



MACHINE TRANSCRIPT • CORAGGIO CONSULTING

Fairfax County School Board Audit Committee Meeting, Monday, January 5, 2026

Date Monday, January 5, 2026
Place Fairfax County School Board, Virginia
Length 1h 3m (video)

- Official meeting video (YouTube): <https://www.youtube.com/watch?v=aeyHR4s59Xw>
- Official School Board page (FCPS): <https://www.fcps.edu/about-fcps/leadership/school-board>

Machine transcript (speech-to-text) produced by Coraggio Consulting. Not an official county record. Names and numbers may be misspelled; check the video at the timestamp before quoting.

Speech-to-text: whisper.cpp, model large-v3-turbo. Produced 2026-10-28. Each paragraph starts with its time [HH:MM:SS] in the meeting video.

[00:00:27] - Okay, the January 5th, 2026 regular meeting of the Fairfax County School Board Audit Committee will now come to order. Happy New Year, everyone. Great to be here with you, and we do have quorum. So we will now move to approve the meeting minutes from the November 17th, 2025 Audit Committee meeting.

[00:00:44] Do I have a motion? - I so move. - Thanks, and that motion reads that the Audit Committee approve the minutes from the November 17th, 2025 meeting with leave for the clerk to correct any formatting, technical or grammatical errors. Do I have a second? Second by St. John Cunning. All those in favor? Unanimous for those at the table.

[00:01:09] So next we have item 1.03, which is the FY 2025 Office of Auditor General Annual Report. So now I call on General Koh and Deputy General Danielle Moore for item 1.03.

[00:01:28] Thank you, Ryan, and good afternoon, everyone, and happy new year. Welcome to the first of the year Audit Committee meeting. And today we have a pretty brief agenda, so we are very happy to be able to spotlight our accomplishment and achievement for the past fiscal year.

[00:01:49] So with that, first of all, I would like to thank all the Audit Committee members and the chairs for the continued support for the OAG work. And I also want to express my appreciation to all the OAG

members. As you all know, we try to bring the full team each time for the audit committee meetings so that you can see kind of who is actually working behind of all the audit reports.

[00:02:12] And we have worked very hard to complete our audits, inquiries, and all the training programs. It truly takes a team effort to accomplish the task that's delegated to us by the school board and the audit committee. And also, I would like to give a thank you to our hourly auditor, Mukta, and he cannot be with us today, but he is one of the primary authors of the annual report.

[00:02:35] So I would like to give him the, you know, thank you for that. And logistically, after today's presentation, this annual report will be presented to the school board on June 23rd. So it's a little bit later.

[00:02:50] And it is because that the chairs would like to combine the annual report discussion together with the fiscal year 27 audit topics discussion. So it will be around that time. And we can talk more if that time needs to be adjusted or what.

[00:03:09] So for today, within this annual report, we highlight our accomplishments over the past year over mainly our four pillars of work. That's how we normally call them. The first one is listed on the transmittal letter, and thank you, Claire, if you can just stay at the...yes, that would be great.

[00:03:29] So the first area is risk assessment. Risk assessment A is how we identify and select audit topics. The second pillar is internal audit, meaning our core function, the bread and butter, or in the Asian way, I will call it rice and noodle.

[00:03:44] So what we mainly do for the comfort food, I mean for the main thing for internal audit. And then the C area is fraud, waste, and abuse hotline. So here is ensuring when things will not quite go the right way, such as when there are concerns for misuse of funds, stakeholders have a tip line to raise that concern to OAG, Office of Auditor General.

[00:04:08] We also do a lot of outreach and education work as well. So because we know, even though OAG has been doing a lot of excellent work, but if we do not communicate it actively with our staff or community, it means that we have not done that.

[00:04:25] So together, these four pillars create a holistic approach for my office to review FCPS processes for effectiveness, efficiency, and to ensure accountability to all the Fairfax County community members.

[00:04:40] And for those of you who are watching this meeting this afternoon, the Office of Auditor General reports directly to the school board, and I'm going to page one of this report, as well as the Audit Committee. As many of you know that independence is really essential for the success of the office.

[00:05:00] So page one of this report highlight that we report to the school board via the Audit Committee, who is the meeting today. And then on this page, we also highlight the audit committee charter according to the governance manual.

[00:05:18] And pages two and three of this report continue to outline the policy 1105, which is the Auditor General Authority. And it, again, emphasized the importance of independence, as well as on this page, under item E, it talks about audit standard and ethics.

[00:05:39] So for audit standard, we follow the government accountability office, they publish the, I bring this with me, the government auditing standard, and we call this as the yellow book. And to me, sometimes a physical copy always tell a little bit more.

[00:05:57] And this is the standard that the federal agency follow, as well as many state and local audit organizations follow as well. So OAG follow the standard. And then moving on on page 4, it talks more about our mission, and I have already outlined that in the beginning, is that our office is to conduct independent assessment on all the ongoing FCPS processes, and to ensure that they are working effectively, efficiently, and be accountable to our community members.

