



Business Process Audit Annandale High School Report Reference Number: 26-13140

March 2026

Prepared by
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Report Highlights

Background:

This audit report summarizes the results of the Office of Auditor General’s **Business Process Audit at Annandale High School** conducted on January 20, 2026. 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	Sufficient Documentation – Five sampled Career and Technical Education (CTE) cash receipts totaling \$1,077.25 did not have sufficient documentation.	Moderate
2	Purchasing Process – One cash disbursement totaling \$21,225.00 and one cash advance disbursement totaling \$1,050.00 were made outside of the proper purchasing process.	Moderate

#	Recommendation
1	The finance technician ensures all CTE deposit packages include a completed School Finance Deposit Slip (FS-131).
2	The finance technician adheres to the established Encumbrance and Expense Reimbursement Procedures for Community-Based Instruction activities and completes School Activity Fund Cash Advance Record (FS-132) for cash advances. In addition, 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 Annandale High School conducted on January 20, 2026. 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, OAG identified one moderate risk finding and one low risk finding, summarized below:

Finding 1 – Sufficient Documentation (*Moderate Risk*)

Five sampled cash receipts selected did not have sufficient documentation, totaling \$1,077.25. The sample consisted of five receipts, totaling \$1,077.25.

OAG recommends that the finance technician ensures all CTE deposit packages include a completed School finance Deposit Slip (FS-131).

Finding 2 – Purchasing Process (*Moderate Risk*)

One cash disbursement totaling \$21,225.00 and one cash advance disbursement totaling \$1,050.00 were made outside of the proper purchasing process. The sample consisted of ten transactions, totaling \$70,733.13.

OAG recommends that the finance technician adheres to the established Encumbrance and Expense Reimbursement Procedures for Community-Based Instruction activities and completes School Activity Fund Cash Advance Record (FS-132) for cash advances. In addition, 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, CTE instructors and principal at Annandale High 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*
- *Regulation 3620 Guidelines for Transactions Involving Student Performance of Services in Career and Technical Education*

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 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
- Five 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

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 two moderate risk findings.

Finding 1 – Sufficient Documentation

Risk Rating – Moderate

Condition:

Five sampled CTE cash receipts totaling \$1,077.25 did not have sufficient documentation. The cash receipts were submitted without the completion of the School Finance Deposit Slip (FS-131) in the deposit package. The sample consisted of five receipts, totaling \$1,077.25.

Item	Receipt #	Amount
1	1028	\$217.51
2	8269	\$297.60
3	567	\$230.75
4	204	\$129.21
5	807	\$202.18

Criteria:

CTE Automotive Checklist states, " The CTE Auto Instructor will package the client service(s) monies and prepare the deposit package for the finance technician. The deposit package should contain the following: Copies of the Great Plains Sales Invoice(s), FS-131 Deposit Slip (or fillable PDF equivalent provided from the Financial Support Team), Cash or checks received from the customer for client services, and the MSB credit card print-out/receipt". Regulation 3620.9 states, "Each remittance to the school finance technician shall be supported by the completed client service agreement and a completed school finance deposit slip (form FS-131 or FS-131A or approved equivalent deposit slip) listing the source of funds (cash, check, credit card) by client service agreement number and amount. In addition, funds should be counted before remitting to the school finance technician. The school finance technician shall verify the funds from the automated accounting system. The finance technician should ensure that the client service agreement, monies received, and deposit slip all match prior to the bank deposit. If the amount remitted to the school finance technician is different from the client service agreements, the difference shall be investigated and explained on the deposit slip. Proper care should be followed to ensure the client service agreement, monies received, and deposit slip all match prior to the bank deposit. A copy of the deposit slip or equivalent shall be attached to the client service agreements and other supporting documentation and kept on file in the school finance office and retained by CTE instructor".

Cause:

School Finance Deposit Slip (FS-131) was not completed prior to submitting funds to finance technician.

Effect:

The absence of the School Finance Deposit Slip (FS-131) prevents the finance technician from performing the mandatory three-way reconciliation required by Regulation 3620.9. Without the deposit slip to compare against the Client Service Agreements and the physical monies received, the finance technician cannot ensure that all three elements match prior to the bank deposit. This bypasses the verification step intended to catch discrepancies between the amount billed and actual amount collected.

