



Business Process Audit Louise Archer Elementary School Report Reference Number: 26-13067

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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 Louise Archer Elementary School conducted on December 5, 2025. All schools are responsible for their own business processes such as procuring goods and services and processing cash receipts.

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 to ensure they are accurate, allowable, complied with FCPS requirements, and that proper supporting documentation is maintained.

#	Finding	Risk Rating
1	Fund Account Usage – Three sampled cash disbursements and five procurement card (Pcard) purchases were made using Local School Activity Fund (LSAF) Administrative funds to purchase refreshments for staff, totaling \$694.31.	Moderate
2	Purchasing Process –Three Pcard purchases were made outside of the proper purchasing process, totaling \$136.62.	Low
3	Timely Payment – Two payments were not made timely, totaling \$2,392.11. However, no late fees were assessed.	Low
4	Sufficient Documentation – One sampled cash disbursement was made without recommended supporting documentation, totaling \$60.17.	Low

#	Recommendation
1	The finance assistant use the correct fund account when making disbursements.
2	The school have a properly completed and approved purchase order for all transactions, before obligating funds.
3	Obligations be paid promptly to avoid penalty fees.
4	All expenditures be supported by a properly completed, approved purchase order and an original itemized receipt.

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 Louise Archer Elementary School conducted on December 5, 2025. The audit was performed in accordance with the Fiscal Year (FY) 2026 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 2026.

As a result of the audit, OAG identified one moderate risk and three low risk findings, summarized below:

Finding 1 – Fund Account Usage (*Moderate risk*)

Three sampled cash disbursements and five Pcard purchases were made using LSAF Administrative funds to purchase refreshments for staff, totaling \$694.31.

OAG recommends that the finance assistant use the correct fund account when making disbursements.

Finding 2 – Purchasing Process (*Low risk*)

Three Pcard purchases were made outside of the proper purchasing process, totaling \$136.62.

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

Finding 3 – Timely Payment (*Low risk*)

Two payments were not made timely, totaling \$2,392.11. However, no late fees were assessed.

OAG recommends that the obligations be paid promptly to avoid penalty fees.

Finding 4 – Sufficient Documentation (*Low risk*)

One sampled cash disbursement was made without recommended supporting documentation, totaling \$60.17.

OAG recommends that all expenditures be supported by a properly completed, approved purchase order and an original itemized receipt.

We appreciate the consultation, cooperation, and courtesies extended to our staff by the finance assistant (also known as administrative assistant) and principal at Louise Archer Elementary School.

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*

Scope and Objectives

We conducted this performance 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 2026 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 assistants/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, and
- One cash receipt transaction.

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, and check stock.

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

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

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 one moderate risk and three low risk findings.

Finding 1 – Fund Account Usage

Risk Rating – Moderate

Condition:

a) Three sampled cash disbursements were charged to the incorrect account, totaling \$155.66. The sample consisted of six disbursements, totaling \$7,049.97.

Item	Check Number	Date	Vendor Name	Account	Amount
1	106701049	8/8/2025	Employee	50100-00-5110/ Administrative-Matl Supp Exp	\$31.19
2	106701051	8/20/2025	Employee	50100-00-5110/ Administrative-Matl Supp Exp	\$64.30
3	106701052	8/20/2025	Employee	50100-00-5110/ Administrative-Matl Supp Exp	\$60.17

These purchases were for school staff and made using the local administrative funds. However, local administrative funds are designated to benefit the student body.

b) Five sampled non-appropriated procurement card (Pcard) transactions were charged to the incorrect account, totaling \$538.65. The sample consisted of ten transactions, totaling \$2,055.96.

Item	PCard Name	Date	Vendor Name	Account	Amount
1	SA1	8/12/2025	PANERA BREAD	50100-00-5110/ Administrative-Matl Supp Exp	\$272.50
2	SA1	8/5/2025	THE SANDWICH SHOP	50100-00-5110/ Administrative-Matl Supp Exp	\$94.50
3	SA1	7/16/2025	AMAZON	50100-00-5110/ Administrative-Matl Supp Exp	\$40.04
4	SA1	7/17/2025	AMAZON	50100-00-5110/ Administrative-Matl Supp Exp	\$71.64
5	SA1	7/16/2025	AMAZON	50100-00-5110/ Administrative-Matl Supp Exp	\$59.97

These purchases were for school staff and made using the local administrative funds. However, local administrative funds are designated to benefit the student body.