[00:06:34] And then on this page, we outline many of the OAG value that we measure our success against. if we can go down a little bit more. So there's a table here where we were able to get some of the benchmarking from the Council of Great City Schools.

[00:06:53] And the data that we got is quite recent, is as of 2024 to 2025. So when you looked at the different indicators here, you can see that that OAG operate is at a more effective and efficient level compared to generally the other school districts.

[00:07:11] And then also we are very glad to report that we were able to complete 100% of our audit plan and then we were able to have management accepted 100% of the recommendations. So here I would like to highlight as I mentioned we are independent but at the same time we have a very collaborative approach working with management so we are very grateful that the recommendations were fully accepted.

[00:07:38] So moving on, on the page five in the beginning, we also conducted a survey after each audit with our audit clients, meaning with management. We asked questions based upon the eight different areas that, as you can see on the screen, such as if it is timely being announced about the audit is coming up, do we have an effective process, do you believe that the auditors contain sufficient knowledge?

[00:08:06] So we aim at getting a higher than 90% of yes to these questions. And in fiscal year 25, we exceeded that indicator to receive more than 90% on all the indicators that we try to measure.

[00:08:24] And then moving on, we have some other OAG achievements on our report cards as well. And here, there are a lot of wording here. We will go through each one of them in more details in a little bit. But for here I just want to highlight two things in the meantime.

[00:08:41] One is that every three years, OAG will also be audited. So as a matter of fact, later this month we will have an external peer review team coming to look at how OAG is doing our audit according to the government auditing standard.

[00:08:59] So we will be presenting the result in the next audit committee meeting in March. Then I also want to highlight that all our team members have the required certifications in doing what we do.

[00:09:14] We have certified public accountants, we have certified internal auditor, fraud examiner, as well as information system auditors. Even though it sounds like a lot of alphabets, but I really want to highlight that because it added the credentials to what we do so that the community members can rely on our report.

[00:09:33] on to page six is a little bit more to talk about the nuts and bolts so first pillar of the work is the risk assessment how we identify audit topics so we identify audit topics through a very extensive process including looking at the financial number looking at the operational risk and challenges what are the internal controls checks and balances that are in place etc and we also listen you know to all these school

board and also the school board meetings and then the work sessions we take notes about the hot topics with the school board as well as we looked at the other

[00:10:11] k-12 organization as well to see what are the common audit topics that they are looking at and then if i can put a plug here that we are right now in the process of collecting feedback from school board members and audit committee members for fiscal year 27 audit topics so your feedback is critical to it and on this page if we can go down a little bit more it also indicated the fiscal year 26 audit plan so this is the plan that we are currently doing and i want to say that all the audits are processing on time so moving on after risk assessment that would be

[00:10:50] the second pillar of work is internal audit so internal audit we follow the same process every time we started with risk assessment which and then we go on for planning we have execution meeting our field work reporting meaning we bring the report back to the audit committee and then maybe bringing that to the school board based upon the different types of audits and then we will also do the follow-up today we will have ammonia presented our follow-up status in a little bit after this topic so that we have a full loop cycle I mean not just identify the audit findings, but also have a way to follow up with management to ensure

[00:11:29] that all the recommendations are completing timely. And then moving on to page 8, here is the Fraud Waste and Abuse Hotline, and we are grateful for OAG to manage the Fraud Waste and Abuse Hotline on behalf of FCPS.

[00:11:48] So as part of our holistic approach, we conduct, you know, audits while we conduct regular internal audits but we also receiving leads or some kind of like information or tips through the hotline about what are the some of the concern or areas that we should focus more on last year alone if we can scroll a little bit more down for 25 fiscal year 25 we received close to 70 cases and then you can see the trend from 21 to 25 and then on the side it can it will also show you the

[00:12:21] types of cases that we received. We received the cases such as vendor, related how we carrying out a contract, how we use our assets. We also get situation about residency, procurement, etc. So you can see that that there is an upward trend from 21 to 25 that we have been getting more cases.

[00:12:43] We saw a spike in 24. We believe that this trend reflects increased awareness and comfort among employees and community members in reporting concerns. So for 24 and 25, you may ask me, hey, Esther, I saw like a decrease in 25, what does it really mean to us?

[00:13:03] So my response would be that if we take the not related to fraud, waste, and abuse cases out, which is the gray bar in the middle, like the 21 and the 13 cases, then the cases number are very comparable.

[00:13:19] we will be getting like 58 cases in 24 and then 55 cases in 25. So and again at the audit committee I want to thank all of you who have you know shared the hotline information in your newsletters or community communications and we as an office we also conducted extensive outreach to promote the hotline and online submission too as well. So I want to take this opportunity to promote again And if I can go down, a little bit more down to the report, there is an orange banner called out where it includes our hotline number, our email, and also the online submission form too.

[00:13:59] While we were not able to get like a fraud, you know, F-R-A-U-D and then the corresponding numbers on the phone, but I think that our numbers are quite easy to remember, 423-1333. So we just

hope that more people can use this hotline to offer tips to us. So with that I'm going to go through the last pillar of the work which is the outreach and education.

