Business Process Audit
Marshall High School
Report Reference Number: 26-13070

June 2026

Prepared by
Office of Auditor General

8115 Gatehouse Road, Suite 5500
Falls Church, VA 22042

Table of Contents

Executive Summary

This audit report summarizes the results of the Office of Auditor General's (OAG) Business Process Audit (BPA) at Marshall High School conducted on March 18-19, 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.

The audit evaluated the Marshall High School's Finance Office, CTE Automotive Program, and Student Auto Sales (SAS) with the following results:

- **Finance Office & CTE Automotive Program:** No findings.
- **SAS Program:** One high risk and two moderate risk findings.

While the finance technician, CTE Automotive Program's instructor, and SAS dealer structurally report into the Marshall High School's administrators, the programmatic aspect of the CTE Automotive Program and the SAS, is overseen centrally by the Instructional Services Department (ISD).

Finding 1 – Sufficient Documentation: Student Auto Sales (High risk)

The vehicle folders for nine out of ten vehicles sold were incomplete or missing documentation. Specifically, eight folders did not have the CTE Automotive Program signatures on SAS checklists, four were missing inspection receipts, two were missing Kelley Blue Book (KBB) valuations, and two were missing repair orders.

OAG recommends that all SAS sales are contingent upon a complete documentation package, including a signed and approved checklist, a properly executed repair order, a current KBB valuation, and a new inspection sticker with the physical receipt.

Finding 2 – Student Auto Sales (SAS) Pricing Protocols (Moderate Risk)

Five of ten vehicles sold through SAS were sold significantly less than the documented KBB values. These sales occurred without any documented justification, such as specific mechanical or structural issues, to explain the reduced pricing.

OAG recommends that any vehicle sold below KBB or fair market value have a signed "Statement of Condition Form" detailing specific mechanical defects and the FCPS employee certified to sell cars verify that the sales price accurately reflects this documented condition before the transaction is completed.

Finding 3 – Internal Controls: Tracking of Repair Orders and Vehicle Usage (Moderate Risk)

OAG identified opportunities to strengthen internal controls over instructor vehicle usage in the SAS Program. Without mandated driving logs or fuel records, school-based administrators cannot distinguish between program-related tasks and unauthorized personal travel, even when total mileage remains within the permitted 100-mile threshold.

OAG recommends implementing policies to track instructor vehicle usage, including a standardized "Vehicle Usage Log" for each evaluation folder to record dates, mileage, and travel purpose. Additionally, fuel purchases are documented as a specific line item on all related repair orders.

We appreciate the consultation, cooperation, and courtesies extended to our staff by ISD, the principal, academy administrator, SAS dealer, and CTE Automotive instructors and finance technician at Marshall HS.

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[1]. 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.

Marshall Academy, situated within Marshall High School (HS), is one of 13 FCPS sites offering the Career and Technical Education (CTE) Automotive Program. The facility operates a full-service automotive shop where students diagnose, maintain, and repair both client-owned and donated vehicles. The program is staffed by two CTE Automotive Technology instructors.

Marshall Academy also serves as the host site for the Student Auto Sales (SAS) program. Through a partnership with the Foundation for Applied Technical Education, Inc. (FATE), originally established in 1971 as FAXVO, vehicles serviced across the district's 13 automotive sites are sold to the public. Proceeds from these sales are managed by FATE, with a designated portion paid out to each site directly. The program is staffed by one dedicated SAS teacher and an hourly support.

The CTE Automotive Program instructors, and the SAS teacher (who is also the SAS dealer) report to the school-based administrator at Marshall Academy. Centrally, the Counseling, College and Career Readiness team under the Instructional Services Department (ISD) provides programming guidance on how the CTE SAS program should operate. CTE Automotive Program is a district-wide program while the SAS program operates solely out of Marshall HS. ISD also manages the working relationship with FATE.