Recommendation:

OAG recommends that the finance technician ensures all CTE deposit packages include a completed School Finance Deposit Slip (FS-131).

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>Management concurs with the finding. The full context of the management response is located in Appendix 1.</p> <p>To eliminate any ambiguity regarding compliance with Regulation 3620.9 and to ensure documentation fully aligns with prescribed procedures, the school will include a completed FS 131 deposit slip in all CTE deposit packages going forward. The finance technician will verify the inclusion of the FS 131 prior to accepting CTE funds for deposit to ensure the reconciliation process is clearly documented and readily verifiable during future audits.</p> <p>CTE instructional staff will be reminded of documentation requirements to reinforce consistent use of required forms and prevent recurrence of this finding. This will be implemented immediately.</p>	<p>Finance Technician & Principal</p>	<p>March 20, 2026</p>

Finding 2 – Purchasing Process

Risk Rating – Moderate

Condition:

Two sampled cash disbursements were made outside of the proper purchasing process totaling \$22,275.00. The sample consisted of ten transactions, totaling \$70,733.13.

Item	Check Number	Check Date	Payee Name	Documentation	Dollar Amount
1	114005362	11/7/2025	Teacher	School Activity Fund Cash Advance Record (FS-132) was not utilized, and funds were issued prior to approval of CBI activities.	\$1,050.00
2	114005321	9/19/2025	RIDDELL ALL AMERICAN SPORTS	Football uniforms ordered without an approved purchase order.	\$21,225.00

Item 1: A cash advance check was issued for the annual allotment amount of \$1,050 for Community-Based Instruction (CBI) activities instead of issuing separate cash advances once the trips are approved. Currently, the school has been approved to use the funds for three trips in the amount of \$40, \$25, \$40. Therefore, the unused funds of \$945 have been stored in the safe for over 30 days.

Criteria:

- A) *Encumbrance and Expense Reimbursement Procedures for Community-Based Instruction (CBI) Activities* states, "Upon approval of the activity/trip, the teacher will submit an electronic purchase requisition to the school's finance technician via the Teacher Online Purchasing System (TOPS) along with the completed School Activity Fund Cash Advance Record (form FS-132). In TOPS (under justification), enter "Community-Based Instruction (CBI) expenses. The School Activity Fund Cash Advance Record (form FS-132) is an agreement made by the cash advance recipient (i.e. teacher) to assume responsibility for the use of the cash. The recipient must return any unused cash and submit legible, original itemized receipts to the school's finance technician after the approved CBI activity/trip is completed. Noncompliance with the expense receipts policy as outlined in these procedures may result in the school not being reimbursed for the CBI related expense". *The School Finance Handbook* states, "A cash advance may be issued to pay for necessary expenditures in order to avoid a staff member using their personal funds. The top portion of a School Activity Fund Cash Advance Record (FS-132) must be completed by the finance technician/administrative assistant (FT/AA) and signed by the employee receiving the cash advance. By signing the form, the recipient assumes responsibility for the use of funds and agrees to return any excess cash and expenditure documentation to the finance office within 30 days. The FT/AA must follow-up with the cash advance recipient to ensure that advances are settled as soon as possible. The FT/AA must complete and sign the Cash Advance Record (FS-132) to show the advance has been settled.
- B) Regulation 5012 *Purchasing Goods and Non-Professional Services Using Appropriated and Nonappropriated Funds* states, "Principal pre-approval is required for all purchases from Local School Activity Funds." Regulation 5810 *School Activity Funds Management*

states, "Purchase orders must be preapproved by the principal or designee, before obligating school activity funds.

Cause:

- A) The CBI Encumbrance and Expense Reimbursement Procedures were not adhered to for the issuance of advanced funds.
- B) The required procurement procedures were not adhered to.

Effect:

- A) Bypassing established procedures increases the risk of financial misappropriation and mismanagement.
- B) Purchases made prior to the principal's approval could allow for funds to be misappropriated and irresponsibly managed.

