Office of Auditor General (OAG)

Fiscal Year (FY) 2027 Audit Committee Kick Off

August 2026

Fairfax County
PUBLIC SCHOOLS
ENGAGE • INSPIRE • THRIVE

About OAG

OAG's Mission, per School Board **Policy 1105,** *Auditor General Authority*:

"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."

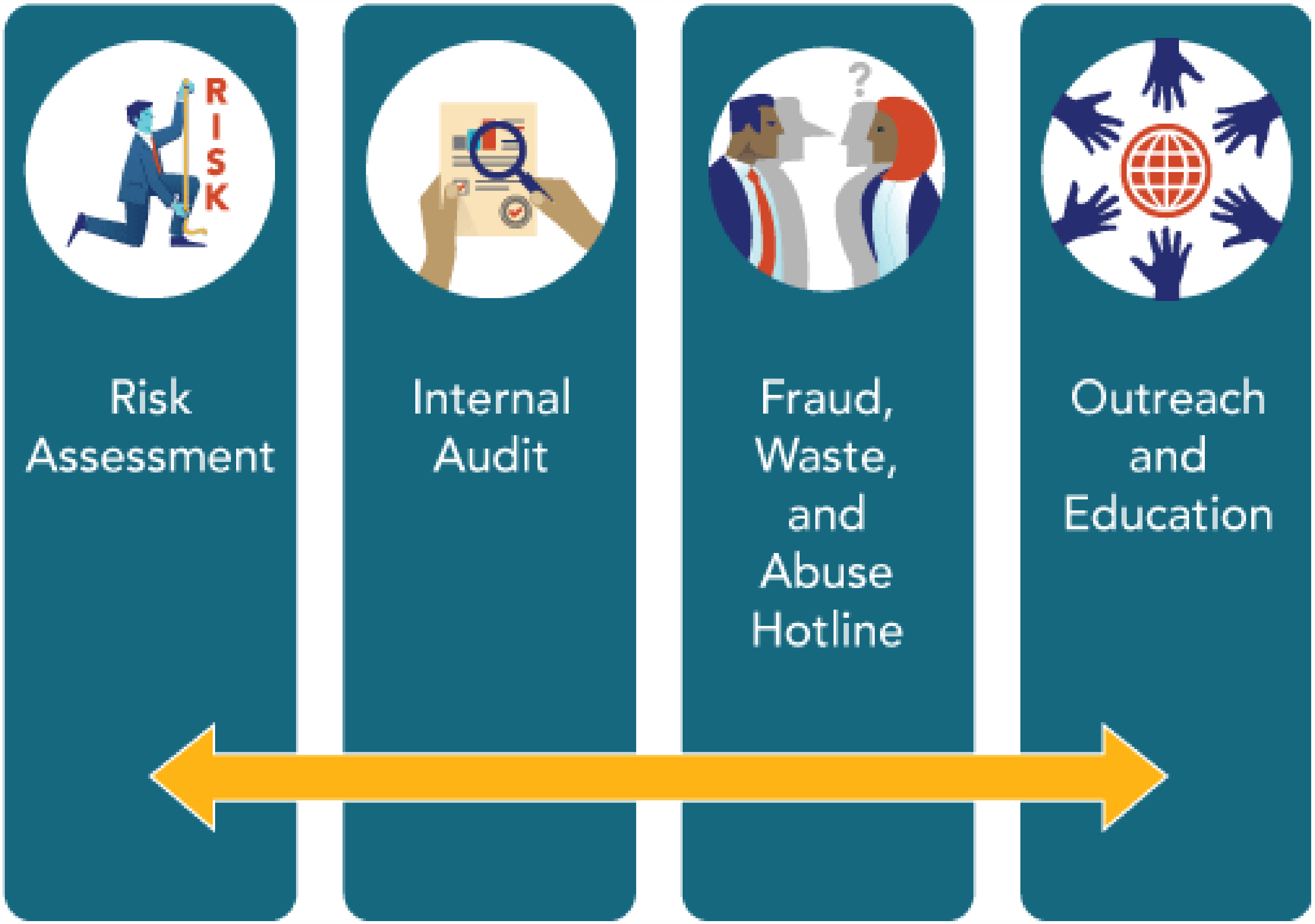
- OAG reports to the School Board through the Audit Committee
- OAG is <u>independent</u> of the administration in the performance of its functions
- All FCPS schools, programs, departments, and functions are subject to audit or review by the Office of Auditor General
- Annually, the Auditor General shall submit to Audit Committee a work plan for the coming fiscal year which is then presented for approval by the School Board – *FY27 plan approved July 2026*

Note: **Appendix I** includes the job description for the Auditor General.