These audits will be performed when specific risk indicators are identified; when there is turnover in a position with significant financial responsibilities, such as a principal, finance technician or cyclically. 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 policies and regulations include, but are not limited to:

- Regulation 3620, Guidelines for Transactions Involving Student Performance of Services in Career and Technical Education

[1] Cash includes all cash and cash equivalents: currency, coins, and checks.

- Regulation 5012, Purchasing Goods and Services Using Appropriated and Nonappropriated Funds
- Regulation 5021, Computer Hardware Standardization and Acquisition
- Regulation 5111, Financial Management Reports (FMR)
- Notice 5111, Financial Management Report (FMR) Distribution and Reconciliation Schedule
- Regulation 5350, Procurement Card Management
- Regulation 5810, School Activity Funds Management

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 and CTE Automotive and SAS programs activities at Marshall HS and Academy. 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 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, FMR reconciliation application, Great Plains, FileMaker Pro Inventory System, 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.
- Tested a sample of transactions to ensure they are accurate, allowable, complied with FCPS requirements, and that proper supporting documentation is maintained.

Sample Selection

Procurement Card, Cash Disbursements, and Cash Receipt Transactions

OAG utilized data analytics software 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 Automotive Program sales invoice transactions,
- Eight CTE Automotive Program cash receipt transactions, and
- Ten SAS blue folders.

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 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

Risk Ratings

Finding(s) within this report are attributed a risk rating in accordance with the following established risk criteria. All completed Business Process Audits with findings in which the risk ratings are deemed moderate or high will require a management response.

High Risk

One or more of the following exists:

- 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 Risk

One or more of the following exists:

- 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 Risk

One or more of the following exists:

- 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.

The audit evaluated the Finance Office, CTE Automotive Program, and SAS Program with the following results:

- **Finance Office & CTE Automotive Program:** No findings.
- **SAS Program:** One high risk and two moderate risk findings.

Finding 1 – Sufficient Documentation-Student Auto Sales (SAS)

Risk Rating	High
Condition	The vehicle folders for nine out of ten vehicles sold totaling $24,665.00 were submitted to the SAS dealer for sale with incomplete or missing documentation. The sample consisted of ten blue folders, totaling $27,465.00. Specifically, eight folders did not have the CTE Automotive instructor signatures on SAS checklists, four were missing inspection receipts, two were missing Kelley Blue Book (KBB) valuations, and two were missing repair orders.

Item	Vehicle	Sold Price	SAS Checklist Signature	Repair Orders (if applicable)	Inspection Receipts (if applicable)	KBB Print Out
1	2011 TOYOTA PRIUS	$1,400	✗	n/a	✗	✓
2	2012 JEEP CHEROKEE	$2,200	✗	n/a	✓	✓
3	2007 SUBARU FORESTER	$1,400	✗	✗	✓	✓
4	2010 MERCEDES BENZ	$5,000	✗	✗	✓	✓
5	2011 HONDA PILOT	$1,400	✗	n/a	✗	✓
6	2006 TOYOTA TUNDRA	$6,500	✗	✓	✓	✓
7	2012 AUDI Q5	$965	✗	n/a	✗	✓
8	2005 ACURA MDX	$4,400	✓	✓	✓	✗
9	1995 CHEVROLET 1500	$1,400	✗	n/a	✗	✗

✓ **provided**

✗ **not provided**

n/a - not applicable due to the vehicle being sold as is with no repair being conducted

Criteria	FCPS/CTE Automotive Program Guidelines states, "In order to sell a vehicle through FATE's SAS, all auto programs must complete the following documentation prior to having vehicle listed: SAS Donated Vehicle Evaluation Folder- Complete a donation evaluation folder fully.

