



Office of Auditor General (OAG)
Fiscal Year (FY) 2026
Mid-Year Briefing

May 2026

FY 2026 Mid-Year Briefing

- Office of Auditor General (OAG) is pleased to present the FY 2026 Mid-Year Briefing. The purpose is to raise awareness of OAG's mission and accomplishments, share the results of recent audits, and communicate upcoming projects. In addition, FY 2025 OAG Annual Report is going to be presented to the School Board in June/July 2026. This Mid-Year Briefing will provide the key OAG updates in between.
- Since FY 2025 Annual Report, OAG has completed the following:
 - Performance audits – 2 completed
 - Business Process Audits – 7 completed
 - Audit recommendation follow-up – 16 open recommendations
 - Fraud, Waste Abuse inquiries – 71 received; 9 reportable
 - FY 2027 Proposed Risk Assessment and Audit Plan

FY 2026 Engagement Status

Audit Topics	2025						2026					
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1. Business Process Audits	Ongoing											
2. Healthcare Claims Management		Completed										
3. Hourly Employee Structure and Stipends							Planning			Exe	Rpt	
4. Local School Activity Funds for Year Ending - June 30, 2026												
5. School and Office Safety	Completed	Completed										
6. Specific Contracts, Vendor Management								Planning			Exe	
7. Continuous Monitoring	Ongoing											
8. OAG System of Quality Management/External Peer Review	Completed											
9. Other OAG Duties	Ongoing											

Planning, Execution (Exe), Reporting (Rpt) determined once scoping complete

1. Business Process Audits (BPA)

- **Audit Objectives** – The objectives of BPA were to:
 - Evaluate the effectiveness of processes and compliance with applicable regulations and policies.
 - Determine if internal controls are adequate and functioning as intended.
 - Determine if transactions are reasonable and do not appear fraudulent.
- **Scope** – The scope of work included appropriated and non-appropriated transactions and processes taking place during FY 2026, up until the date of the visit.
- **Results** – BPA reports were issued at seven schools as of April 2026, resulting in one high risk, four moderate risk, and 11 low risk findings. The results of the remaining FY 2026 BPAs are scheduled to be presented at the June 2026 Audit Committee.

BPA Results

Issued as of April 2026

Sites*	Fund Account Usage	Non-Bank Rec**	Purchasing Process	Sales Tax	Sufficient Documentation	Timely Entry	Timely Payment	Timely Receipt	Total
Annandale HS			1		1				2
Cameron ES	1		1	1	1	1		1	6
Franklin MS	1	1							2
Langley HS	0	0	0	0	0	0	0	0	0
Louise Archer ES	1		1		1		1		4
Twain MS	0	0	0	0	0	0	0	0	0
West Springfield			1			1			2
Total	3	1	4	1	3	2	1	1	16

*ES – Elementary School; MS – Middle School; HS – High School

**Rec – Reconciliation

Low risk criteria: Controls are in place, but the level of compliance varies; compliance with government regulations or Fairfax County Public Schools (FCPS) policies and established procedures varies; or issues identified are less significant, but opportunities exist that could enhance operations.

Moderate risk criteria: 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; or issues are identified that could negatively impact the efficiency and effectiveness of operations.

High risk criteria: Controls are not in place or are inadequate; compliance with legislation and regulations or contractual obligations is inadequate; or important issues are identified that could negatively impact the achievement of program/operational objectives.

2. Healthcare Claims Management

- **Audit Objectives** – The objective of this audit was to evaluate effectiveness and efficiency of the current framework of monitoring healthcare claims by the Office of Benefit Services (OBS), including assessing the adequacy of internal controls to ensure TPAs, including Cigna and Aetna DPPO, are adjudicating claims according to terms and conditions.
- **Scope** – The audit scope period includes January 1, 2023, through March 31, 2025, for FCPS self-insured medical and dental plans. The Kaiser Permanente Health Maintenance Organization (HMO) plan and Aetna DNO were not included in the scope of this review, as they operate on a fully funded model for which Kaiser and Aetna DNO assume all financial risk in exchange for a fixed premium paid by FCPS.
- **Results** – The results are exempt from disclosure under Virginia Code Sections §2.2-3711(A)(7) and (A)(8).

3. Hourly Employee Structure and Stipends

- **Audit Objectives** – The objective of this audit is to 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.
- **Scope** – The audit scope period will cover FY 2024 and FY 2025 for:
 - Hourly structure: Hourly band employees (1 to 15) and homebound/home-based employees. Based on our preliminary risk assessment, OAG has excluded Hourly Bands 16–20, substitutes, and adult community education (ACE) employees. These groups are excluded because they are subject to different requirements, specialized pay scales, or separate oversight mechanisms that fall outside the risks identified for Bands 1–15.
 - Stipend: Athletics (coaching), extra-duty supplements and other stipends.

Note: OAG incorporates FY 2024 for comparative analysis.

- **Results** – The results are scheduled to be presented at the June 2026 Audit Committee.

4. Local School Activity Funds for Year Ending - June 30, 2026

- **Audit Objectives** – The objectives of this audit include the following:
 - Determine if cash balances are fairly stated.
 - Assess 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 (completed as part of the continuous monitoring procedures).
- **Scope** – The scope of this engagement focuses on transactions and procedures that occurred during the period of July 1, 2025, through June 30, 2026. The audit process will include site visits and continuous audit testing throughout the school year.
- **Results** – The results are scheduled to be presented at the November 2026 Audit Committee.