[00:14:23] So we have been very active in this area and I would like to highlight a few efforts. First is the audit bus so and I know that many of you are excited to read our newsletters which we produce on a monthly basis and I want to give a big kudos to our Deputy Auditor Ms. Danielle Moore because she's our major author and also to the rest of the team, too. Many times we try to write articles that everyone, like community members, could easily understand. So we can see that our subscriptions now is over 4,000, but as an auditor, you know,

[00:14:59] it's not just the subscriptions, but actually who is opening the emails. So we have an other statistics, which is right in front of you, the graph, is the number of Audibus newsletter emails that were opened so we see an upward trend to almost you know a thousand subscribers have opened our email so it is a great things to celebrate and then moving on we also have other other initiative like today the NA report our website and if we can move on to the training and education session and if we can pause here a little bit that we have been very

[00:15:36] very active in providing training, and over a thousand employees and external audit professionals have received our training. And also here, I would like to really thank Dr. Reed who allowed us to be able to present at the Leadership Kickoff, to have this opportunity to talk to our school-based administrator on a yearly basis.

[00:15:57] And then I also want to thank our Comptroller, Ms. Simer, and then she always gives us opportunity to present at the P2P so that we can have on a yearly basis have an opportunity to talk to the finance technicians and the finance assistants, which is really important.

[00:16:13] So thank you. And then we continue to provide certified continuing professional education credits through the NASBUR mechanism, it's the National Association of State Board of Accountancy.

[00:16:30] is not noted on the report. So today I try go on to the NESPA website. They have over 2,000 sponsors. And out of the 2,000 sponsor, FCPS is the only K-12 education organization that is listed. So I really think that is a great accomplishment. So what this certification allowed us to do, we are on page nine, and this certification allowed us to do is to provide free education credits to all the FCPS employees, especially if they have certain

[00:17:05] certification in the financial areas, then we can provide them with the certified training credits. And this is especially important when we have tight budget. And for all the committee members, you are welcome to join our training too. If I can do a quick promotion here, we have one starting on Friday morning with our Michelle practice procurement director and then we will be co-presenting to share more about procurement with our staff members so moving on and then we also host a DMV auditor group where we are having like a more than 20 local

[00:17:43] government auditors in DC Maryland and Virginia where we exchange ideas and information and we are meeting tomorrow where we have invited the GAO the author of the yellow book to come to speak with us so we are very proud of all this accomplishment last but not the least we have the internal audit awareness month and if i can do a quick promotion here it will be in may and this year we will be meeting on may 13th and i would like to invite all of you to join us where we try you know to um through some entertaining or some interesting way

[00:18:19] to share more about audits with our staff members so with that sorry I have talked a lot and now I would like to hand the time over to more to Danelle to just talk very briefly about internal audits thank you Esther I will be providing you all with a summary of the audit results for my FY25 audits you refer to page 11 in the annual report this provides a matrix of all of the high moderate and low findings for each one of these audits and you will note that we completed six

[00:18:52] performance audits and 14 business process audits as it relates to the six performance audits the first audit is the procurement process audit so the scope of this audit covered procurement processes administered by the office of procurement services and the vendor review process administered in collaboration with the office of cyber security as well as the technology architecture and and assessment section.

[00:19:18] Some of the findings from this audit include an alignment of policies, regulations, and guidance regarding the vendor approval process, operational inefficiencies in vendor communication and review processes that impact the vendor solicitation, excuse me, and lack of key performance indicators.

[00:19:39] Our second audit is the student disciplinary process audit, and this audit actually was exempt from disclosure, so we won't discuss those results in the open session. The third audit is the critical process review, and this is for hiring.

[00:19:55] So during this audit, we did an evaluation of the key hiring processes. Some of the challenges noted included the design of the hiring and onboarding processes that may lead to inconsistent application of hiring practices, loss of interest from applicants, and data silos that disrupt workflows.

[00:20:16] Our fourth audit is the construction and renovation contracting process audit. So the scope of this audit included the FCPS Capital Improvement Program projects that were funded for construction in the 2019, the 2021, and the 2023 bond referendums.

[00:20:36] We also looked at key processes and controls related to the procurement, contract monitoring, change orders, contract invoicing, and contract closeout. Some of the findings noted included instances of noncompliance with project contract terms and the design and construction manual.

[00:20:57] And there were several areas where improvements could be made in the FCPS construction monitoring practices, policies and guidelines that required an update. For our next set of audits, these audits are mainly our audits that are school related.

[00:21:12] Since we are a school division, that's kind of our bread and butter. We have three different types of school related audits. Those include the local school activity funds audit, continuous monitoring and our business process audit.

[00:21:28] So in FY25, we completed the Local School Activity Funds audit for year ending June 30th, 2025. And I like to note that this audit is one of those audits that are required by the Virginia Code. So we look at this, we do this audit every year.

[00:21:43] So Local School Activity Funds are collected from students and parents, and they're to be used for the purpose in which they were collected. So this includes student fees, activity fees, and maybe something like parking fees. During our audit, the OAG did not have any findings, but we did have three observations related to compliance.

