Fairfax County PUBLIC SCHOOLS
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FISCAL YEAR 2027 OAG RISK ASSESSMENT & PROPOSED AUDIT PLAN

Fairfax County Public Schools
Office of Auditor General (OAG)

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Risk Assessment and Audit Plan Objectives

1. To accomplish OAG's mission: Independently determine if existing Fairfax County Public Schools (FCPS) processes are adequately designed, operating in an efficient, effective manner and fully accountable to the Fairfax County citizens, and
2. To promote achievement of FCPS strategic goals and pillars, particularly regarding Culture of Equity, Excellence, & Accountability.
3. According to Policy 1105, Auditor General Authority: "*The Auditor General shall submit annually to the Audit Committee a work plan for the coming fiscal year which is to be presented for approval by the School Board. The plan serves as a guide and proposed changes to the plan shall be approved by the Audit Committee.*"

FY27 Risk Assessment Procedures

1. Identification of audit topics
2. Prioritization of audit topics
   a) Examined benchmarking data (24 internal audit departments)
   b) Solicited feedback from School Board and Audit Committee members (12 out of 13 received - 10 School Board members and two Audit Committee community members)
   c) Solicited feedback from FCPS employees, via 31 interviews and 85 surveys
   d) Considered financial, reputational, and operational risks; prior audit frequency and issues
   e) Re-evaluated risk conditions
3. Determination of FY27 audit plan (i.e. primary), secondary, and long-term priorities

FY27 Key Outcomes

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

FY27 Key Outcomes (Cont'd)

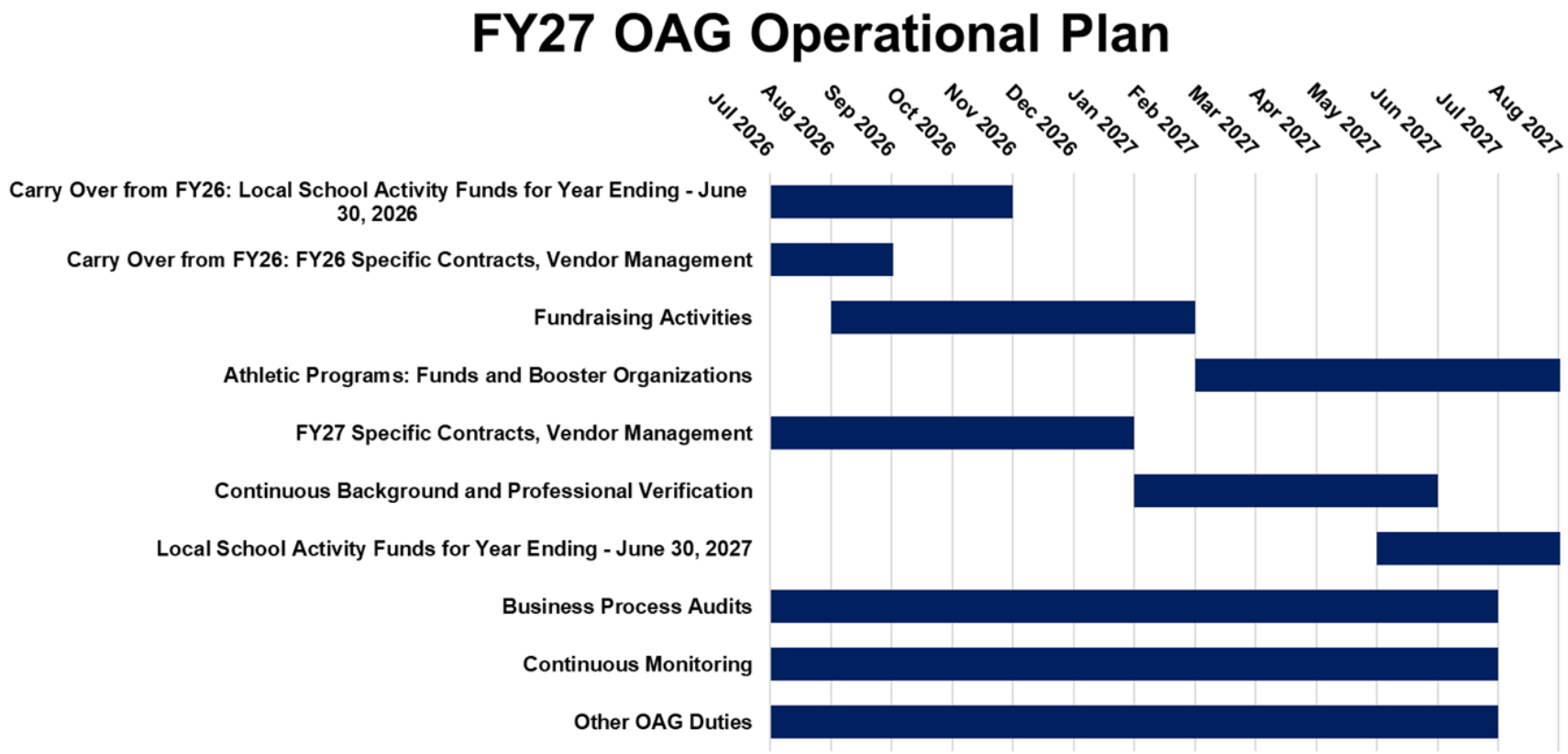
Other Considerations:

1. **Student Transfer Process and Capital Improvement Projects (CIP)** – The audit risk related to student transfer process and CIP will likely be impacted after the implementation of the 2025/2026 boundary work. OAG will consider these topics in FY28 or after.
2. **IT AI Governance** – Three IT related audits in FY23-FY25, will consider for FY28. In FY27, DIT's contracts will be reviewed as part of the Specific Contracts, Vendor Management audit.
3. **Career and Technical Education Programs (CTE)** – To be considered for school audits such as Business Process Audits, Continuous Monitoring and/or LSAF.

FY27 New Audits Key Metrics

FY27 Primary Priorities	Internal Stakeholders	Topic Identified through Bench-marking	Financial Indicators & Other Information	School Board & Audit Committee Counts
Athletic Programs: Funds and Booster Organizations	Chief of Schools Office, Office of Student Activities & Athletics and Schools	Yes	FY26 Student Activities and Athletics Budget - $41.4M; Staffing - 120 Full Time Equivalent (including director of student activities and central staff)	9
Continuous Background and Professional Verification	Department of Human Resources	Yes	Approximately 40,000 employees (including part-time and hourly)	7
Fundraising Activities	Chief of Schools Office, Office of Comptroller and Schools	Yes	FY25 Fundraising - $4.7M; FY25 School Support Organizations' Revenue - $2.8M	9
FY27 Specific Contracts, Vendor Management	Department of Information Technology (DIT), Office of Procurement Services	Yes	As of February 2026, there were over 50 active contracts with total contract value of $515M managed by DIT	8

FY27 OAG Operational Plan



Source: Appendix II – FY27 OAG Operational Plan of the FY27 Risk Assessment and Audit Plan document

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

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 November 2026.

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

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 September 2026.

(3) Athletic Programs: Funds and Booster Organizations

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)

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

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

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

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

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 CTE transactions.

(10) Other OAG Duties

1. Audit Committee Meetings
2. FCPS Fraud, Waste and Abuse Inquiry
3. OAG Annual Report
4. OAG FY28 Risk Assessment
5. 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
6. OAG Staff Professional Development
7. OAG System of Quality Management
8. Recommendations Follow-Up

Next Steps

1. Audit Committee Discussion – March 2
2. School Board New Business – June 11
3. School Board Work Session – June 23
4. School Board Approval – July 9

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

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