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# Business Process Audit Centreville High School Report Reference Number: 25-13410

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Prepared by  
Office of Auditor General

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# Report Highlights

## Background:

This audit report summarizes the results of the Office of Auditor General's **Business Process Audit at Centreville High School (HS)** conducted on March 24, 2025. All schools are responsible for their own business processes such as procuring goods and services and processing cash receipts.

The current principal assumed the role in December 2024, and the current finance technician (FT) assumed the role in January 2025.

## Objectives:

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

## Methodology:

- Met with school-based staff.
- Reviewed relevant laws, rules, FCPS policies and regulations.
- Reviewed prior audits and reviews.
- Tested a sample of transactions for accuracy, completeness, and compliance.

#	Finding	Risk Rating
1	<b>Non-Bank Reconciliation</b> - The Financial Management Report (FMR) reconciliation for the one month sampled was not reconciled/approved in a timely manner. Reconciliations were not consistently signed and/or dated to show evidence of timely completion and approval.	Low
2	<b>Bank Reconciliation</b> - Monthly bank reconciliation reports were not consistently signed and/or dated to show evidence of timely completion and approval.	Low
3	<b>Safeguarding of Assets</b> - A safe at the school was not locked when tested by OAG. However, the safe is located within the FT's office, and during the time of the inspection, and the room was attended by the FT.	Low
4	<b>Purchasing Process</b> - One sampled procurement card (PCard) purchase was made outside of the proper purchasing process, totaling \$280.93.	Low

#	Recommendation
1	The principal and FT complete and approve reconciliations in a timely manner.
2	The principal and FT independently sign and date reconciliation posting journals and bank statements during reconciliation to show evidence of timely completion and approval.
3	The safe is kept locked at all times, unless in use.
4	The school has a properly completed and approved purchase order for all transactions, before obligating funds.

*For more information and context, please refer to the report in its entirety.*

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## Executive Summary

This audit report summarizes the results of the Office of Auditor General's (OAG) Business Process Audit (BPA) at Centreville High School (HS) conducted on March 24, 2025. The audit was performed in accordance with the Fiscal Year (FY) 2025 audit plan approved by the Fairfax County School Board (School Board). The primary objective of the audit was to determine the adequacy of controls and processes in place for managing local school activity funds and appropriated funds during FY 2025.

As a result, OAG identified four low risk findings, summarized below:

### **Finding 1 – Non-Bank Reconciliation** (*Low risk*)

The Financial Management Report (FMR) reconciliation for the one month sampled was not reconciled/approved in a timely manner. Reconciliations were not consistently signed and/or dated to show evidence of timely completion and approval.

OAG recommends that the principal and finance technician (FT) complete and approve reconciliations in a timely manner.

### **Finding 2 – Bank Reconciliation** (*Low risk*)

Monthly bank reconciliation reports were not consistently signed and/or dated to show evidence of timely completion and approval.

OAG recommends the principal and FT independently sign and date reconciliation posting journals and bank statements during reconciliation to show evidence of timely completion and approval.

### **Finding 3 – Safeguarding of Assets** (*Low risk*)

A safe at the school was not locked when tested by OAG and per OAG understanding, the safe had been kept open during the day. However, the safe is located within the FT's office, and during the time of the inspection, and the room was attended by the FT.

OAG recommends that the safe is kept locked at all times, unless in use.

### **Finding 4 – Purchasing Process** (*Low risk*)

One sampled procurement card (PCard) purchase was made outside of the proper purchasing process, totaling \$280.93. The invoice exceeded the purchase order amount by more than 4%.

OAG recommends that the school has a properly completed and approved purchase order for all transactions, before obligating funds.

We appreciate the consultation, cooperation, and courtesies extended to our staff by the finance technician, Career and Technical Education (CTE) Automotive Technology instructor, and principal at Centreville HS.

# Background, Scope and Objectives, and Methodology

## Background

All Fairfax County Public Schools (FCPS) departments and schools are responsible for business processes that support their core mission. These processes include procuring goods and services needed to meet their objectives and processing cash receipts. For departments, most of these processes are limited to appropriated fund transactions. However, in a school, there are both appropriated fund transactions and non-appropriated fund, or Local School Activity Fund (LSAF), transactions.