[00:22:03] First observation was related to compliance with regulations. The second observation was related to cash receipts and the internal control environment. And the third observation, excuse me, was related to the deposit date control weakness related to the Great Plains accounting system.

[00:22:23] So basically overall, out of this audit, we audited a total of 202 sites. We noted exceptions of noncompliance with regulations in 73 sites. And then we had no exceptions at the remaining 129 sites.

[00:22:40] And I would like to note the individual exceptions occur that the site level did not impact the cash balance at the year end. And there were no material effect to FCPS as a division. Our other audit we conducted was the continuous monitoring.

[00:22:58] This is, we do quarterly reviews of unusual transactions for both appropriated and local school activity funds transactions. The local school activity fund transactions, any exceptions noted will be included in our local school activities funds audit.

[00:23:17] So it's kind of like what we use as our sample for local school activity funds. As well as any appropriated transactions or exceptions that we know that we use that to determine if we need to conduct a business process review audit.

[00:23:33] So as far as the continuous monitoring for FY25, Out of the 202 sites, 103 sites had no exceptions noted. 55 sites had exceptions noted in three or fewer areas.

[00:23:48] 44 sites did not have any transactions that appeared in our sample. And I would also like to note that OAG did quarterly site visits at 68 sites. In our last set of audits, our business process audits, we conducted 14 business process audits in FY25, which included 13 schools and one department.

[00:24:14] So the business process audits are a deeper dive. These are ad hoc audits that are a deeper dive. We usually conduct these audits due to change and management like the finance tech or the principal. Also based on the outcome of any continuous monitoring and other areas that are deemed necessary.

[00:24:39] Mainly the findings related to the business process audits are the purchasing process, timeliness of payments, also the timeliness of completing bank reconciliations and the non-bank reconciliations, which may be your FMR, your financial management report.

[00:24:57] Also, we have findings related to outstanding deposits and the sufficiency of documentation. And I would like to note that for these audits, we require a management response for any risk level, moderate or higher, so that would be a moderate or a high risk finding.

[00:25:16] And we do follow up on those in a quarterly basis. As well as we follow up on all of the findings for our performance audits, which like I mentioned is done on a quarterly basis and we report out to the Audit Committee. And Monya will be talking a little bit later about that.

[00:25:34] But as of FY25, OAG did note that we had 45 new recommendations for the audit performed and reported 30 of those recommendations closed. and as of July 31, 29 recommendations from the current and prior years remain outstanding.

[00:25:52] And so some of those outstanding recommendations were related to the FY25 Food and Nutritional Services Audit, the FY20, I'm excuse me, FY24 Food and Nutrition Services Audit, the FY25 Procurement Process Audit, FY25 Critical Process Review for Hiring, and the FY25 Construction and Renovation Contracting Process Audit.

[00:26:16] And as I mentioned, will be given an update of those items as of October 31. And then if we could refer to the appendix page, I would like to provide you guys, this is just a little handy dandy place where you can go and find important information about our office so that we have links provided that can link you to all of those different areas.

[00:26:41] So now I would like to hand the time back to Brian. - Wonderful, thank you both for that very thorough report. So first I'll turn it over to colleagues if you have any questions or comments. Mr. Moon. - Thank you, Mr. Chairman. Happy New Year, and thanks for the presentation.

[00:26:59] I have a few questions. Some of the questions may be very trivial, but that's basically based upon out of my ignorance. So please forgive me. So usually when you present the annual report, timeline-wise, is that usually January of the following calendar year?

[00:27:22] Is that like a January 2026 for something that ended And June 12th of the prior year is basically this report. - May I answer one by one? - Yes. - Okay, thank you for the question, Mr. Moon. So yes, this is the stand, and let me just explain a little bit, if I may.

[00:27:40] It may sound a little bit late because the cutoff should be on June and why we present in January of the following year. It is mainly because of one of the audit, which is the Local School Activity Fund audit. Normally we can only conclude that in November.

[00:27:58] Because that audit we need to look at the year end balance for June 30th. So it only occur afterwards if it makes sense. So we normally would like to kind of summarize all the results in one time. In the past we did present in December and or January.

[00:28:17] This year is just because we try to make it more efficient with the meetings we meet every other month. So that's why we do it in January, if it makes sense. - Okay, I thought, you know, looking at just a set, doing it six months after the end of the fiscal year, to a general public might seem a little delay might have been involved.

[00:28:41] You know, that could be the impression to people. And especially if I understood correctly, or this presentation to the entire board is not gonna occur until June of this year, which is almost a year after the end of the fiscal year.

[00:28:56] And I guess, you know, question should go to, perhaps to our chairman of the board. With that in mind, you would think, by the time this gets presented to the full board, some of the information contained, including in the report, as of a certain date, do you think that those will be updated?

[00:29:15] Some of, for example, like these are numbers as of October 31, would that be updated if this is not gonna be presented to the board on - - We can do that, definitely, Mr. Moon. And I think we, when we present to the board in June, we would also like to focus on our risk assessment effort for fiscal year 27 topics.

