

OFFICE OF AUDITOR GENERAL (OAG)

OAG's team, roles and responsibilities
September 2025



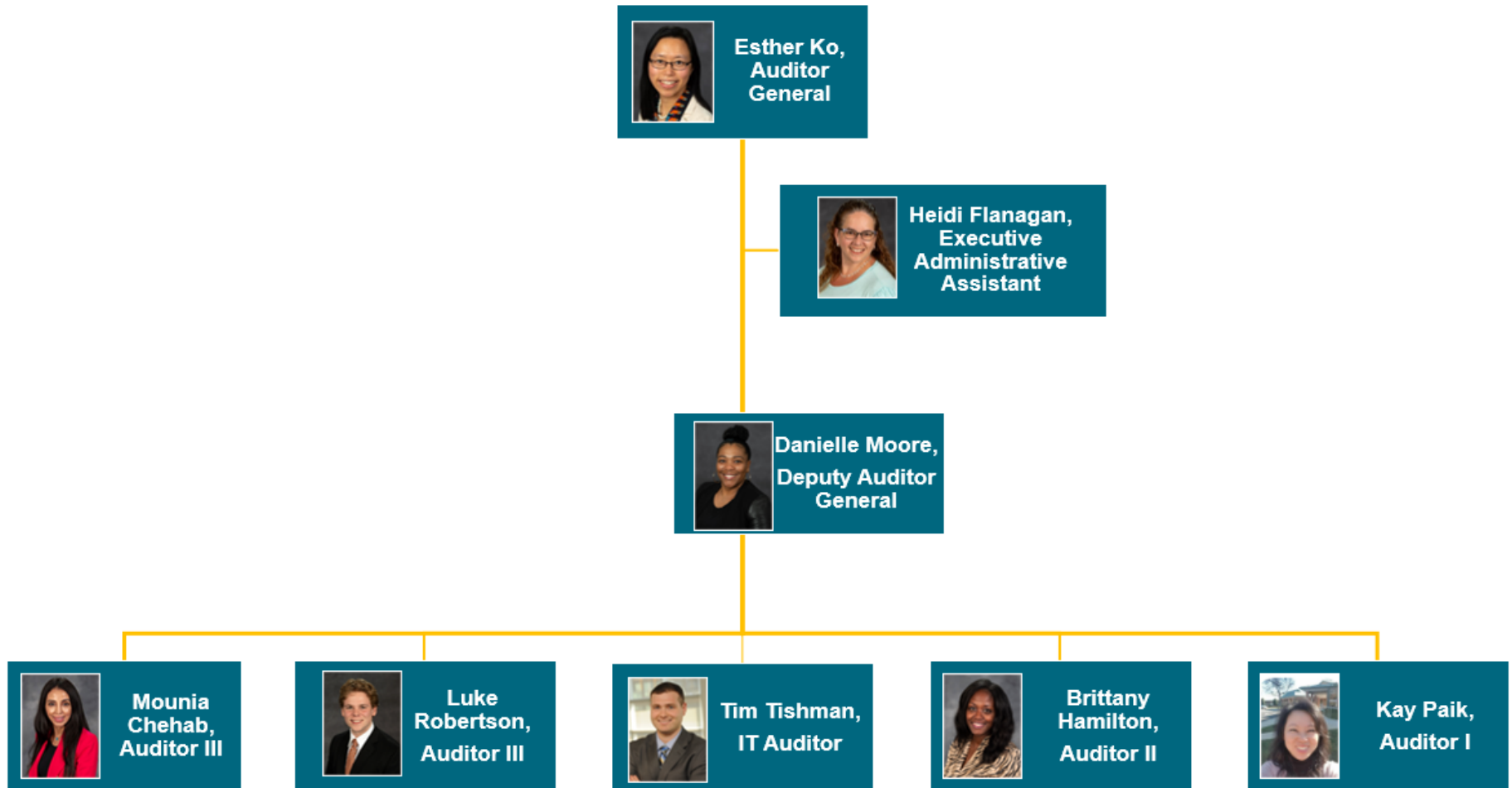
OAG's Mission, per School Board **Policy 1105**, Auditor General Authority:

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 – *FY26 plan approved July 2025*

Note: Appendix I includes the job description for the Auditor General.

OAG Organization Chart



Note: In addition to the above full-time employees, OAG is also supported by hourly auditors.

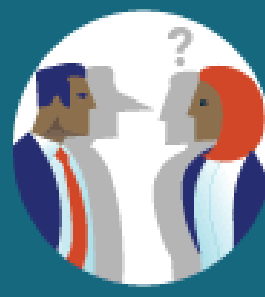
What does OAG do?



