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Loudoun County School Board, Audit Committee, Wednesday, April 8, 2026

Date	Wednesday, April 8, 2026
Place	Loudoun County Public Schools / School Board meeting (see BoardDocs / LCPS-TV)
Length	28m (video)
- Official meeting video (Vimeo / LCPS-TV): https://player.vimeo.com/video/1181358246?rel=0 - BoardDocs (School Board): https://go.boarddocs.com/vsba/loudoun/Board.nsf/Public	

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Speech-to-text: whisper.cpp, model large-v3-turbo. Produced 2026-10-11. Each paragraph starts with its time [HH:MM:SS] in the meeting video.

[00:00:04] good evening welcome everyone to the April 8th 2026 meeting of the audit committee thank you for being here hope everyone had a good break my name is Anne Donahue I am the chair of the committee with me are my fellow committee members mr. John pepper and miss Amy Riccardi as a reminder this meeting is being audio recorded it is not being live streamed and it is not being video recorded but it is being audio recorded and will be available to listen to in future through the lcps website the second item on our agenda is public comment but as we do not

[00:00:40] have any any individuals signed up for public comment we will move on to item number three which is a minute review of the minutes from our march 4th 2026 meeting the draft minutes have been posted on board docs and we have a hard copy here in front of us if hopefully we've all had a chance to review the drafts if any of my colleagues have any requests or suggestions for edits or changes now is the opportunity to do so and if there are no edits or changes I will entertain a motion to approve the minutes so moved thank you mr. party is there a second second the motion has been properly

[00:01:17] moved and seconded is there any discussion discussion all those in favor please raise your hand and say aye aye that motion passes unanimously now we will move on to item number four our discussion item officer of the auditor General's program timeline. Mr. Woods, the floor is yours. Thank

you, Madam Chair. This timeline is intended to provide the committee with a clear high-level view of major audit milestones and

[00:01:52] scheduled touch points throughout the calendar year, including when items will come to this committee for discussion, information, or action, and when certain items will advance to the school board. As outlined in the timeline, today's meeting includes the program timeline discussion and the risk assessment overview as information.

[00:02:14] The Audit Universe is scheduled to be presented at our next meeting in May as an information item. Quarterly updates are planned throughout the year to keep the committee informed to audit progress. In August, we plan to present the Audit Plan and Audit Universe to come forward as an Audit Committee Action Plan.

[00:02:36] This action plan will give the committee its first time to approve an annual audit plan. So we do look forward to that in August. Followed us presenting that audit plan here to the committee, we will then provide the school board with this information as an information item or work session.

[00:02:58] We do not determine, or I do not determine, the agenda item. So sometimes we do try to put on the work session because the school board agenda can get kind of busy. It may be moved to an information item to be presented later in the evening during a school board meeting. The timeline concludes with the 2026 annual report.

[00:03:20] The annual report is provided annually to the committee and to the board and is a capture of the prior year work done of the Auditor General. Once we present it to the committee, it will subsequently be discussed to the school board.

[00:03:38] The timeline also notes if needed, special audit committee meetings may be scheduled in response to significant audit findings or emerging issues. And so, as those arise, we may need to schedule a meeting or add it to our agenda when necessary.

[00:04:00] Overall, this document is designed to reinforce predictability, transparency, and shared expectations around the OAG's annual planning and reporting cycle. There is no action requested today or in the future of this item. I'm happy to answer any questions or receive any feedback on the timeline that you all may have.

[00:04:21] Thank you. Mr. Woods? Mr. Pepper? Try that again.

[00:04:41] Thank you, Chair. Wow well might get you are watching the video feed I appreciate this kind of high-level overview of the timeline I do have obviously couple questions about this the first is that this being a high high-level overview I assume that some of our discussion that's not necessarily on this agenda might involve specific audits that are taking place or the results and reports of those is that correct mr. Woods yes things that are not completed yet may end up on the agenda throughout the year and then I also noticed that the August 5th audit

[00:05:19] committee meeting has the approval of the audit plan as an action item I would assume that we would have the opportunity to discuss as an information item beforehand a draft audit plan so do you have an anticipation as to when that would be out knowing that we probably wouldn't meet in July yes so the plan is to present the audit universe in May that then gives you a month to review the audit plan or audit

universe determine what audits that you think we should perform once we permit come back in June and present it you we

[00:05:55] this committee will decide how many audits will perform and what audits will perform then when we present in August you'll have a chance to approve the annual audit plan and so in May you get the initial preview of the universe In May, you select the audits that you would like for us to perform.