[00:29:37] So I think it will provide a very, like an insightful, if we can update some of the numbers to really support why we select the topics, right? Because like I mentioned, at the end of the day, we want to provide a holistic approach. So we can certainly update some of the relevant information so that the board can make a more informed decision to decide what fiscal year '27 are the topics to focus on.

[00:30:01] So we can certainly do that. - And I don't wanna sound too nitpicking, but I'm gonna be nitpicking on this one. On page five, you said yes to responses to, yes to responses higher than 90% for all

different eight, eight different categories.

[00:30:25] Higher than does not include equal to, correct? So, okay, I think that's-- I got it. So next time I should say equal or higher than 90%. Yeah, got it. We will address that. - You can correct that. You can just update that. - Thank you.

[00:30:41] - And also on page four, I have to ask these questions because I'm glad to see 100% of completion of audit plan. Great, congratulations.

[00:30:59] And 100% of recommendations being accepted by management, that's great, but my question goes to this. When there is a difference between a council of great city schools for percentage of completion, 70% versus 100%, that's a huge discrepancy.

[00:31:21] So we are doing far better than, far better than average of council of great city schools. A question that's begging is, could he have given you more to do?

[00:31:47] I mean, that's the question coming to me. You are able to complete 100% of all because the workload was light. I mean, it's very unfair, very unfair because you all work hard and you got this done and accolades, complements go to that.

[00:32:06] But again, as a policymaker whether, when I see the huge difference between average for that versus how we perform, could he, again, could he have given you, should he have given you more?

[00:32:24] - Great question. And it's always, as OAG, we always aim as effectiveness and efficiency, right? Because if we don't have that, how could we audit the other processes? So this is a great question. And I don't really know what prevents the other K-12 organization to be not able to meet 100%.

[00:32:46] And you really give me a very good homework to go back to the Council of Great City Schools and to understand a little bit more about what drive at the 70%. But we also do a lot of benchmarking, right?

[00:33:03] Like through the risk assessment process, we actually looked at how and what types of audits the other K-12 organization that they complete, because they do publish their audit plans. They may not publish their audit reports as transparent as maybe because of the state requirements, et cetera.

[00:33:21] But when we looked at the audit plan, we are very comparable in terms of the workload with the other K-12 organizations. And some, I can tell you, because I did go to audit the other internal audit office through the peer review program, some of them, they may still be just focusing on school audits.

[00:33:44] Some, not all, right? And of course, there are some that they are very above and beyond too, right? To look at a lot of the processes. But at the same time, they have a much bigger shock than OAG here. So I think, again, for me, the takeaway is that I will go back and find out what are the major reason for the other school that who self-reported, they said they only met 70%.

[00:34:10] And why we can meet at 100%? Is it because we don't have enough, we can assault more work for the district, or because some issues that the other audit shops have and we don't have? And I can bring it back after I find out more.

[00:34:26] - Okay, thank you. - But thank you. - I'm asking you the question along with my congratulations compliments to the fact that you've been able to accomplish everything that the school board has directed

your office to accomplish. But when I also at the same time see year after year, it's 100%. Great, but also begs the question whether we should have, could have given more.

[00:34:50] And that same thing goes to the next line, which is maybe there isn't much a difference between 98% and 100%, but when you have 100% year after year, our management accepting all your recommendations.

[00:35:07] Are they accepting your recommendations because your recommendations are all fair, reasonable, excellent, and should accept? Or maybe this goes to Dr. Reed as well, is your recommendations are so easy to do, there's nothing tough, nothing challenging, so we'll just accept them.

[00:35:32] may i comment and then i also would like to defer to management if they would also you know share their inputs as well so from my perspective um and again this is a great question right why i think normally speaking we really strive at a hundred percent mr mollins we try to make long-lasting change to a system right so you have to be collaborative and for oag we are very cautious to make recommendations that at the risk level.

[00:36:08] So for example, if we see something is not working, like the regulations and policy, they haven't been updated with the actual reality on the ground, then we would say, hey, the policy and regulations need to be updated. We try to make it high level, so management can have flexibility to think about how to really remediate the risk.

[00:36:32] So we don't really say, management you have to do a b c d e f g like very plain like you you can only do this in order to remediate the risk because there are many different ways right to able to achieve the same goal so we try to give flexibility to management so that that they can also meet remediate the risk or challenges but they have more flexibility about how to do it um and that's how we kind of like on the same i mean i don't know if danelle you have more to add but at the same time I want to say when you looked at our neighboring district they also get 98 percent

[00:37:11] so I really believe that in the industry this is the same methodology that we have been using and I don't know if anyone other maybe our community members since you may be working with auditors too kind of do you have any thoughts on that but that's my my thinking too what's that question no I would just wanted to add like during the audit process we try to be collaborative with management to make sure that we are recommending things that are feasible that can be that can be done um so that is like a collaborative process to work with management these are our findings and what recommendations need to be implemented but like esther mentioned we don't really get to

[00:37:50] the specifics it's more at a general level you know i don't i don't want to if you know i don't want to put words into your mouth but uh hopefully you're not saying that you are only giving them what they can do no not only giving them what they can do but we're working through the process to make sure that what we're recommending it what we're recommending is feasible to be done okay let me ask you this question because i'll just get it out to share with you a a you know having

