



Topic/Issue: FY 2024 Continuous Monitoring Procedures for Q1 and Q2
Meeting and Date: Audit Committee, April 30, 2024
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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) 2024, performed in accordance with the FY 2024 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 random 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 transactions testing for the annual Local School Activity Funds (LSAF) audit and any exceptions are reported as part of the FY 2024 LSAF audit for the year ending June 30, 2024. Any exceptions related to appropriated funds may be analyzed to determine if a Business Process Audit is warranted in the current or upcoming fiscal year.

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 2024 Q1 and Q2. 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. FY 2024 summary of quarterly activities

Quarter	Transactions Tested	Sample Population	Sites Visited	Sites with Exceptions Noted
1	147	50	10	10
2	195	52	10	9
Totals	342	102	20	19

Results overview:

Out of 102 sites in the sampling population, 65 sites had no exceptions noted; 17 sites had exceptions noted in three or fewer areas; 2 sites had exceptions noted in four areas; and 18 sites did not have any transactions appear in the random transactions samples and were not

selected for site visit testing. **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 Q1 and Q2:

Sites	Exception Area	Description
6	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.
6	Purchasing Process	<ul style="list-style-type: none"> Disbursements were not pre-approved. Procurement card transactions were not pre-approved. Purchases exceeded approved purchase order amount by more than 4%.
5	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. Adjustments were incorrectly posted.
4	Timely Payment	<ul style="list-style-type: none"> Invoices were not paid in a timely manner, but no late fees were incurred.
3	Sufficient Documentation	<ul style="list-style-type: none"> Purchases were made against purchase orders from the previous fiscal year. School Finance Deposit Slips (FS-131) for cash receipts were not accurately and/or adequately completed.
1	Authorized Signatures	<ul style="list-style-type: none"> A cash disbursement did not have both required signatures.
1	Competitive Bidding	<ul style="list-style-type: none"> A purchase exceeding \$10,000 was made without competition.
1	Timely Receipt	<ul style="list-style-type: none"> Cash receipts were not turned into the finance office on the day in which they were collected.

4. Next steps/action needed

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