



**Topic/Issue:** FY 2025 Continuous Monitoring Procedures for Q3 & Q4  
**Meeting and Date:** Audit Committee, November 17, 2025  
**Staff Lead:** Brittany Hamilton

**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) 2025 Quarter 3 (Q3) and Quarter 4 (Q4). The procedures were performed in accordance with the FY 2025 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 enable OAG 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 site visits that will be subject to additional testing procedures.

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 2025 LSAF audit for the year ending June 30, 2025. 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 2025 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. FY 2025 Summary of quarterly activities:**

During FY25, out of 202 sites, 103 sites had no exceptions noted; 55 sites had exceptions noted in three or fewer areas; and 44 sites did not have any transactions appear in the sample of transactions. OAG visited a total of 68 sites in person.

A site might have more than one exception in an area. The following table summarizes the exceptions noted during Q3 and Q4:

Sites	Observation Area	Description
10	Non-Bank Reconciliation	<ul style="list-style-type: none"> <li>• Procurement card statements were not reconciled in a timely manner.</li> <li>• Procurement card statements were not signed and/or dated.</li> </ul>
9	Purchasing Process	<ul style="list-style-type: none"> <li>• Disbursements were not pre-approved.</li> </ul>

Sites	Observation Area	Description
		<ul style="list-style-type: none"> <li>• Procurement card transactions were not pre-approved.</li> <li>• Purchases exceeded approved purchase order amounts by more than 4%.</li> <li>• Purchase of a tablet was not placed in FOCUS<sup>1</sup>.</li> </ul>
9	Bank Reconciliation	<ul style="list-style-type: none"> <li>• Bank reconciliations were not completed in a timely manner.</li> <li>• Bank reconciliations and/or bank statements were not signed and/or dated.</li> <li>• Deposits were outstanding at the end of the month.</li> </ul>
3	Activity Gate Receipt Procedures	<ul style="list-style-type: none"> <li>• One individual was responsible for recording ticket sales and collecting cash.</li> </ul>
2	Sufficient Documentation	<ul style="list-style-type: none"> <li>• School Finance Deposit Slips (FS-131) for cash receipts were not accurately and/or adequately completed.</li> </ul>
2	Authorized Signatures	<ul style="list-style-type: none"> <li>• Check disbursements were co-signed by the individual to whom the check was made payable.</li> </ul>
2	Timely Payment	<ul style="list-style-type: none"> <li>• Invoices were not paid in a timely manner.</li> </ul>
1	Safeguarding of Assets	<ul style="list-style-type: none"> <li>• Check stock was not adequately secured when inspected by OAG.</li> </ul>
1	Timely Receipt	<ul style="list-style-type: none"> <li>• Funds were not turned into and/or received by the finance office in a timely manner.</li> </ul>
1	Timely Entry	<ul style="list-style-type: none"> <li>• School finance deposit slips (FS-131) were not entered into Great Plains daily.</li> </ul>
1	Competitive Bidding	<ul style="list-style-type: none"> <li>• A purchase exceeding \$10,000 was made without competition for non-FCPS contracted vendors.</li> </ul>
1	Change Fund	<ul style="list-style-type: none"> <li>• The change fund was not properly reconciled separately from the event sales proceeds.</li> <li>• Change fund amount exceeded the amount necessary to meet operation change-making needs.</li> </ul>
1	Sales Tax	<ul style="list-style-type: none"> <li>• Reimbursement for a tax exempt purchase was made with personal funds that included sales tax.</li> </ul>
1	Timely Deposit	<ul style="list-style-type: none"> <li>• Funds were not deposited in a timely manner after being received by the finance office.</li> </ul>

While exceptions were identified above, OAG did not identify material concerns which are significant to the sites.

**4. Next Steps/Action Needed:**

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

<sup>1</sup> FOCUS-Fairfax County Unified System, the accounting system used for appropriated funds.