[00:38:27] a good collaborative working relationship is one thing great but do you also believe in healthy tension between oag and management um do you mind to uh what intention again sorry healthy tension between healthy in healthy yes yes yes yes thank you thank you sorry about that management we um go ahead i just lost the word um we have some management here and i would encourage them they

[00:39:05] can also share their thoughts too um but i do believe there are a lot of healthy discussion throughout the audience discussion a lot of that if um what we try to do right again the goal for internal audit that particular pillar of work mr moon is we want to be able to make recommendations to management and then can make a long-lasting impact to the process that's the main goal right so we at the same time we know that there are restrictions too right because of the budget or people we know that that we try to operate as best as we can so when we make recommendations

[00:39:44] again we are very aligned with industry a hundred percent and 98 percent is we want to be able to make recommendations that is helpful but at the same time we are independent and i think maybe that's kind of the point that we we need to make sure and we are not trying to make a recommendation just for the sake of management will accept that's never is the intention and we would never do that because that's totally against the yellow book um so i just want to make sure that that is for the record and I don't know if management wants to add anything or is it on in line with what you think I think there's nothing we would add to that thank you

[00:40:23] one last question I think this is something that I had asked previously but I want to ask again on page number 8 we see these numbers you know over the years how do board members determine any trend any numbers is a good number you you said oh numbers going up because perhaps people are feeling more

[00:41:01] comfortable in reporting potential abuses waste to your office or it could be there might have been more and more abuse and waste incidences incidents and that is why they are being reported so as a policymaker as a school board member how do I know whether these numbers mean anything what What tools could I use as audit committee member or school member to see, "Gosh, we seem to be having problems here."

[00:41:39] And thank you for the question, because I kind of anticipate that it may be a question. So within the report, we actually try to address that Mr. Moon and the audit committee members. So if the clerk can go a little bit down.

[00:41:54] We included two paragraphs, yeah, here is good, under the graph, right? So we want to kind of have the message, our messaging to you all is this. The office cannot control the volume, right, and the types of cases that we receive because it's like a, it's not a crystal ball, why don't I say that.

[00:42:13] The more the better, right, because we always want to find all the needle in the haystack if possible instead of we just try to find them, it's impossible. But at the same time we maintain the holistic program. have the numbers and we really think that we need to report it because we want you all to know about the caseload so that you know how we spend the time but in terms of what a good number or numbers to celebrate or numbers too low and it can be higher I could not give a conclusive answers and I just want to be honest about that to you all I cannot say what number is good or bad but

[00:42:52] before this meeting I did do a lot of internet search in the public space and talked to my fellow internal auditors or yeah in the local local government space that only very minimum number they do publicize it in the public domain and one is actually in Virginia and then they the cases number that they got is 60 for the whole city and again it's just one data point and I'm not saying that that this is what we should be relied upon but based upon what I said based upon my verbal conversation with the other auto shop I do believe that we have a very

[00:43:31] healthy system I do not believe that it is an indicator that FCPS is having more challenges because of the uptakes I see this as we have been doing a lot of outreach to our community members and also to our staff members especially staff members quarterly training and every time we have opportunities is to let them know that hey this is something available for you you are our eyes and ears I we would really encourage you to come up before a problem become a problem so and I apologize mr. moon I could not give you you know the full

[00:44:08] extent of explanation but this is what we think I would love to have an offline discussion about this sometime with that on January 9th the presentation and training you will refer to, what time is that?

[00:44:24] - It is from 9:00 a.m. to 12:00 p.m. And we have, right now, we have 100, almost 150 employees sign up. Optional, yeah. - It's in person? - Virtual. - Virtual, or virtual. You know, the board, we have a board meeting the night before, which may go until 2:00 a.m.

[00:44:42] - I'm sorry, I should check the school board. - Yeah, if you don't see any school board member, that's the way. - Okay, so next time, thank you. Sorry about the scheduling, but I will bear that in mind. - Thank you. - Okay, Ms. St. John-Cunning. - So first of all, thank you for all the work that you've done and for this report.

[00:45:01] I'm just gonna piggyback on the numbers of reported incidents that you guys are getting to the fraud, waste, and abuse line. And I'm glad to see that there's an increase.

[00:45:17] Just to ask you, do you see any specific trends on something that we should really be focusing on that is coming in? And then the other question I'm going to ask you, because there is a large number, that gray bar is very large, about not related to fraud, waste, and abuse.

[00:45:34] And if you could give us some examples of what those might be and how they are treated. So something comes in that is not related to fraud, waste, and abuse, and say that I am a person that makes that complaint, and you're not gonna investigate it, then how is that handled?