Risk
Assessment



Internal
Audit

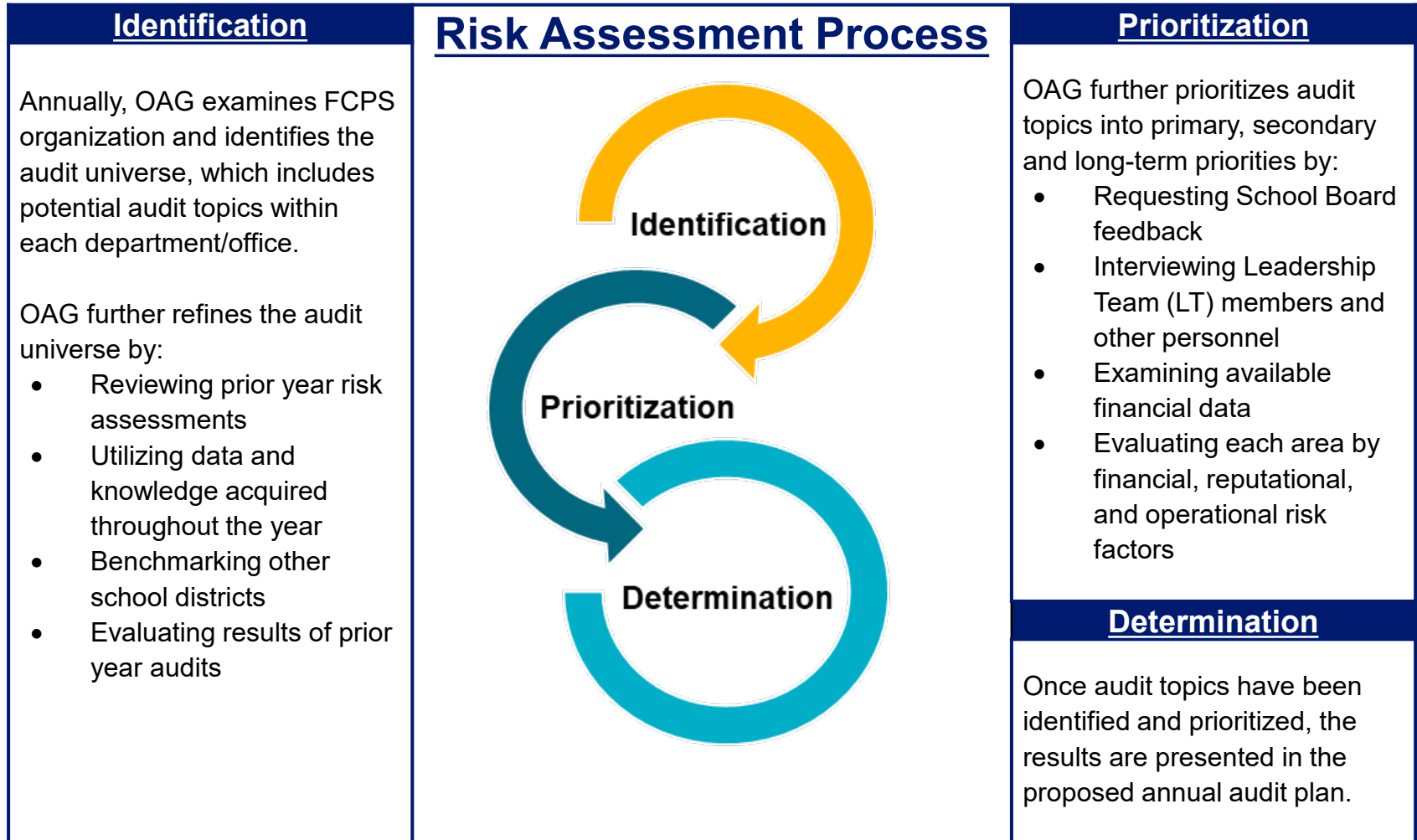


Fraud,
Waste,
and
Abuse
Hotline



Outreach
and
Education





[FY26 Office of Auditor General Risk Assessment and Audit Plan](#) includes information to the latest plan.