Things you need to know about OAG

- Seven auditors & one executive admin assistant
- Auditors with **Industry Credentials**
- Follows **Government Auditing Standards**
- Conducts both **School and Process Audits**
- Adopts a **Holistic Approach** of Audits, Outreach/Education and "See Something, Say Something"

The Holistic Approach



1. Risk Assessment – What to Audit

- Identification & Prioritization
  - Requesting School Board and Audit Committee feedback
  - Interviewing Leadership team and employees
  - Examining Financial Data
  - Benchmarking
  - Prior Audit and Inquiry Results
- Determination
  - Primary, Secondary and Long-term Audit Topics

2. Internal Audit – FY27 Engagements

New Audits

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

FY26 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

Note: Appendix II includes more details regarding the above engagements.

2. Internal Audit – Other OAG Duties

- Audit Committee Meetings
- FCPS Fraud, Waste and Abuse Inquiry
- OAG Annual Report
- OAG FY28 Risk Assessment
- OAG Outreach and Education
  - National Association of State Boards of Accountancy's certified training
  - School Based Administrator training
  - Finance technicians and other stakeholder group training
- OAG Staff Professional Development
- OAG System of Quality Management
- Recommendations Follow-Up

3. See Something, Say Something

- OAG receives these inquiries via the hotline, internal audit email, phone calls, direct mails, walk-ins or online submission.
- OAG takes all inquiries seriously and makes every effort to review credible matters in accordance with School Board Policy 1107 and Regulation 1410.
- **Fraud, Waste and Abuse Hotline (571) 423 -1333** (anonymous voicemail); InternalAudit@fcps.edu (email is not anonymous)

3. See Something, Say Something (cont'd)

			Fiscal Year			
Types	**FY22 Total**	**FY23 Total**	**FY24 Total**	**FY25 Total**	**FY26 Total**	**Total**
Conflict of Interest	4	1	4	5	2	**16**
Documentation	4	11	11	8	10	**44**
Human Resources	9	10	15	17	10	**61**
Not Related to Fraud, Waste, and Abuse at FCPS	19	15	21	13	13	**81**
Procurement	1	3	1	1	2	**8**
Residency	5	3	7	9	18	**42**
Use of Assets	5	2	16	12	33	**68**
Vendor/Contractual Execution	1	2	4	3	1	**11**
Grand Total	**48**	**47**	**79**	**68**	***89***	**331**
Reportable cases	**2**	**3**	**9**	**7**	***12***	**33**
Share of Reportable cases	***4%***	***6%***	***11%***	***10%***	***13%***	***10%***

(1) For some inquiries (particularly Human Resources and Residency), OAG's work is limited to providing the information to appropriate offices responsible for taking actions.

(2) "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.

4. Outreach and Education

Training and Education

- During FY 2026, OAG delivered 20 presentations to over 2,000 FCPS personnel and external stakeholders:
  - FCPS Leadership Kickoff
  - FCPS Finance Conferences
  - National Association of State Boards of Accountancy (NASBA) training for FCPS employees
  - DC, Maryland and Virginia (DMV) auditor group

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 around 3,500 subscribers and growing!

OAG Resources

Risk Assessment / Internal Audit	Fraud Waste and Abuse Reporting	Outreach and Education
• Audit Standards • Audit Process • Audit Plan • Audit Reports	• How to Report Fraud, Waste, and Abuse? • Online Submission Form • What Happens After You Report?	• "What is OAG" Video • Fraud, Waste and Abuse Training (For FCPS employees only) • Audit Buzz

Office of Auditor General
Mission and Vision Statement

Contact Information:
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Appendix I – Auditor General's Job Description

Job Description – Auditor

1. Directs and manages the Division's internal audit functions;
2. Establishes, designs, and administers the program and operational effectiveness and efficiency audits for the Division, including monitoring the accomplishments of Division objectives;
3. Directs formal division-wide risk assessments to focus audit resources on high-risk areas;
4. Supervises the appraisal of Division activities in terms of efficiency, effectiveness, and compliance with applicable laws, regulations, procedures, and good management practices;
5. Prepares an annual audit plan that identifies and prioritizes areas to be examined;
6. Conducts compliance reviews of expenditures and the proper handling of funds;
7. Oversees and leads investigations conducted by Office of Auditor General (OAG) of financial wrongdoing;
8. Establishes operating and administrative protocols and procedures for OAG, and oversees the day-to-day operations of OAG and performance of audit staff; and
9. Performs other related duties as required or assigned by the School Board.

Appendix II – FY27 Audit Plan by Topics

(1) Carry Over from FY26: Local School Activity Funds Audit (LSAF), June 30, 2026

Audit Topic	**See Above**
Description	In accordance with the Code of Virginia (8VAC20-240-40), all LSAF (i.e. including all the approximate 200 FCPS sites with LSAF) shall be audited at least once a year.
Objectives / Scope	(1) Determine if cash balances are fairly stated, (2) Assess compliance with applicable regulations and policies, (3) Determine if internal controls are adequate and functioning as intended, and (4) Determine if transactions are reasonable and do not appear to be fraudulent (completed as part of the continuous monitoring procedures)
Internal Stakeholders	1. Department of Financial Services 2. Schools, Offices & Departments (with LSAF)
Schedule	The division wide audit report is expected to be presented to the Audit Committee in December 2026.