[00:45:50] I'm just trying to figure out how the general public, if this is coming in from a parent. Thank you Murcia for the questions and so in terms of how like the numbers like I explained I do believe that this is a very healthy you know trend that we really try to publicize this method and for the not related to fraud ways and bills when we got those cases I will give some examples in a little bit but when we got those situation we really do try our best to refer the claimants

[00:46:27] through the right media and one of which we use very often is the office of ombuds or if they ask some you know policy or regulations related questions we will try to refer them to the right departments or offices some of the questions if i may mention some of them are maybe students related student like generally speaking related and has no impact on fraud ways and abuse and and some some of them is totally irrelevant but we do take lock

[00:47:06] of that and some of them they may mention oh claim about administration or the board have not been timely reporting to email and then people will start using very strong terms and which is not the case we all know that and some of them are related like let's say student disciplinary record and has nothing you know to with what we do and and and and some of them like let me just maybe I mean I think that's good I think that gives everybody a good idea and I think

[00:47:44] that for reporting purposes to give you guys the credit because when you say it's not related to fraud waste and abuse the way you have it up there it looks like it's just kind of brushed away and I really think you should put that referrals to because not related to that gives you credit because that's work that's work you have to do to figure out where it goes to and I think you need to get credit for like of the 13 that came in this year you had to refer those 13 to the appropriate offices and I think that you need to get credit for that because the way that it's documented it it doesn't look like that and so I want you to get the credit that you guys deserve on I do remember

[00:48:22] like in terms of the question of did you not have enough work I do recall that last year you were hiring people and needed more overtime was it last year that you needed some extra support yes and thank you for raising that yes last year we asked for more one-time money to hire hourly auditors for example that Mukta he helped us to put this together and help us for peer review Eccentra so if you needed that extra support that meant that you had the work to justify it is that correct okay I just I just remember that and I just

[00:48:59] wanted to make sure that I was remembering correctly thank you the other thing that I want to go to is in which you and I have discussed a lot and is something that in terms of the local school funding let me get to where my question was here so in terms of and we've discussed this in terms of the local full activity funds and the issues we have with those schools and you have

[00:49:34] found some of those issues can we is there a way to weed out is are these problems systemic or are they specific to certain schools number one that's my first question and then my second question is has has one of the recommendations going to those local school activity funds been like increased training support for the finance tax from K through 12. Thank you and I can maybe address the first comment and I I don't know if CMOC if

[00:50:11] you would like to address the training comment for our finance professional at school so for the first comment about do we see systemic trend for for example for a certain school for the local school activity fund audit we try to focus on the district um right is there like throughout like our local school activity funds like is there a systemic like all the schools are having the same issue um i would say yes and no um generally speaking we do not find really big key issues on local school activity fund but at the same time we need to focus that

[00:50:51] we are focusing on the financial side mainly. We do not see, you know, strong and like really high level, so that's why we don't have findings. But we did find like some comments, observations, and maybe Danelle you can speak a little bit about the types of things that we see.

[00:51:12] Yeah, so a lot of things we see are related to the procurement process, like maybe not having an approval or a PO before making the purchase bank reconciliations maybe being out of balance or not completed in the timely manner so those sort of things so while we may have them across the schools it may be for different reasons why those things are not being done okay so what we tend to see is that there's a approximately 20% vacancy rate and many of the the triggers for why

[00:51:51] OAG goes out and does audits is new principal new AA new financial tech and we tend to see a lot of the problem areas with the new personnel coming on board the learning curve is very steep it takes a good year to get comfortable with all the systems all the policies regulations yes all the codes and what we try to do on the training aspect is we push heavy on the training we have been doing that over the last two years we have with dr reed support actually have a two-year training plan so when a new

[00:52:29] ft or aa starts they actually have a training plan that they go to for two years in a row with supportive training we have implemented trainings where the principal with their aa or ft go together because that gives more of a collaborative collaborative training and we've done many of those and then we've got videos we're really trying to push hard on the training thank you i appreciate that because i know that that's been a reoccurring problem and i know it is a very steep learning curve and we lose new hires because they feel overwhelmed

[00:53:06] great um nanette um going back to the the level of calls and emails that come into your office to investigate I know mr. Moons asked actually asked this question a couple times so I think some of it when you look at it is somewhat intuitive like there was a big increase relatively speaking on residency questions but there's also been over the last couple years maybe I don't know one or two articles in the paper about residency issues so that that sort of

[00:53:42] makes sense and I think it's good to show the total amount of volume that's coming in on the inquiries but could you also maybe show because this is every inquiry correct could you also maybe show how many of those inquiries have actually resulted in some sort of a finding because that I think is maybe a not necessarily a better way of looking at it but a different way of looking at it that might kind of address Mr. Moon's question on why, you know, why is this really important?

[00:54:14] Because, yes, you know, as you publicize it, you're going to get more, you know, information inquiries, and that's good. But are those actually substantive inquiries? Thank you, Lynette. Great question. And I think Great Mind Think alike, too, that we started to include the credibility numbers in the last audit committee meeting that we try to share, not exactly credible.

[00:54:41] What is the term that I use? I think it's report to the audit committee, something along that line. So they are cases that either they are credible or they may be related, you know, to somehow to the board and the leadership team or some other reasons or they may need like a significant improvement in processes.