Criteria:

The FCPS *School Finance Handbook* states that the principal or program manager must "ensure transactions are posted to the appropriate expenditure accounts." Regulation 5810 *School Activity Funds Management* states that principals and school personnel must "use school activity funds solely in accordance with the purpose for which such funds were collected

and support the overall educational experience of students." It further states, "These funds are designated to benefit the entire student body. Special care must be taken when making decisions to utilize these funds." Financial Services' *Guidelines for Using the Local School Activity Funds Administrative Account* prohibits the use of the funds to purchase "Refreshments, breakfasts, or lunches for faculty."

Cause:

Administrative Local School Activity Funds designated to be used for the student body were used to purchase items for staff.

Effect:

Purchases made against the incorrect fund account may result in funds being misappropriated.

Recommendation:

OAG recommends that the finance assistant use the correct fund account when making disbursements and Pcard purchases.

Management Response (Required):

A management response is required for this finding due to the moderate risk rating. In addition, the school will be subject to further review during the annual local school activity fund audit scheduled to be performed later in the year and continuous audit procedures conducted throughout the year.

Planned Action	Action Owner(s)	Expected Completion Date
<p>I concur with the finding and the completion date.</p> <p>The principal and finance assistant meet near the end of each month to review and discuss the local and appropriated budgets. The principal and finance assistant plan to allot specific time during every meeting to ensure the correct fund account is utilized when making purchases.</p>	<p>Principal and Finance Assistant</p>	<p>February 13, 2026</p>

Finding 2 – Purchasing Process

Risk Rating – Low

Condition:

Three sampled procurement card (PCard) purchases were made outside of the proper purchasing process, totaling \$136.62. The sample consisted of ten transactions, totaling \$7,059.75.

Item	PCard Name	PCard Transaction Date	Vendor Name	Notes	Dollar Amount
1	Instructional Supplies	9/17/2025	PRIMO BRANDWATERSERV	Purchase made prior to an approved purchase order.	\$104.66
2	Instructional Supplies	8/9/2025	PRIMO BRANDWATERSERV	Purchase made prior to an approved purchase order.	\$15.98
3	Instructional Supplies	7/16/2025	PRIMO BRANDWATERSERV	Purchase made prior to an approved purchase order.	\$15.98

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."

Cause:

The required procurement procedures were not adhered to.

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.

Finding 3 – Timely Payment

Risk Rating – Low

Condition:

a) One payment to CUSTOMINK LLC was not paid timely, totaling \$30.81:

Item	Payee Name	Payment Due Date	Actual Date Paid	Invoice Amount
1	CUSTOMINK LLC	Due upon receipt	7/24/2025	\$30.81

Original transaction is from 12/12/2024. The finance assistant (FA) stated that she forgot to make the payment. Although payment was made untimely, no late fees were assessed.

b) One payment to COMMITTEE FOR CHILDREN was not paid timely, totaling \$2,361.30:

Item	Payee Name	Payment Due Date	Actual Date Paid	Invoice Amount
1	COMMITTEE FOR CHILDREN	7/31/2025	8/26/2025	\$2,361.30

The finance assistant stated she did not receive the invoice until after the statement was received. Although payment was made untimely, no late fees were assessed.

Criteria:

Regulation 5810 *School Activity Funds Management* states, "Disbursements must be processed in a timely manner to avoid late fees and take advantage of discounts."

Cause:

The required cash disbursement and procurement procedures were not adhered to.

Effect:

Payments not made by due dates may lead to a waste of funds being spent on late fees.

Recommendation:

OAG recommends that obligations be paid promptly to avoid penalty fees.

Management Response (Not Required):

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

Finding 4 – Sufficient Documentation

Risk Rating – Low

Condition:

One sampled cash disbursement was made without recommended supporting documentation, totaling \$60.17. The sample consisted of six transactions, totaling \$7,049.97.

Item	Check Number	Check Date	Payee Name	Documentation	Dollar Amount
1	106701052	8/20/2025	Employee	Receipts provided for reimbursement are missing dates	\$60.17

Criteria:

Regulation 5810 *School Activity Funds Management* states, "All purchases of goods or services made from school activity accounts shall be supported by the prior submission and approval of a school purchase order... After receiving written evidence for the receipt of the goods or services, the PO, the invoice, and other supporting documents are to be attached to the check stub for filing."

Cause:

The documents provided for reimbursement are missing dates.

Effect:

Purchases made without proper supporting documentation could allow for funds to be misappropriated and irresponsibly managed.

Recommendation:

OAG recommends that all expenditures be supported by a properly completed, approved purchase order and an original itemized receipt.

Management Response (Not Required):

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

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](#)
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- 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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