[00:06:17] And in June, or I'm sorry, so May, Audit Universe, June, or May, is this May? Yeah, we do not meet in June. So I'm a little confused here. So in May, Audit Universe gives you two months to review the Audit Universe. And then in June, yeah, that's right, we will need to bring it back up in June.

[00:06:37] So now that I was correct, is June 3rd we have an audit committee correct? Yeah, yes. So, yes, Audit Universe initially will come up in May, followed by a prioritization in June, followed by approval in August. And so you'll have several months to not only discuss the Audit Universe and Audit Topics, but you also have time to prioritize which ones the committee seems or thinks we should audit.

[00:07:04] Thanks, Mr. Woods. I was seeing that gap. There was like something's missing in June. I don't know what it is. But there was this, like, step one, collect audit, step three, approve audit. Yes. Thank you. And we will add that back and make sure that when we do meet in June, the Audit Universe will come up for a prioritization followed by the action item in August.

[00:07:27] Thank you very much. You're welcome.

[00:07:44] Do you have an idea of kind of a framework? When you come back to us with – we'll obviously do the universe conversation in May. When we come back in June to discuss and kind of prioritize, are you going to come back with recommendations as well?

[00:08:00] I mean, I know that I think it would be really helpful, at least for me. I can't speak for everybody. I think it would be really helpful to get kind of where you see the priorities being as well, and then we can kind of help decide if we want to prioritize that differently. Yes. There are certain audits that I will tend to prioritize.

[00:08:20] One such incidence was the third risk IT management audit. So that particular audit may not have been on others' radar. Understanding the risk associated around that area, it was a priority to internal audit, which is the OIG office.

[00:08:42] And so there is a discussion amongst us in the committee which audits are priority and which audits should be prioritized. So to answer your question quickly is yes, but it is a mutual discussion amongst myself and the committee.

[00:08:58] And then with the risk audit assessment that you all have done, is that closed already, or is that still open? No, no, it's still open. And we are yet to administer the questionnaires or the surveys.

[00:09:14] Once we submit those surveys and receive that back, we will develop the universe. And that will just be one of one area that we use to develop the universe. Okay, great. So we'll have an opportunity at some point in time here in the next month or so to pitch in on that?

[00:09:29] Yes. Great. Thank you so much. Mr. Woods, could you comment a little bit on, following up on Ms. Riccardi's question and your statement, how you go about prioritizing your recommendations for the audit universe? So if it's based on the survey, it's occurrence of items that are brought up from principals, senior staff, school board.

[00:09:56] Also, if an event occurs, it may have a low frequency of occurring, but if the impact is high, then that identified risk would move up, as opposed to something that may occur frequently on these surveys or in a review, but the impact to the school and to students is low, and so that will be a lower risk item.

[00:10:26] Also, if there are new topical items. Topical item or topical requirements are items that the Institute of Internal Audit has determined we should focus on. It could be performing a risk review.

[00:10:45] It could be performing a review or performing an audit. But they do require us to at least look into it as a risk assessment option. And so to go back to your question, it's several things to identify the audit universe.

[00:11:05] And those topical requirements we will put in the universe because they are a standard that we now have incorporated. And so if we decide to do them, great, this year. But if we need to do them next year, then they'll go on the following year.

[00:11:21] And they'll stay on the universe every year until we perform them. And so it's several ways we identify the audit topics. that mr. woods and you indicated that you get ideas for what to potentially include in the audit universe from a number of sources so I would imagine if individuals whether they be board members or members of the community have thoughts or suggestions that they could share those thoughts with you in some way yes and it is weighted towards board members you guys do approve the audit

[00:11:58] also because you ask two constituents and they speak through you is another reason why it's a little bit weighted towards board members but also the feedback from principals and senior staff also serve a great resource to identifying areas to audit thank you so much so just for clarification so you said is the IIA the one that you said that has the guidelines so far and then

