



Topic/Issue: FY22 Continuous Monitoring Quarter 3 (Q3) and Quarter 4 (Q4) Results
Meeting and Date: Audit Committee December 14, 2022
Staff Lead: Luke Robertson
Ignite link: Goal 4 – Resource Stewardship

1. Why Office of Auditor General (OAG) did this audit

This summary outlines the results of the Office of Auditor General's (OAG) performance of continuous monitoring procedures performed in accordance with the Fiscal Year (FY) 2022 audit plan approved by the Fairfax County School Board and in accordance with generally accepted government auditing standards with the exception of peer review. Continuous monitoring procedures allow OAG to utilize technology-based audit techniques to analyze patterns and trends to determine the sample selection for transaction testing. This method enables the office to further understand risks and identify exceptions in a timely and efficient manner.

Continuous monitoring procedures are conducted for appropriated and non-appropriated transactions on a quarterly basis. In addition to transaction testing, the process includes selecting a sample of sites that will be subject to additional testing procedures via site visits.

The non-appropriated transactions are used to form the basis of transaction testing for the annual Local School Activity Funds (LSAF) audit and any exceptions are reported as part of the FY 2022 LSAF audit for the year ending June 30, 2022. Any exceptions related to appropriated funds may be analyzed to determine if a Business Process Audit is warranted.

2. What is the purpose of this report?

The purpose of this report is to provide the Audit Committee a summary of OAG's continuous monitoring activities. As the quarterly testing is completed, the program managers/principals of sites tested will receive a summary of their testing results. Any significant exceptions are reported to Financial Services and leadership so appropriate support can be provided.

3. FY22 Summary of quarterly activities

Quarter	Transactions Tested	Schools Sampled	Schools Visited	Schools with Observations Noted
1	232	50	10	8
2	246	51	10	10
3	254	52	10	8
4	223	51	10	15
Totals	955	204	40	41

Results Overview:

For the FY 2022, out of 204 sites, 163 sites had no observations noted; 39 sites had three or fewer observations; two sites had four observations. **No notable items of concern were identified.** A site may have had more than one type of observation in an area or in more than one area.

The following charts summarize the observations noted during Q3 and Q4:

Q3 Summarized Observations

Sites	Observation Area	Description
3	Timely Payment	Payment for purchase was not made in a timely manner.
3	Sufficient Documentation	Purchase was made without prior approval. Approval was given after the purchase was made.
3	Non-Bank Reconciliation	Procurement card reconciliation was not signed and/or dated by the principal and/or administrative assistant/finance technician.
1	Bank Reconciliation	Deposit was outstanding for more than 30 days.

Q4 Summarized Observations

Sites	Observation Area	Description
6	Timely Payment	Payment for purchase was not made in a timely manner. Payment for JPMorgan PCard balance was not made in a timely manner.
6	Sufficient Documentation	Purchase was made without prior approval. Approval was given after the purchase was made.
4	Non-Bank Reconciliation	Procurement card reconciliation was not signed and/or dated by the principal and/or administrative assistant/finance technician.
1	Safeguarding of Assets	Procurement card was not present during site visit and was not properly signed out on the procurement card log.
1	Incorrect Account Charged	Procurement card purchase was not charged to the proper activity fund account.
1	Sales Tax	Procurement card purchase included sales tax.

4. Next Steps/Action Needed

This is a status update and no additional action is required at this time.