These audits will be performed on an ad hoc basis depending on (1) changes in management/staff, (2) the 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 timely identified. The primary regulations include, but are not limited to:

- Regulation 5111 *Financial Management Reports (FMR)*
- Notice 5111 *Financial Management Report (FMR) Distribution and Reconciliation Schedule*
- Regulation 5810 *School Activity Funds Management*
- Regulation 5350 *Procurement Card Management*
- Regulation 5012 *Purchasing Goods and Services Using Appropriated and Nonappropriated Funds*

The current principal assumed the role in December 2024, and the current finance technician (FT) assumed the role in January 2025.

## Scope and Objectives

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit covered FY 2025 financial activity. The audit's objectives were to:

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

OAG is free from organizational impairments to independence in our reporting as defined by government auditing standards. The office reports directly to the School Board through the Audit Committee. We report the results of our audits to the Audit Committee and the reports are made available to the public via the FCPS website.

## **Methodology**

OAG's audit approach assessed the school's current management of internal controls covering LSAF and appropriated funds. The structure of this audit was designed to assist principals and finance technicians in understanding the question "where are we now?" and what processes and controls must be in place to ensure compliance with FCPS regulations and best practice guidelines moving forward. The audit examined monthly expenditures, records, and statements; reviewed monthly reconciliations; conducted interviews with appropriate employees; with the goal of understanding the school's current standing moving forward. Information was extracted from PaymentNet, Great Plains, and Fairfax County Unified System (FOCUS) for sampling and verification to source documentation during the audit; however, our audit did not include an independent review of system controls.

To satisfy the audit objectives, OAG performed the following:

- Met with school-based staff.
- Reviewed relevant laws, rules, FCPS policies and regulations.
- Reviewed prior audits and reviews.
- Performed a test of transactions, on a sampling basis, to ensure expenditures are accurate and allowable, complied with FCPS requirements, and proper supporting documentation is maintained.

## **Sample Selection**

### **Procurement Card, Cash Disbursement, and Cash Receipt Transactions**

OAG utilized Microsoft Excel to randomly select samples, as follows:

- Ten appropriated procurement card transactions,
- Ten non-appropriated procurement card transactions,
- Ten cash disbursement transactions,
- One cash receipt transaction,
- Ten CTE sales invoice transactions, and
- Ten CTE cash receipt transactions.

### **Bank and Procurement Card Reconciliations and Asset Security Procedures**

OAG reviewed current reconciliations and assets, as follows:

- Most current month FMR reconciliation,
- Three most current months of bank reconciliations,
- Three most current months of appropriated procurement card reconciliations for up to two procurement cards,
- Three most current months non-appropriated procurement card reconciliations for up to two procurement cards, and
- Physical assets such as safes, drop boxes, procurement cards, check stock, and CTE inventory items.

Transaction samples are pulled from the available population and may result in less transactions being tested than what is stated above, or more, depending on the judgment of the audit team.

# Audit Findings, Recommendations, and Management's Responses

Findings within this report are attributed a risk rating in accordance with established risk criteria as defined in Table 1.

**Table 1 – Risk Criteria**

Type	Description
High	One or more of the following exists: <ul style="list-style-type: none"> <li>• Controls are not in place or are inadequate.</li> <li>• Compliance with legislation and regulations or contractual obligations is inadequate.</li> <li>• Important issues are identified that could negatively impact the achievement of program/operational objectives.</li> </ul>
Moderate	One or more of the following exists: <ul style="list-style-type: none"> <li>• Controls are in place but are not sufficiently complied with.</li> <li>• Compliance with subject government regulations or FCPS policies and established procedures is inadequate, or FCPS policies and established procedures are inadequate.</li> <li>• Issues are identified that could negatively impact the efficiency and effectiveness of operations.</li> </ul>
Low	One or more of the following exists: <ul style="list-style-type: none"> <li>• Controls are in place, but the level of compliance varies.</li> <li>• Compliance with government regulations or FCPS policies and established procedures varies.</li> <li>• Issues identified are less significant, but opportunities exist that could enhance operations.</li> </ul>

All completed Business Process Audits with findings in which the risk ratings are deemed moderate or high will require a management response. During this audit, OAG identified four low risk findings.

