



**Topic/Issue:** FY 2024 Business Process Audits (BPA)  
**Meeting and Date:** Audit Committee – February 26, 2024  
**Staff Lead:** Luke Robertson/Brittany Hamilton

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

These audits are 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 identified in a timely manner.

The objectives of BPAs are to:

- Evaluate the effectiveness of office processes
- Assess 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

**2. Summary (key points)**

BPAs were completed at five schools and one office between December 5, 2023, and February 1, 2024, resulting in 13 low risk findings and one moderate risk finding. All findings are summarized below:

Sites	Bank Reconciliation	Non-Bank Reconciliation	Purchasing Process	Sufficient Documentation	Timely Payment	Total
1. Herndon ES	1	1	0	0	0	2
2. Holmes MS	1	1	0	1	0	3
3. Jackson MS	1	0	0	0	1	2
4. Lorton Station ES	0	1	1	1	0	3
5. Office of Special Education Procedural Support	0	0	0	0	0	0
6. West Potomac HS	1	1	1	0	1	4
<b>Total</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>14</b>

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

**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.

At **Holmes MS**, the one moderate finding was due to (a) Financial Management Report (FMR) reconciliations not being completed and approved in the online application dating back to July 2023; and (b) FMR and procurement card reconciliations not being consistently signed and dated by the finance technician and principal to show evidence of timely completion and approval.

OAG recommended that the principal and finance technician review reconciliations in a timely manner, and that the principal and finance technician sign and date reconciliations to show evidence of timely completion and approval. Management concurred with the finding, has completed and approved the outstanding FMR reconciliations in the online application as of February 8, 2024, and is implementing corrective actions with the expected completion date of May 20, 2024.

**3. What OAG recommends**

These audits test compliance with existing regulations and policies, thus recommendations for all findings noted directly correlate to the applicable regulation/policy. A management response is required only for findings with a moderate or high-risk rating. All sites are subject to further review during the annual local school activity fund audit scheduled to be at the close of fiscal year 2024. The detailed results for all schools are shared with Financial Services so appropriate support and training can be provided, where needed.

**4. Next steps/action needed**

We received management responses for any reported findings with a moderate or high risk rating prior to committee discussion. Following committee discussion, reports will be posted publicly on the OAG website, and OAG will conduct follow up on moderate and high-risk findings and update the Audit Committee as follow-up is completed.