



Topic/Issue: FY 2023 Continuous Monitoring Results for Q3 and Q4
Meeting and Date: Audit Committee, November 1, 2023
Staff Lead: Luke Robertson

1. Why Office of Auditor General (OAG) did this audit

This summary outlines the results of the Office of Auditor General's (OAG) performance of continuous monitoring procedures during Fiscal Year (FY) 2023 Quarter 3 (Q3) and Quarter 4 (Q4), performed in accordance with the FY 2023 audit plan approved by the Fairfax County School Board and in accordance with generally accepted government auditing standards. Continuous monitoring procedures allow OAG to utilize technology-based audit techniques to analyze patterns and trends and select and test transactions. These methods will enable the office to further understand risks and identify exceptions in a timely and efficient manner.

Continuous monitoring procedures are conducted for appropriated and non-appropriated transactions on a quarterly basis. In addition to transaction testing, the process includes selecting a sample of sites that will be subject to additional testing procedures via site visits.

The non-appropriated transactions are used to form the basis of transaction testing for the annual Local School Activity Funds (LSAF) audit and any exceptions are reported as part of the FY 2023 LSAF audit for the year ending June 30, 2023. Any exceptions related to appropriated funds may be analyzed to determine if a Business Process Audit is warranted in FY 2024.

2. What is the purpose of this report?

The purpose of this report is to provide the Audit Committee a summary of OAG's continuous monitoring activities during FY 2023 Q3 and Q4. As the quarterly testing is completed, the program managers/principals of sites tested will receive a summary of their testing results. Any significant exceptions are reported to Financial Services and leadership so appropriate support can be provided.

3. FY23 Summary of quarterly activities

Quarter	Transactions Tested	Sample Population	Sites Visited	Sites with Exceptions Noted
1	139	51	10	12
2	158	51	10	12
3	158	51	10	11
4	144	50	10	8
Totals	599	203	40	43

Results overview:

Out of 203 sites in the sampling population, 43 sites had exceptions noted in three or fewer areas; 124 sites had no exceptions noted; and 36 sites did not have any transactions appear in the transaction samples. **No notable items of concern were identified**. A site may have had more than one exception in an area or in more than one area. The following table summarizes the exceptions noted during Q3 and Q4:

Sites	Exception Area	Description
9	Non-Bank Reconciliation	<ul style="list-style-type: none">• Procurement card statements were not reconciled in a timely manner.• Procurement card statements were not signed and/or dated.
8	Bank Reconciliation	<ul style="list-style-type: none">• Bank reconciliations were not completed in a timely manner.• Bank reconciliations and/or bank statements were not signed and/or dated.• Deposits were outstanding at the end of the month.
3	Authorized Signatures	<ul style="list-style-type: none">• Cash disbursements were co-signed by the individual that the check was made payable to.• Cash disbursements were issued without dual signature.
3	Sufficient Documentation	<ul style="list-style-type: none">• Purchase orders, invoices, receipts, and/or other documentation to support a disbursement or procurement card transaction were not maintained or were inadequate.• School Finance Deposit Slips for cash receipts were not accurately and/or adequately completed.
2	Purchasing Process	<ul style="list-style-type: none">• Disbursements were not pre-approved.
1	Sales Tax	<ul style="list-style-type: none">• Reimbursement checks to Fairfax County Public Schools employees included sales tax.

4. Next steps/action needed

This is a status update, and no additional action is required at this time.