[00:55:03] So we have a number included per year. We haven't included it here, it's just because we don't want to confuse the reader since it will need more conversation about that. But thinking about it, we can certainly include a link to that particular document here where we include the number of reportable cases, I think I remember I used that term, reportable to audit committee so that everyone, the community members can have a fuller picture to understand in addition to the universe how many of them may have more, can give us more information

[00:55:42] on. Okay, great. Seeing nothing further, let's move on to item number 1.04, which is audit follow-up, and I believe Monia is going to present.

[00:55:58] Thank you, Ryan. I'll be presenting the audit recommendation follow-up as of October 31. As you can see on the summary table on page 2, we currently have five audits with open recommendations. And we're, I'm sorry, I'm going to wait a little bit.

[00:56:14] Sorry, you can go to page 2, please. So as you can see on the summary table on page 2, we currently have five audits with open recommendations. And we're able to close 11 this period, starting with item 1 on page 3.

[00:56:37] Food and Nutrition Services, or FNS, the two recommendations related to benchmarking and updating FNS or Food and Nutrition Services manual are in progress and not due as of October 31.

Essentially, FNS or Food and Nutrition Services Office is awaiting the implementation of their new nutrition software to fully address these two recommendations.

[00:57:02] Then, moving on to page four, the procurement process audit. OAG verified and closed two recommendations this period. We verified that regulation 5012 was updated to include a cooperative as a method of procurement.

[00:57:19] We also verified that the Department of Information Technology, or DIT, has shifted to a risk-based technology process for their vendor and software selection. Regarding the four outstanding remaining recommendations, they're in progress for management, the completion of these recommendations, it's pending the final updates of regulations and guidelines, as well as the implementation of the new audit software, which is expected to fully be operated by the end of this month.

[00:57:56] And moving on to page seven, the hiring audit. We've seen a lot of great progress in this area. We closed six recommendation where we verified that human resources and employee service and operation office have implemented the employee, the onboarding, I'm sorry, the onboarding workflow.

[00:58:18] They have established or develop the new screening procedure for principal hiring. They also have identified MyStone and they are sources for the hiring and the monitoring. On page eight, we have listed the five recommendations for the hiring audit.

[00:58:37] They're outstanding, but they're not due as of October 31st. Then moving to our last update on page nine, which is related to the construction and the renovation audit. We conducted this audit in 2025.

[00:58:53] Design and construction department has made a lot of progress since then. To give you some, like a bit of context, one of our recommendation involved the submittal process. So think of a submittal process as a formal check and approve step where the contractor provides or submit the exact specification and price codes for materials.

[00:59:17] Then FCPS or DNC here specifically must review, approve the submittals and then return it to the contractor so they are able to procure the materials and start with the project. So in the past, we found that these submittals were not always being returned to the contractor in a timely manner, which has caused the CPS to pay for some material prices that has increased from the first submittal to the time that they review and return the submittal.

[00:59:49] So to address this, Design and Construction Office has now implemented an automated reminder within their project management software. These reminders are alert, they're sent to project team members to ensure those submitters are returned and submitted back to the contractor in a timely manner.

[01:00:07] And for the second recommendation, we address the change order approval in the context of when a school board approval is required. In the past, the dollar amount threshold for school board approving change orders were not clear.

[01:00:23] We have now verified that DNC has updated its manual to align with the Code of Virginia requirements to where a school board is required for change orders. And the last recommendation, we verified that progress meetings between FCPS and the contractors are now required throughout all the project spaces, including the very last closeout phase.

[01:00:49] Also within this audit, we have nine recommendations that are outstanding, but not due as of October 31st. Our next audit follow-up as of January will be presented at the March Audit Committee meeting.

[01:01:05] And with that, that's the end of our OIG presentation for audit recommendation follow-up. I'll hand it back to Ryan. Thank you, Monia. AT THIS POINT, I JUST WANT TO ASK OUR ADMINISTRATION COLLEAGUES IF THEY HAVE ANY FEEDBACK ON ANY OF THIS.

[01:01:27] NOT REALLY. I THINK IT WAS CLEARLY STATED. OKAY. BOARD COLLEAGUES AND COMMITTEE MEMBERS, DO YOU HAVE ANY QUESTIONS ON THIS ONE? OKAY. SEEING NOTHING, I THINK WE CAN MOVE TO ADJOURN THE MEETING APPROPRIATELY.

[01:01:48] SO THE PUBLIC MEETING IS NOW RECESSED AT 5:01 P.M. AND THE BOARD WILL NOW MEET IN CLOSED So then do it now, okay. Audit committee will now make a motion on January 5th, 2026 to go into the closed meeting to one, discuss personnel matters pursuant to section 2.23711, okay.

[01:02:17] To one, discuss personal matters, looks the same, pursuant to section 2.23711A1 of the Code of Virginia and two, security matters pursuant to section 2.23711A19 and three, consult with legal counsel regarding specific matters concerning the provision of legal advice by such counsel pursuant to section 2.23711A7 and A8 of the Code of Virginia, specifically A, student discipline, B, cybersecurity, and C, personnel matters.

[01:02:49] Do I have a motion moved by Mr. Moon, seconded by Mr. McDaniel. All those in favor, motion is unanimous for those at the table. We are now in close meeting, thank you.



Coraggio Consulting · aguyonx.com