with LSAF)

Schedule

Ongoing through Continuous Monitoring (OAG performs school site visits and desk continuous monitoring during the year)

(8) Continuous Monitoring

- Utilizing technology-based audit techniques to analyze patterns and trends and select and test transactions.
- These methods will enable OAG to better understand risks and identify exceptions in a timely manner.
- Technology-based resources allow users to import many records and execute audit specific commands to search for duplicates, detect gaps in numeric sequences, group data by categories, and filter numerous rows and columns of data in seconds.
- Areas of focus to include Schools, Departments, and Offices expenditures.
- **NEW this year**: OAG will perform unannounced cash counts and e-commerce collection of event fees for school events (i.e. athletics, performing arts).

(9) Business Process Audits (BPA)

Description

These audits will be performed on an ad-hoc basis depending on the results of the Continuous Monitoring; departures or additions in principals, finance technician/administrative assistants, or management/staff; or situations as deemed necessary.

Objectives / Scope

(1) Evaluate the effectiveness of school/office processes and compliance with applicable regulations and policies; (2) Determine if controls are adequate and functioning as intended; and (3) Determine if transactions are reasonable and do not appear to be fraudulent.

Internal Stakeholders

- (1) Departments and Offices
- (2) Schools

Schedule

Ongoing throughout the fiscal year.