	Complete a SAS Vehicle Checklist Form - Vehicle Check List. Provide detailed repair order (RO) for vehicle repairs. Provide Kelley Blue Book value (KBB) Print out. As a FCPS standard we will be using “Private Seller Option” for pricing. Complete Inspection and emission (if applicable). All sellable vehicles must have a repair order to indicate the work completed on the vehicle. If the SAS office receives a blue folder without a repair order, they will not process the sale of that vehicle until they receive the repair order. All SAS vehicles MUST have either a NEW rejection sticker or a NEW inspection sticker before being sold. Make sure to keep inspection receipts. To be safe, place the receipts in the glovebox of the vehicle. Pictures of inspection stickers DO NOT COUNT".
Cause	CTE Automotive Program Guidelines are not being adhered to.
Effect	Incomplete and missing documentation within the 'Blue Folder' prevents the SAS office from verifying state safety compliance and fair market valuations. This oversight exposes the SAS dealership to significant regulatory penalties and legal liabilities if a vehicle is sold to the public.
Recommendation	OAG recommends that all SAS sales be contingent upon a completed documentation package including a signed and approved checklist, a properly executed repair order, a current and accurate KBB valuation printout, and a new inspection sticker (with the physical receipt in the glovebox). The SAS office prohibits the sale of any vehicle missing these core verification documents.
Management Response	**Management (ISD) Response:** We agree with the audit findings regarding incomplete documentation within the Student Auto Sales program. While certain procedural redundancies existed and some information was documented in multiple locations, required paperwork was not consistently completed in full. **Planned Action:** In response, we have initiated a comprehensive review of SAS procedures, forms, and oversight processes. Revised procedures, incorporating OAG recommendations, will be completed by June 30, 2026, and implemented for the 2026-2027 school year. Updated expectations and procedures will be communicated to school administrators in July 2026 and instructors in August 2026. In the interim, we will ensure compliance with all current policies and documentation requirements. All vehicle files have been reviewed, incomplete documentation has been returned to schools for correction, and vehicle sales were temporarily paused until documentation issues were addressed.

We are also strengthening oversight, communication, and accountability measures among CTE staff, school administrators, and instructors to ensure consistent implementation across all participating schools. In collaboration with school administrators, corrective actions for noncompliance with SAS and other automotive technology regulations and accreditation standards may include warnings, written notices, or temporary removal from the SAS program.

Responsible Staff:

- Senior Manager I, Technology and Engineering Education and Building Trades
- Senior Manager I, Work-Based Learning and Transportation Pathways
- Senior Manager III, Career and Technical Education
- Marshall Academy Administrator
- Student Auto Sales Dealer

Due Date: August 31, 2026

Finding 2 – SAS Pricing Protocols

Risk Rating

Moderate

Condition

Five sampled vehicles in the SAS program were sold significantly lower than their documented KBB values. Specifically:

Item	Vehicle	[2]KBB Minimum Value	Sold Price	Variance (Loss)
1	2011 TOYOTA PRIUS	$2,657	$1,400	($1,257)
2	2012 JEEP CHEROKEE	$3,157	$2,200	($957)
3	2011 HONDA PILOT	$2,403	$1,400	($1,003)
4	2006 TOYOTA TUNDRA	$9,722	$6,500	($3,222)
5	2012 AUDI Q5	$3,165	$965	($2,200)

In these instances, substantial price variances existed without supporting documentation. Such as specific reports of mechanical or structural defects, to justify the reduced sales prices. Without these records, OAG was unable to verify the reasonableness of the sales prices of these vehicles.

Criteria

(a) *Code of Virginia § 2.2-1124* states, "The Department shall establish procedures for the disposition of surplus materials from departments, divisions, institutions, and agencies of the Commonwealth. Such procedures shall: Permit public sales or auctions, including online public auctions; Permit other methods of disposal when (a) the cost of the sale will exceed the potential revenue to be derived therefrom or (b) the surplus material is not suitable for sale.