Recommendation:

- A) OAG recommends that the finance technician adheres to the established Encumbrance and Expense Reimbursement Procedures for CBI activities and completes School Activity Fund Cash Advance Record (FS-132) for cash advances.
- B) OAG recommends that the school has a properly completed and approved purchase order for all transactions, before obligating funds.

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>Management concurs with the finding. The full context of the management response is located in Appendix 1.</p> <p>To ensure full compliance with established procedures, the school will adhere to the Encumbrance and Expense Reimbursement Procedures for Community Based Instruction activities, including completion of the School Activity Fund Cash Advance Record FS 132 for all cash advances at the time funds are issued. Cash advances will be requested and approved per trip to ensure documentation clearly reflects approval, issuance, and settlement of funds. This will be implemented immediately.</p> <p>The school will continue to require an approved purchase order prior to obligating funds for all purchases and will reinforce this requirement with staff. The finance technician will review documentation prior to disbursement to confirm</p>	<p>Finance Technician & Principal</p>	<p>March 20, 2026</p>

Planned Action	Action Owner(s)	Expected Completion Date
procedural compliance and reduce the risk of documentation inconsistencies during future audits.		

Appendix 1 – Management Response

FINDING 1

Planned Action

The school acknowledges that the School Finance Deposit Slip FS 131 was not consistently included in CTE deposit packages submitted to the finance technician. However, it is important to clarify that required reconciliation controls were in place and consistently performed at the time of deposit.

CTE deposits were supported by client service agreements, Great Plains sales invoices, and bank deposit documentation, which were reviewed and matched prior to deposit. Funds were verified upon receipt, deposits were recorded in the accounting system, and documentation was retained in accordance with recordkeeping requirements. As such, the absence of the FS 131 did not result in a failure to reconcile funds or a loss of financial oversight, but rather a variance in the specific form used to document that reconciliation.

Corrective Action

To eliminate any ambiguity regarding compliance with Regulation 3620.9 and to ensure documentation fully aligns with prescribed procedures, the school will include a completed FS 131 deposit slip in all CTE deposit packages going forward. The finance technician will verify the inclusion of the FS 131 prior to accepting CTE funds for deposit to ensure the reconciliation process is clearly documented and readily verifiable during future audits.

CTE instructional staff will be reminded of documentation requirements to reinforce consistent use of required forms and prevent recurrence of this finding. This will be implemented immediately.

FINDING 2

Planned Action

The school acknowledges that one cash advance disbursement did not fully align with prescribed purchasing and encumbrance procedures at the time they occurred. Again, it is important to understand that funds were used solely for authorized school purposes, were safeguarded appropriately, and were supported by documentation demonstrating accountability and oversight.

With respect to the Community Based Instruction cash advance, funds were issued to support approved instructional activities and were maintained securely in the school safe until disbursed for individual trips. Following the initial check payment to make cash funds available, FS-132 forms were completed for each individual cash advance and provided in the CBI reimbursement packet. Expenditures were tracked, receipts were collected, and unused funds were retained. While this approach differed from the timing and documentation requirements outlined in the Encumbrance and Expense Reimbursement Procedures for Community Based Instruction activities, it was implemented to address operational inefficiencies while maintaining control over funds.

Regarding the purchase of football uniforms, the school confirms that the order was not placed and funds were not obligated prior to principal approval of the purchase order. Although vendor documentation reflected an invoice date prior to approval, the transaction did not proceed until

the purchase order was properly approved. The documentation discrepancy resulted from vendor practices rather than a failure to obtain required authorization.

Corrective Action

To ensure full compliance with established procedures, the school will adhere to the Encumbrance and Expense Reimbursement Procedures for Community Based Instruction activities, including completion of the School Activity Fund Cash Advance Record FS 132 for all cash advances at the time funds are issued. Cash advances will be requested and approved per trip to ensure documentation clearly reflects approval, issuance, and settlement of funds. This will be implemented immediately.

The school will continue to require an approved purchase order prior to obligating funds for all purchases and will reinforce this requirement with staff. The finance technician will review documentation prior to disbursement to confirm procedural compliance and reduce the risk of documentation inconsistencies during future audits.

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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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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