



Topic/Issue: FY 2025 Business Process Audits (BPA)
Meeting and Date: Audit Committee – June 16, 2025
Staff Lead: Brittany Hamilton

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

These audits are performed on an ad hoc basis depending on: (1) changes in management/staff; (2) results of the continuous monitoring audit process; or (3) situations as deemed necessary. The potential risks are (1) job duties not performed in accordance with required policies, procedures, and guidance; and (2) questionable transactions not identified in a timely manner.

The objectives of BPAs were to:

- Evaluate the effectiveness of processes and compliance with applicable regulations and policies.
- Determine if internal controls are adequate and functioning as intended.
- Determine if transactions are reasonable and do not appear fraudulent.

The scope of work included appropriated and non-appropriated transactions and processes taking place during Fiscal Year (FY) 2025, up until the date of the visit.

2. Summary (Key Points)

Between March 18, 2025, and May 20, 2025, BPAs were completed at eight schools, resulting in one high risk, three moderate risk, and 20 low risk findings. The detailed results for these BPAs are contained within the individual reports found on the Board Docs agenda for this meeting. The table below is a condensed summary of the findings of each report:

Sites*	Authorized Signatures	Bank Rec**	Competitive Bidding	Non-Bank Rec**	Overpayment	Purchasing Process	Safeguarding of Assets	Sufficient Documentation	Timely Deposit	Timely Payment	Total
Centreville HS	0	1	0	1	0	1	1	0	0	0	4
Forestdale ES	1	0	0	1	0	0	0	1	0	0	3
Hayfield MS	0	1	0	0	0	0	0	0	0	0	1
Mason Crest ES	0	0	0	0	0	0	0	0	0	0	0
McLean HS	0	0	1	0	0	0	0	0	0	0	1
Sandburg MS	0	1	0	1	1	1	0	1	0	1	6
South County HS	0	0	0	1	0	1	0	1	1	1	5
Woodley Hills ES	0	1	0	1	0	1	0	0	0	1	4
Total	1	4	1	5	1	4	1	3	1	3	24

*ES – Elementary School; MS – Middle School; HS – High School

**Rec – Reconciliation

Low risk criteria: Controls are in place, but the level of compliance varies; compliance with government regulations or Fairfax County Public Schools (FCPS) policies and established procedures varies; or issues identified are less significant, but opportunities exist that could enhance operations.

Moderate risk criteria: Controls are in place but are not sufficiently complied with; compliance with subject government regulations or FCPS policies and established procedures is inadequate, or FCPS policies and established procedures are inadequate; or issues are identified that could negatively impact the efficiency and effectiveness of operations.

High risk criteria: Controls are not in place or are inadequate; compliance with legislation and regulations or contractual obligations is inadequate; or important issues are identified that could negatively impact the achievement of program/operational objectives.

For the high and moderate risk findings:

At **Sandburg MS**, the high risk finding was due to four monthly physical and nine monthly online Financial Management Reports not being reconciled/approved in a timely manner. Additionally, three appropriated and one non-appropriated monthly procurement card statements were not timely signed and dated by the principal and finance technician. OAG recommended that the principal and finance technician complete and approve reconciliations in a timely manner.

The first moderate risk finding pertained to sufficient documentation. One of the 20 sampled procurement card purchases were made without proper supporting documentation, totaling \$146.34. Two of the ten sampled cash disbursements were made without proper supporting documentation, totaling \$1,853.38. Lastly, one sampled cash receipt selected was not completed in the appropriate manner, totaling \$1,926.71. OAG recommended that all expenditures should be supported by a properly completed, approved purchase order and an original itemized receipt, and that the school finance deposit slip contain all required detail to ensure funds are accurately recorded for the benefit of the students submitting the funds.

The second moderate risk finding pertained to timely payment. Four payments were not paid timely, totaling \$32,144.43. The invoices did not reflect a late fee; however, OAG was unable to verify whether any late fees were assessed. OAG recommended that obligations should be paid promptly to avoid penalty fees.

OAG is in the process of obtaining management responses from the principal and the region assistant superintendent. The proposed corrective actions due date is July 2025.

At **South County HS**, the one moderate risk finding was due to Financial Management Reports for January 2025 not being signed and dated by the principal. Additionally, the appropriated and non-appropriated procurement card statements for November, December 2024, and January 2025, three of the three months sampled, were not consistently signed and dated by the principal and the finance technician. OAG recommended that the principal and/or finance technician independently sign and date statements to show evidence of timely completion and approval. Management concurred with the finding with corrective actions due July 2025.

3. What OAG recommends

These audits test compliance with existing regulations and policies, thus recommendations for all findings noted directly correlate to the applicable regulation/policy. A management response is required for findings with a moderate or high-risk rating. All sites with non-appropriated funding are subject to further review during the annual local school activity fund audit at the close of FY 2025. The detailed results for all schools are shared with Financial Services so appropriate support and training can be provided, where needed.

4. Next steps/action needed

Following audit committee discussion, reports will be posted publicly on the OAG website. OAG will conduct follow up on the moderate and high risk findings and will report the status of corrective actions to the Audit Committee.