(b) The FCPS/CTE Automotive Program Guidelines states, "CTE Auto Instructors are not licensed automotive dealers, therefore they cannot discuss the status and condition of a vehicle of a saleable vehicle at any point in time with any potential customer. All communication about a saleable vehicle from CTE Automotive Instructors must be communicated to the SAS Dealer before and after a sale. This includes the knowledge of a potential buyer for a saleable vehicle. The SAS Dealer is responsible for setting the sales price for a saleable vehicle. Although, the SAS Dealer will

[2] KBB Minimum Value: Represents the lowest end of the "Fair Purchase Price" range provided by Kelley Blue Book (kbb.com), a leading industry standard for vehicle valuation.

	collaborate with instructors to determine sales price. In order to sell a vehicle through FATE's SAS, all auto programs must complete the following documentation prior to having vehicle listed: SAS Donated Vehicle Evaluation Folder- Complete a donation evaluation folder fully. Complete a SAS Vehicle Checklist Form - Vehicle Check List. Provide detailed repair order (RO) for vehicle repairs. Provide Kelley Blue Book value (KBB) Print out. As a FCPS standard we will be using "Private Seller Option" for pricing. Complete Inspection and emission (if applicable)". (c) *Committee of Sponsoring Organizations of the Treadway Commission (COSO)* Principle 10 states, "The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels. Verifications - Control activities include verifications of transactions or other events to ensure that they are valid and in accordance with the entity's policies. Principle 12: The organization deploys control activities through policies that establish what is expected and procedures that put policies into action".
Cause	While the SAS dealer is responsible for setting the sales price, there is currently no administrative requirement to document the specific "Condition of Sale" or provide a written rationale when the final price deviates significantly from the KBB Private Seller price.
Effect	Selling vehicles significantly below market value without documented justification results in a loss of potential revenue and diminishes transparency regarding the disposal of public property.
Recommendation	(a) OAG recommends any vehicle sold below the established Fair Market Value (KBB) include a formal "Statement of Condition Form." This document details the specific mechanical defects or body damage justifying the price reduction and will be signed by the SAS dealer. (b) OAG recommends the FCPS employee certified to sell cars verify that final sales price aligns with the vehicle's documented condition before the vehicle is sold.
Management Response	A management response is required for this finding due to the moderate risk rating.
Planned Action	**Management (ISD) Response:** We agree with the finding regarding insufficient documentation supporting vehicle pricing decisions. While Kelley Blue Book (KBB) has historically provided a baseline value, vehicle conditions vary significantly, and pricing determinations are not always straightforward. **Planned Action:**

To address this finding, we will implement revised procedures to strengthen documentation, transparency, and oversight related to vehicle valuation and sales. New requirements will include documenting deviations from KBB values, maintaining supporting records for vehicle condition, and clarifying sales and communication protocols. Responsibility for establishing vehicles sale prices will reside with the SAS Dealer, supported by standardized repair and vehicle condition documentation provided by the instructors. Additional guidance will also formalize procedures for vehicles sold through public auction and vehicles removed from service and disposed of through approved vendors.

Responsible Staff:

- Senior Manager I, Technology and Engineering Education and Building Trades
- Senior Manager I, Work-Based Learning and Transportation Pathways
- Senior Manager III, Career and Technical Education
- Marshall Academy Administrator
- Student Auto Sales Dealer

Due Date: August 31, 2026

Finding 3 – Internal Controls: Tracking of Repair Orders and Vehicle Usage

Risk Rating	Moderate
Condition	Based on audit testing of cars sold through the SAS Program, OAG identified opportunities to strengthen internal controls related to documentation of vehicle usage by instructors. OAG reviewed the documentation requirements for vehicle evaluation folders to ensure all necessary information was recorded before the sales were finalized. Currently, the records consist solely of the SAS vehicle checklist, detailed repair orders, KBB value documentation, and any applicable emissions or inspection receipts. However, the requirements do not include documentation needed to validate vehicle usage and fuel consumption by instructors. Specifically, OAG noted the following for ten cars sampled: • Gasoline Usage: The amount of gas purchased by instructors during test drives was not documented in the folders for eight of the cars. Therefore, OAG was unable to determine the reasonableness of gasoline consumed. • Mileage Tracking: Test driving logs or other documentation to indicate the mileage driven by instructors or possible car purchasers were not included in the records. • Verification Gap: Although the total distance traveled between donation and sale remained within the 100-mile limit, the absence of activity logs prevented OAG from verifying the nature of the usage. Consequently, it could not be determined if these miles were incurred for legitimate program operations or unauthorized personal use.