## Finding 1 – Non-Bank Reconciliation

### Risk Rating: Low

#### Condition:

- (a) The Financial Management Report (FMR) reconciliation for the one month sampled was not reconciled/approved in a timely manner. Specifically:
- January 2025 FMR was not reconciled and approved in the online application as of March 24, 2025. The completion date set by Financial Services (FS) for January 2025 was February 28, 2025.
  - January 2025 physical Financial Management Expenditure Report (FMER) and Financial Management Position Report (FMPR) was not reconciled and approved by the reconciler and principal as of March 24, 2025. The completion date set by Financial Services (FS) for January 2025 was February 28, 2025.
- (b) Reconciliations were not consistently signed and/or dated to show evidence of timely completion and approval, as follows:
- Non-appropriated procurement card statements for three of three months sampled were not dated by the principal. Specifically:
    - November 2024, December 2024, and January 2025 statements for CENTREVILLE HS SA1 and CENTREVILLE HS SA2 were signed by the principal but dated for the principal by the FT.
  - Appropriated procurement card statements for two of three months sampled were not dated by the principal. Specifically:
    - November and December 2024 statements for CENTREVILLE HS IS AND CENTREVILLE HS SE were signed by the principal but dated for the principal by the FT.

#### Criteria:

- (a) Regulation 5111 *Financial Management Reports (FMR) Reconciliation* establishes the responsibilities and procedures for the reconciliation of the monthly FMR. Per the regulation, "Principals or program managers must ensure the timely reconciliation, review and certification of the Financial Management Position Report (FMPR) and Financial Management Expenditure Report (FMER) as set forth in Notice 5111." For the FMPR/FMER, "[the reconciler will] provide principals or program managers with the completed reconciliation (signed and dated hard copy required as evidence of review) and supporting documentation for their review. Principals or program managers are required to sign and date the monthly FMPR/FMER reconciliation report." In addition, R5111 states, "Principals or program managers are required to certify that the reconciliations are complete and approved using the FMR application."
- (b) Regulation 5350 *Procurement Card Management* states, "The reconciler must initial and date the procurement card statement when the reconciliation is complete and to verify receipts for all transactions are attached." It also states, "The principal/program manager must ensure that reconciliations are done on a timely basis and must review, sign, and date the reconciliation report."



**Cause:**

- (a) The current FT assumed the position on January 27, 2025. Per OAG understanding, the FMR had not been completed because FT had only completed the training in March 2025.
- (b) The procurement card reconciliation procedures were not adhered to.

**Effect:**

Reconciliations not being completed and approved timely could allow for FMR and procurement card transactions to go unverified and funds to be misappropriated.

**Recommendation:**

OAG recommends that the principal and finance technician complete and approve reconciliations in a timely manner.

**Management Response (Not Required):**

A management response is not required for this finding due to the low risk rating.

## **Finding 2 – Bank Reconciliation**

### **Risk Rating: Low**

#### **Condition:**

Monthly bank reconciliation reports were not consistently signed and/or dated to show evidence of timely completion and approval, as follows:

- November and December 2024 bank reconciliation posting journals were signed by the principal but dated for the principal by the FT during reconciliation.
- January 2025 Bank of America bank statement was not signed by the FT during reconciliation.

OAG would like to note that a backup staff member had completed the January 2025 bank reconciliation when the school underwent turnover in the finance position.

#### **Criteria:**

The FCPS *School Finance Handbook* states, "The finance technician (FT) will perform bank reconciliations in a timely manner. The principal is responsible for the safeguarding, managing, and accounting of school activity funds." This includes ensuring that "monthly bank reconciliations are completed on a timely basis." The *School Finance Handbook* also states, "The Principal must sign and date the actual bank statement." Regulation 5910 *Monetary Receipts* states, "All reconciliations must be reviewed and signed by the program manager." In addition, the *FT's Month-End Financial Checklist - LSAF*, a resource guide prepared by Financial Services, states, "The actual bank statement must be signed and dated by the FT and then signed and dated by the Principal."

#### **Cause:**

The established bank reconciliation procedures were not adhered to.

#### **Effect:**

Using improper reconciliation processes may cause funds to not be properly accounted for.

#### **Recommendation:**

OAG recommends the principal and FT independently sign and date reconciliation posting journals and bank statements during reconciliation to show evidence of timely completion and approval.

#### **Management Response (Not Required):**

A management response is not required for this finding due to the low risk rating.

### **Finding 3 – Safeguarding of Assets**

#### **Risk Rating: Low**

##### **Condition:**

A safe at the school was not locked when tested by OAG and per OAG's understanding, the safe had been kept open during the day. However, the safe is located within the FT's office, and during the time of the inspection, and the room was attended by the FT.

##### **Criteria:**

Regulation 5910 *Monetary Receipts* states, "Safes and vaults should be kept locked at all times." The FCPS *School Finance Handbook* states that it is best practice for principals to "restrict, test and control access to safes, deposit boxes, etc., and ensure they are locked when not in use."