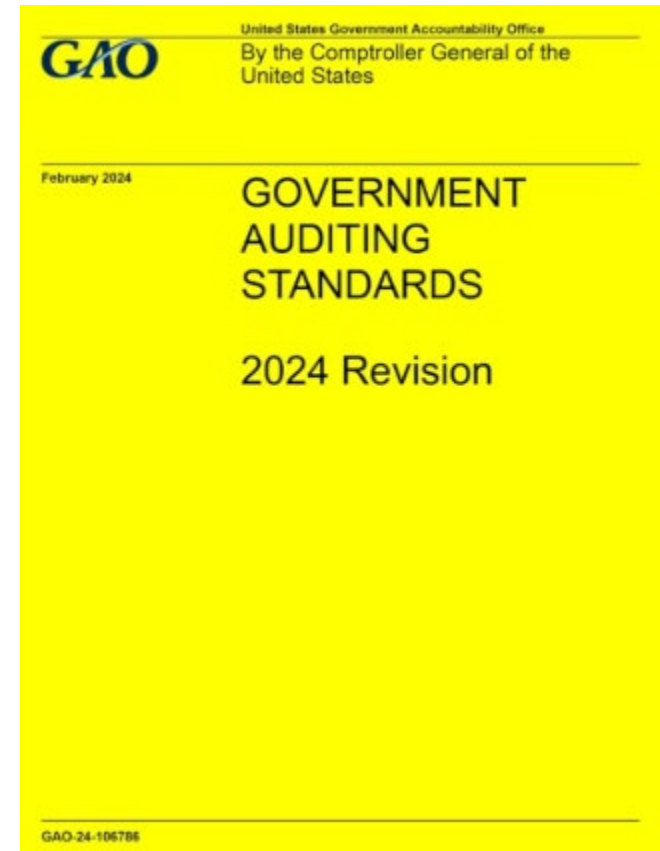
AUDIT PROCESS



Auditing Standards

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
- 2024 Revision
- An external peer review every three years. OAG will receive it around January/February 2026



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.

Fiscal Year (FY) 2026 Audit Plan



New Engagements

1. Healthcare Claims Management
2. Hourly Employee Structure and Stipends
3. School and Office Safety
4. Specific Contracts, Vendor Management

FY25 Carried Over Engagements

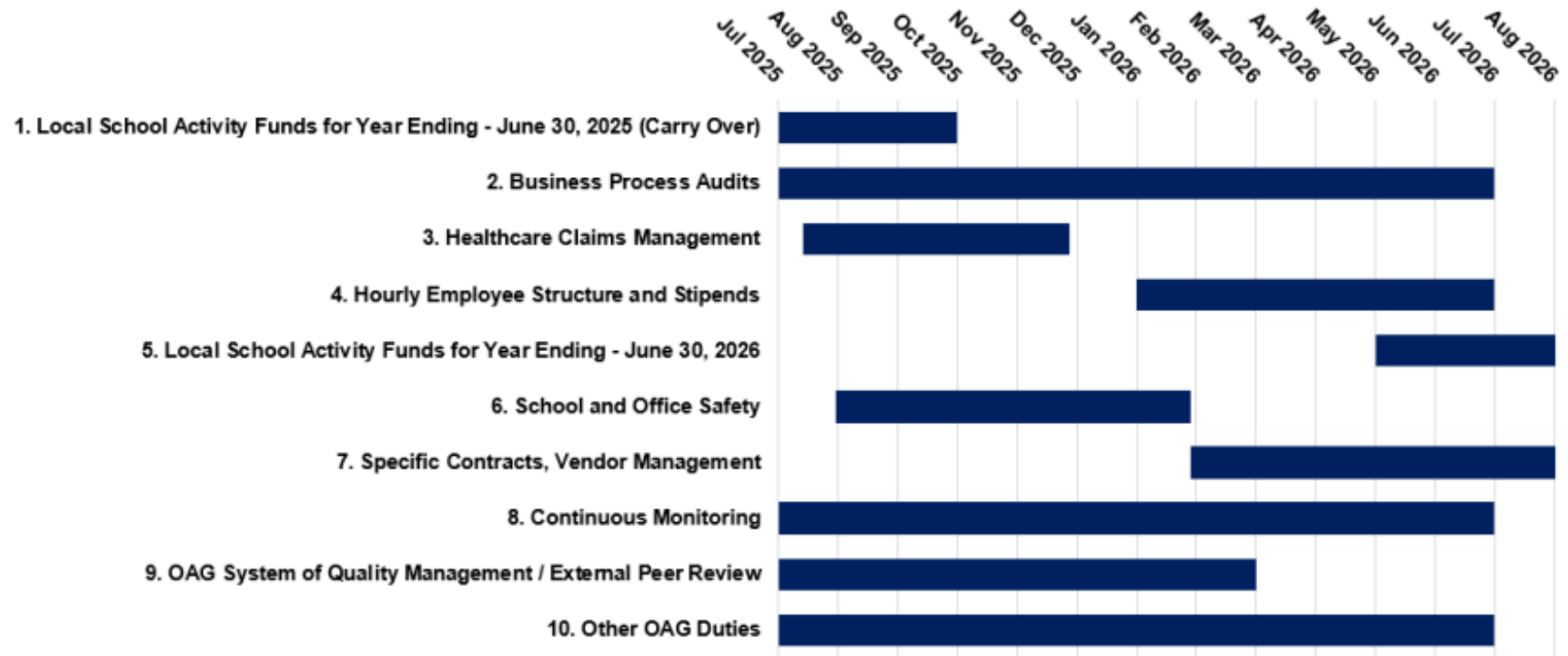
1. Local School Activity Funds, June 30, 2025