(2) Carry Over from FY26: FY26 Specific Contracts, Vendor Management

Audit Topic	**See Above**
Description	In FY25, OAG focused on the procurement process administered by Office of Procurement Services. In FY26 and beyond, OAG focuses on evaluating the user department’s controls surrounding contract management.
Objectives / Scope	Evaluate user department's controls to ensure accountability and monitoring of vendor performance and delivery of goods and services, with the expected outcomes.
Internal Stakeholders	1. Instructional Services Department 2. Department of Special Services 3. Office of Procurement Services
Schedule	This performance audit is estimated to take six months to complete. The audit report is expected to be presented to the Audit Committee in October 2026.

(3) Athletic Programs: Funds and Booster Organizations

Audit Topic	**See Above**
Description	This engagement follows the comprehensive external review of athletic operations. Areas of concern include whether financial processes are consistent from school to school and the clear delineation of roles and responsibilities related to school-sponsored athletic programs and their associated booster organizations.
Objectives / Scope	(1) Evaluate FCPS policies, regulations and processes, risks and internal controls related to athletic funds, and the implementation of fidelity across schools; and (2) Examine the roles and responsibilities, such as the by-laws or memorandum of understanding, between the athletic programs and the booster organizations.
Internal Stakeholders	1. Chief of Schools Office 2. Office of Student Activities & Athletics 3. Schools
Schedule	This performance audit is estimated to take six months to complete.

(4) Business Process Audits (BPA)

Audit Topic	**See Above**
Description	These audits will be performed on an ad-hoc basis depending on the results of the Continuous Monitoring; departures or additions in principals, finance technician/finance assistants, or management/staff; or situations as deemed necessary. Focus for these audits is primarily on financial transactions.
Objectives / Scope	(1) Evaluate the effectiveness of school/office processes and compliance with applicable regulations and policies; (2) Determine if controls are adequate and functioning as intended; and (3) Determine if transactions are reasonable and do not appear to be fraudulent. If applicable, the scope will include targeted review of financial controls, processes, and transactions for the schools' Career Technical and Education fund accounts.
Internal Stakeholders	1. Schools, Offices & Departments 2. Office of Counseling and College and Career Readiness
Schedule	Ongoing throughout the fiscal year.

(5) Continuous Background and Professional Verification

Audit Topic	**See Above**
Description	While pre-employment screening is standard, the risk profile of an employee population is dynamic. This audit will assess the reliability of workforce monitoring systems and maintenance of high standards throughout the lifecycle of employment.
Objectives / Scope	(1) Evaluate compliance with FCPS policies and procedures for monitoring of employee after hiring; and (2) Determine if and to what extent monitoring of employee's background and professional verification occurs after hiring.
Internal Stakeholders	Department of Human Resources
Schedule	This performance audit is estimated to take five months to complete.

(6) Fundraising Activities

Audit Topic	**See Above**
Description	In FY25 fundraising amounted to $4.7M, and School Support Organizations' revenue achieved $2.8M. Areas of potential risks include whether schools are properly authorizing activities prior to advertisement, if proceeds are strictly utilized for their stated educational purposes, and if cash handling procedures effectively segregate duties to prevent theft.
Objectives / Scope	Evaluate (1) if adequate controls are in place to ensure compliance with applicable laws and FCPS policies and regulations related (but not limited) to planning, approvals, advertising, use of proceeds; ownership, handling of funds; (2) if current policies and regulations effectively mitigate unauthorized fundraising and the legal and financial risks of third-party platforms; and (3) how the FCPS fundraising process compares to other school districts and whether there are any industry leading practices among them.
Internal Stakeholders	1. Chief of Schools Office 2. Department of Financial Services 3. Schools
Schedule	This performance audit is estimated to take six months to complete.

(7) Local School Activity Funds (LSAF) Audit, June 30, 2027

Audit Topic	**See Above**
Description	In accordance with the Code of Virginia (8VAC20-240-40), all LSAF (i.e. including all the approximate 200 FCPS sites with LSAF) shall be audited at least once a year.
Objectives / Scope	(1) Determine if cash balances are fairly stated, (2) Assess compliance with applicable regulations and policies, (3) Determine if internal controls are adequate and functioning as intended, and (4) Determine if transactions are reasonable and do not appear to be fraudulent (completed as part of the continuous monitoring procedures)
Internal Stakeholders	1. Department of Financial Services 2. Schools, Offices & Departments (with LSAF)
Schedule	The final division wide report is expected to be presented to the Audit Committee in fall of 2027.

(8) FY27 Specific Contracts, Vendor Management

Audit Topic	**See Above**
Description	In FY25, OAG focused on the procurement process administered by Office of Procurement Services. In FY26 and beyond, OAG focuses on evaluating the user department's controls surrounding contract management.
Objectives / Scope	Evaluate user department's controls to ensure accountability and monitoring of vendor performance and delivery of goods and services, with the expected outcomes.
Internal Stakeholders	1. Department of Information Technology 2. Office of Procurement Services
Schedule	This performance audit is estimated to take six months to complete.

(9) 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.