5. School and Office Safety

- **Audit Objectives** – The objectives of this audit included the following:
 - Evaluate 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.
 - Evaluate whether FCPS sites have adequate building security measures and access controls.
 - Evaluate select sample contracts and review their compliance and accountability, including evaluating vendor compliance with contract terms and conditions.
- **Scope** – The audit scope period included safety and security-related processes implemented through school year 2025-26 (SY26). OAG incorporated data and existing procedures from school year 2024-25 (SY25).
- **Results** – The results are exempt from disclosure under Virginia Code Section §2.2-3705.2(4).

6. Specific Contracts, Vendor Management

- **Audit Objectives** – Departments are tasked with identifying needs, providing inputs during the solicitation and negotiation process, as well as monitoring the performance of the contracts. The preliminary audit objective is to evaluate the user department's controls. OAG selected Instructional Services Department (ISD) and Department of Special Services (DSS) under the Chief Academic Office to ensure accountability and monitoring of vendor performance and delivery of goods and services, with the expected outcomes.
- **Scope** – The audit scope period includes contract administration processes and controls for contracts that were active between July 1, 2024, and December 31, 2025, that were assigned to DSS and ISD.
- **Results** – The results are scheduled to be presented at the September 2026 Audit Committee.

7. 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-based and non-school based financial and non-financial data.
- OAG will perform unannounced cash counts and e-commerce collection of event fees for school events (i.e. athletics, performing arts), as well as review of Career and Technical Education (CTE) transactions.

8. OAG System of Quality Management/External Peer Review

- Generally Accepted Government Auditing Standards (GAGAS) requires an external peer review to be held every three years. In January 2026, an external peer review was conducted for the period of July 1, 2022 to June 30, 2025. OAG is proud to report that the office received a pass rating.
- In December 2025, OAG implemented a new system of quality management to comply with the 2024 revision of the GAGAS.

9. Other OAG Duties – Audit Recommendation Follow-up

- OAG performs follow-up reviews to determine if timely corrective actions have been put in place to address the findings identified during performance audits. OAG also performs follow-up on moderate or high-risk findings for BPA reports.
- As of January 31, 2026, 16 recommendations from the current and prior years remained outstanding. They are related to the following four audits:
 1. FY 2024 Food and Nutrition Services Audit has two recommendations outstanding.
 2. FY 2025 Procurement Process Audit has four recommendations outstanding.
 3. FY 2025 Critical Process Review – Hiring Audit has four recommendations outstanding.
 4. FY 2025 Construction & Renovation Contracting Process Audit has six recommendations outstanding.
- OAG will continue to conduct quarterly audit follow-up on open audit recommendations.

9. Other OAG Duties - Fraud, Waste and Abuse Hotline

- From July 1 to April 23, 2026, i.e. almost ten months in FY 2026, Office of Auditor General (OAG) received 71 inquiries via the fraud, waste, and abuse hotline, online submission, the InternalAudit@fcps.edu e-mail account, direct mails, or walk-ins. All inquiries received before June 30, 2025, have been closed. The chart below shows the statistics by inquiry areas:

Row Labels	FY22		FY23		FY24		FY25		FY26			Total
	Reportable	Total	Reportable	Total	Reportable	Total	Reportable	Total	Open	Reportable	Total	
Conflict of Interest	1	4		1	1	4	2	5			1	15
Documentation		4	2	11	4	11	1	8	2	1	7	41
Human Resources		9		10		15		17		1	8	59
Not Related to Fraud, Waste, and Abuse at FCPS		19		15		21	1	13			15	83
Procurement		1		3		1		1			2	8
Residency		5		3	1	7		9		1	13	37
Use of Assets	1	5		2	2	16	3	12	2	6	24	59
Vendor/Contractual Execution		1	1	2	1	4		3			1	11
Grand Total	2	48	3	47	9	79	7	68	4	9	71	313
<i>Share of Reportable cases</i>		4%		6%		11%		10%			13%	10%

Notes:

- (a) “Reportable” category means the inquiries that OAG reports to the School Board Audit Committee, because of (i) credibility of fraud, waste, or abuse, (ii) situations involving School Board or Leadership Team members, (iii) situations involving systematic control deficiencies, or (iv) other necessary situations.
- (b) “Open” category means OAG is currently reviewing the inquiries.
- (c) For some inquiries (particularly Human Resources and Residency), OAG’s work is limited to providing the information to appropriate individuals responsible for taking actions.

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

9. Other OAG Duties – FY 2027 Risk Assessment and Audit Plan

Pending School Board Approval on July 9:

New Audits

1. Athletic Programs: Funds and Booster Organizations
2. Continuous Background and Professional Verification
3. Fundraising Activities
4. FY27 Specific Contracts, Vendor Management

FY 2026 Carried Over Audits

1. Local School Activity Funds, June 30, 2026
2. FY26 Specific Contracts, Vendor Management

Annual Audits

1. Business Process Audits
2. Continuous Monitoring
3. Local School Activity Funds, June 30, 2027

9. Other OAG Duties - Outreach

Training and Education

- OAG delivered 17 presentations to over 1,900 FCPS personnel and external stakeholders as of April 2026:
 - Leadership Kickoff
 - National Association of State Boards of Accountancy (NASBA) training
 - DC, Maryland and Virginia (DMV) auditor group
- OAG provides information (upon request) to community groups

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 3,500 subscribers and growing!



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