Annual Engagements

1. Business Process Audits
2. Continuous Monitoring
3. Local School Activity Funds, June 30, 2026



FY26 OAG Operational Plan



Planning, execution, and reporting is determined once the engagement's scoping is completed. Engagements vary in hours and variables affecting completion, including management availability, data mining, number of accessible systems, objectives and scope, extent of risk factors, type of audit, other on-going audits, and non-audit services and projects.

Note: Appendix II includes more details regarding Items 1 - 9.

Other OAG Duties



1. Audit Committee Meetings
2. FCPS Fraud, Waste and Abuse Inquiry
3. OAG Annual Report
4. OAG FY27 Risk Assessment
5. OAG Outreach and Education
 - NASBA (National Association of State Boards of Accountancy) certified training
6. OAG Staff Professional Development
7. Recommendations Follow-Up



Fraud, Waste, and Abuse Hotline



- OAG provides FCPS employees and the public a confidential means for reporting suspected wrongdoing involving fraud, waste, and abuse of FCPS assets and resources.
- OAG receives these inquiries via the hotline, internal audit email, phone calls, direct mails, walk-ins or [online submission](#).

	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Inquiry Areas					
Conflict of Interest	2	4	1	4	6
Documentation	4	4	11	11	8
Human Resources	8	9	10	15	17
Not Related to Fraud, Waste, and Abuse at FCPS	24	19	15	21	13
Procurement	3	1	3	1	1
Residency	4	5	3	7	9
Use of Assets	1	5	2	16	11
Vendor / Contractual Execution	0	1	2	4	3
Grand Total	46	48	47	79	68

- OAG takes all inquiries seriously and makes every effort to review credible matters in accordance with [School Board Policy 1107](#) and [Regulation 1410](#).

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

Training and Education

- In FY 2025, OAG delivered 18 presentations to almost 1,200 FCPS personnel & external stakeholders:
 - Leadership Kickoff
 - Finance Conference
 - NASBA training*
 - DMV auditor group
- OAG provides information (upon request) to community groups

*NASBA training topics included:

- Bridging Payroll and Audit
- Managing Risk in a School Division

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 over 4,400 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.

Prevention is Better than Cure



Appendix I – Auditor General’s Job Description

Job Description – Auditor General

1. Directs and manages the Division's internal audit functions;
2. Establishes, designs, and administers the program and operational effectiveness and efficiency audits for the Division, including monitoring the accomplishments of Division objectives;
3. Directs formal division-wide risk assessments to focus audit resources on high-risk areas;
4. Supervises the appraisal of Division activities in terms of efficiency, effectiveness, and compliance with applicable laws, regulations, procedures, and good management practices;
5. Prepares an annual audit plan that identifies and prioritizes areas to be examined;
6. Conducts compliance reviews of expenditures and the proper handling of funds;
7. Oversees and leads investigations conducted by Office of Auditor General (OAG) of financial wrongdoing;
8. Establishes operating and administrative protocols and procedures for OAG, and oversees the day-to-day operations of OAG and performance of audit staff; and
9. Performs other related duties as required or assigned by the School Board.

Appendix II – FY26 Audit Plan by Topics

(1) Local School Activity Funds Audit (LSAF), June 30, 2025

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) Determine if cash balances are fairly stated, (2) Assess compliance with applicable regulations and policies, (3) Determine if internal controls are adequate and functioning as intended, and (4) Determine if transactions are reasonable and do not appear to be fraudulent (completed as part of the continuous monitoring procedures)

Internal Stakeholders

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

Schedule

The division wide report is scheduled to present to the Audit Committee in October 2025.

(2) 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/finance assistants, or management/staff; or situations as deemed necessary. Focus for these audits is primarily on financial transactions.

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. If applicable, the scope will include targeted review of financial controls, processes, and transactions for the schools' Career Technical and Education fund accounts.

Internal Stakeholders

- (1) Schools, Offices & Departments
- (2) Office of Counseling and College and Career Readiness

Schedule

Ongoing throughout the fiscal year.