Criteria	*Virginia Law 8VAC20-240-20 (Virginia Administrative Code - Regulations Governing School Activity Funds)* states, The school shall keep an accurate record of all receipts and disbursements so that a clear and concise statement of the condition of the fund may always be determined". FCPS/CTE Automotive Program Guidelines states, " In order to sell a vehicle through FATE's SAS all auto program must complete the following documentation prior to have vehicle listed: Provide detailed repair order (RO) for vehicle repairs.... All instructors should have their FCPS ID & Authorization Card with when test driving a SAS car...If a customer is test driving a vehicle a DMV Permission slip must be completed along with a copy of the prospective buyer's driver's license. Test Driving a vehicle cannot exceed 100 miles." *GAO Green Book Principle 13.04* states, management is responsible for obtaining relevant data from reliable sources that "faithfully represent what they purport to represent." Furthermore, Principle 10.03 states, "Management clearly documents the performance of control activities and all transactions and other significant events that occur in a manner that allows the documentation to be readily available for examination. Documentation and records are properly managed and maintained...Management evaluates and documents the results of ongoing monitoring and separate evaluations to identify internal control issues. Management uses this evaluation to determine whether the internal control system is effective.
Cause	Current internal controls do not require the documentation of fuel purchases or vehicle usage within the SAS vehicle folders.
Effect	The school is at an increased risk for the unauthorized use of fuel if undocumented test drive results in accident. Additionally, the absence of tracking prevents an accurate account of the total cost associated with vehicle preparation.
Recommendation	OAG recommends developing and implementing policies and procedures to track instructor vehicle usage and fuel purchased. Specifically, create a standardized "Vehicle Usage Log" to be maintained in each evaluation folder. These logs record the date, purpose of travel (e.g., test drive vs. sales task), starting/ending mileage. Additionally, ensure that fuel purchases and mileage readings are documented as a specific line item on all related repair orders.
Management Response	**Management (ISD) Response:**

	We agree with the finding regarding tracking of repair orders and vehicle usage.
Planned Action	**Planned Action:** We will implement revised procedures to strengthen accountability and documentation for these items. A standardized mileage tracking method will be maintained for each SAS vehicle to document vehicle usage, including mileage driven, purpose of use, and staff responsible for test drives. The completed mileage documentation will be required as part of the vehicle sales packet prior to sale approval. Additionally, fuel purchases associated with vehicle repairs will be documented in the vehicle sales packet, and SAS procedures will continue to enforce the existing 100-mile maximum threshold for vehicle test drives. **Responsible Staff:** • Senior Manager I, Technology and Engineering Education and Building Trades • Senior Manager I, Work-Based Learning and Transportation Pathways • Senior Manager III, Career and Technical Education • Marshall Academy Administrator • Student Auto Sales Dealer **Due Date: August 31, 2026**

About Office of Auditor General

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 • Performance and financial internal audits • 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.
Other OAG Audit Reports	Audit reports are available on the OAG website for two years after each audit is completed. You can access a listing of audit reports, with a link to each, on the audit reports webpage. Contact us at internalaudit@fcps.edu for copies of reports not available on the audit reports webpage.
Connect with OAG	Visit OAG on the web at https://www.fcps.edu/about-fcps/leadership/school-board/office-auditor-general-oag Subscribe to the Audit Buzz Newsletter, our monthly publication.
How to Report Fraud, Waste, and Abuse in FCPS	Online form: https://www.fcps.edu/auditor (anonymity optional) Automated answering system: 571-423-1333 (anonymous) Main office: 571-423-1320 (not anonymous) Email: internalaudit@fcps.edu (not anonymous)