##### **Cause:**

The current FT recently assumed the role and was still developing understanding of the financial procedures.

##### **Effect:**

Improperly safeguarded assets may increase the risk of fraud, waste, or abuse of funds.

##### **Recommendation:**

OAG recommends that the safe is kept locked at all times, unless in use.

##### **Management Response (Not Required):**

A management response is not required for this finding due to the low risk rating.

## Finding 4 – Purchasing Process

### Risk Rating: Low

#### Condition:

One sampled procurement card (PCard) purchase was made outside of the proper purchasing process, totaling \$280.93. The purchase order was approved for \$209.50. The sample consisted of five transactions, totaling \$2,181.59.

Item	PCard Name	PCard Transaction Date	Vendor Name	Notes	Dollar Amount
1	CENTREVILLE HS IS	10/11/2024	BIO COMPANY INC	Purchase exceeds approved amount by more than 4%.	\$280.93

#### Criteria:

Regulation 5350 *Procurement Card Management* states, "The principal/program manager must preauthorize procurement card purchases in writing." The FCPS *School Finance Handbook* states, "All Pcard purchases, require an approved purchase order (PO) prior to placing any Pcard orders. POs created in the teacher Online Purchasing System (TOPS) using Appropriated Funds Pcards must be printed and signed by the principal (or designee) prior to purchasing goods and services." Furthermore, the FCPS *School Finance Handbook* states, "It is necessary to edit and resubmit [purchase] orders for final approval if the invoice is 4% more than the approved purchase order total. This only applies to purchase orders greater than or equal to \$100."

#### Cause:

Although the purchase amount exceeds the approved PO amount, there was a note indicating "NTE \$350", meaning *not to exceed* \$350. Per OAG understanding, as a result, the PO was not resubmitted for approval with the updated amount. Refer to the **Appendix** to view an image of the PO.

#### Effect:

Purchases made prior to the principal's approval could allow for funds to be misappropriated and irresponsibly managed.

#### Recommendation:

OAG recommends that the school has a properly completed and approved purchase order for all transactions, before obligating funds.

#### Management Response (Not Required):

A management response is not required for this finding due to the low risk rating.

# Appendix – Purchase Order (Referenced in Finding 4)

## Purchase Order

Centreville High  
Fairfax County Public Schools

**Vendor:**  
JP MORGAN CHASE BANK NA  
PO BOX 4475  
Carol Stream, IL 60197

School Location: 410  
Purchase Order No. [REDACTED]  
Date: 09/18/2024

Materials and Supply

**Bill\Ship To:**  
Centreville High  
6001 Union Mill Rd  
Clifton, VA 20124  
Fax

L/N	Line Item Number	Description	Req. Date	UOM	Ordered	Unit Price	Line Total
1	na	T-Pins, Red 1-20	09/16/2024	EA	5.00	\$20.95	\$104.75
		SSH4100102/Centreville HS Core HS Instruction					
2	na	letters A-Z	09/16/2024	EA	5.00	\$20.95	\$104.75
		SSH4100102/Centreville HS Core HS Instruction					
<b>Order Total</b>							<b>\$ 209.50</b>

Comments: HAP NTE \$350

Created By: [REDACTED]

Delivery Attention: [REDACTED]

Merchant: Biology Products [REDACTED]

Authorized Signature: [REDACTED] Date: 9/18/24

\$ 209.50

-280.93

Standard Conditions for Fairfax County Purchase Orders are available at:

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## OAG's Mission and Vision

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. We accomplish the mission by providing the following services:

- Annual [risk assessment](#) and [audit plan](#)
- [Performance and financial internal audits](#)
- Management of the [Fraud, Waste, and Abuse Hotline](#)
- Education and outreach

Our vision is to deliver innovative and respected audit, advisory, investigative services and risk assurance to protect Fairfax County Public Schools as a leader in student achievement. We achieve this by providing an independent perspective and encouraging collaborative improvement.

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Audit reports are available on the OAG website for two years after each audit is completed. You can access a listing of audit reports, with a link to each, on the [audit reports webpage](#).

Contact us at [internalaudit@fcps.edu](mailto:internalaudit@fcps.edu) for copies of reports not available on the [audit reports webpage](#).

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Online form: <https://www.fcps.edu/auditor> (anonymity optional)

Automated answering system: 571-423-1333 (anonymous)

Main office: 571-423-1320 (not anonymous)

Email: [internalaudit@fcps.edu](mailto:internalaudit@fcps.edu) (not anonymous)