(3) Healthcare Claims Management

Description

FCPS self-insures employee health insurance plans that are managed by third party administrators: Cigna Healthcare and Aetna Dental. The potential risks could arise from inadequate oversight on claims processing, leading to over- or underpayments, claims fraud and abuse and lack of transparency in data provided by the third-party administrators.

Objectives / Scope

Evaluate effectiveness and efficiency of current framework of monitoring healthcare claims by the Office of Benefit Services, including assessing the adequacy of internal controls to ensure third party administrators are adjudicating claims according to terms and conditions.

Internal Stakeholders

Department of Financial Services Office of Benefit Services

Schedule

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

(4) Hourly Employee Structure and Stipends

Description

During one FY25 biweekly pay period, there was approximately \$885,000 (\$23M annualized) in payments for hourly employees on the temporary hourly assignment scale. Hiring of hourly employees is conducted by schools and offices, with potential risk of inconsistent application of the hourly pay bands. The FY25 Approved Budget includes stipends and salary supplements totaling approximately \$28.1M.

Objectives / Scope

Evaluate whether appropriate controls are in place to ensure hourly structure (including payments) and stipends are properly authorized and utilized across FCPS, effectively, efficiently and equitably. Hourly will include temporary assignments for exempt and nonexempt employees. Stipends include athletic and academic supplements, stipends for temporary assignments, and other miscellaneous stipends. OAG may include other types of hourly payments or stipends as part of the audit.

Internal Stakeholders

- (1) Department of Human Resources
- (2) Department of Financial Services
- (3) Schools, Offices & Departments

Schedule

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

(5) Local School Activity Funds (LSAF) Audit, June 30, 2026

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) Determine if cash balances are fairly stated, (2) Assess compliance with applicable regulations and policies, (3) Determine if internal controls are adequate and functioning as intended, and (4) Determine if transactions are reasonable and do not appear to be fraudulent (completed as part of the continuous monitoring procedures)

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 2026.

(6) School and Office Safety

Description

Maintaining compliance with safety and security is a critical mission of FCPS, and ensuring student safety is FCPS' commitment under Goal #2 "Safe, Supported, Included, and Empowered" of the Strategic Plan 2023-30. The Office of Safety and Security provides overall guidance, direction, and support to the safety, health, and security programs, including federal (and Commonwealth of Virginia equivalent), Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA) programs.

Objectives / Scope

Evaluate (1) FCPS safety and security requirements, including ongoing risk assessments, monitoring, communication, training, and testing, particularly to ensure an appropriate response in the safety events, such as an active shooter scenario; (2) whether FCPS sites have adequate building security measures and access controls [OAG will conduct physical checks at selected FCPS sites]; (3) select sample contracts and review their compliance and accountability, including evaluating vendor compliance with contract terms and conditions. To make these evaluations, OAG will identify industry leading practices, FCPS requirements, and review results from the Fiscal Year 2023 external review.

Internal Stakeholders

- (1) Office of Chief Safety and Security Officer
- (2) Special Services – Intervention & Prevention Services
- (3) Chief Experience & Engagement Office
- (4) Schools, Offices & Departments

Schedule

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

(7) Specific Contracts, Vendor Management

Description

Office of Procurement Services (OPS) is the central procurement office for FCPS. Departments are tasked with identifying needs, as well as providing input during the solicitation process and expertise during the negotiation process, as applicable. Areas of potential risk are ineffective procurement practices, including vendor selection, and insufficient contract monitoring. In FY25, OAG focused on the procurement process administered by OPS.

Objectives / Scope

Evaluate user department's controls to ensure accountability and monitoring of vendor performance and delivery of goods and services, with the expected outcomes.

Internal Stakeholders

- (1) Instructional Services Department
- (2) Department of Special Services
- (3) Department of Financial Services Office of Procurement Services

Schedule

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

(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.
- Areas of focus to include School, Department, and Office expenditures.
- OAG will perform unannounced cash counts and e-commerce collection of event fees for school events (i.e. athletics, performing arts) during FY26.

(9) OAG System of Quality Management / External Peer Review



- **New requirements of Generally Accepted Government Auditing Standards (GAGAS Yellow Book)** - for system of quality management to be implemented by audit organizations by December 15, 2025. In FY26, OAG will continue implementing a system of quality management that complies with these requirements.
- **External peer review of OAG** - During FY23, OAG received an external peer review which validated the internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with the Government Auditing Standards. GAGAS requires an external peer review to be held every three years. The next external peer review of OAG will take place in FY26.