[00:12:34] do you kind of localize them for LCPS or customize them or contextualize them for LCPS yes they give general standards for multiple industries so it's very general and then we will tailor it to fit our environment here in k-12 education I think would we be able to see that at some point in time before the survey closes just so we can kind of get a sense of you know how you perceive prioritizing items and issues and I'm assuming that's you know weighing risk

[00:13:12] management issues financial risk management safety security what and whatever else is on that list but it'd be really great to see that yes and I'm glad you brought that up when when I provide a survey so survey will be administered to school board members yours the school board survey is a survey or a survey answer responses and so it's not a yes no maybe it is a it is a written response in that survey administrative school board members I will identify what the topical requirements are one of them we've already done which is third-party risk management another one would be

[00:13:50] cyber security those are the two I can think of off the top off the top of my head right now but I will identify all of them when we are performing the survey and so you will have that information at that time thank you specific right now. Move on to item number 5.01, your fiscal year 27 risk assessment.

[00:14:22] Thank you. The risk assessment is a core component of internal audit planning and serves as a foundation for developing a risk-based annual audit plan. As outlined in the attachment, this process is not intended to be a checklist, but rather a strategic tool used to evaluate risks that could affect the

division's ability to achieve its objectives, comply with requirements, safeguard assets, and operate effectively.

[00:14:48] For fiscal year 27, the Office of the Audit General, or the OAG, will gather and evaluate risk information from a multiple number of areas. Risk surveys will be administered to school board members, senior leadership, and principals. We will review prior internal and applicable external audit recommendations.

[00:15:08] We will evaluate documentation, reporting, and compliance requirements. We will also analyze the organization's objectives, strategies, and operating environment. We are currently going through a new strategic plan, so we will use draft language from that plan to incorporate into our review of risk assessment.

[00:15:31] We will also consider governance-related factors such as oversight, delegation, and accountability. I'll give you a second just to take a look at the attachment. Next slide, please. Once collected, risks will be evaluated and prioritized and used to update the audit universe.

[00:15:54] and ultimately incorporated into a proposed risk-based annual audit plan. That proposed plan will later be presented to the audit committee, as we previously discussed, for review, input, and approval. Today's item is to provide the committee with visibility into the process and sequence of events of the OEG's risk assessment process.

[00:16:18] At this time, I welcome any questions regarding this process.

[00:16:37] Not a legend item.

[00:16:55] Sorry, Mr. Woods. I didn't realize we were complete with that item. I don't think we have any this time, so we can move on to information item 5.02, Office of the Auditor General Newsletter.

[00:17:12] Yes, the final item I'm presenting today is the OAG Newsletter. The OAG is in the early stages of developing a periodic newsletter intended to improve communication and awareness of our work across the division. This includes the audit committee, the school board, and division staff.

[00:17:31] The newsletter is envisioned as a brief, concise publication that may include updates on ongoing or recently completed audits, highlights of common themes or lessons learned, information about audit-related resources or best practices, so topical requirements if they ever come up as recommended audits.

[00:17:52] We'll throw those in there as well so the community will understand why those items ended up on the audit universe. or in our audit plan, and general updates related to internal audit and accountability. The newsletter has yet to be issued.

[00:18:09] Today's item is simply an early awareness update to let the committee know that this initiative is underway and to explain its purpose and anticipated structure. There is no action requested on this matter now or in the future. As we continue to develop the newsletter, the OAG will be mindful of clarity and consistency in alignment with LCPS expectations.

[00:18:33] I'm happy to answer any questions or receive feedback for the newsletter at this time. Thank you, Mr. Woods. I applaud the proposal. I think this is a great idea. I understand that it's still in a development phase, but I wondered if you had any thoughts at this time of what you're anticipating as far as frequency and who the newsletter would be going out to, content.

[00:19:01] So we plan to issue the newsletter quarterly. We're trying to figure out the logistics of how we will issue the newsletter. Do we want to attach it to the superintendent's newsletter, or do we want to send it separately?

[00:19:21] The obstacles of sending it separately is are we putting too much information to the community from our division if we don't attach it to something that already has a cadence to how we issue something?

[00:19:36] And so we do know how often, quarterly, we're just trying to figure out what is the best way and manner to issue the newsletter. For principals, it can be attached to a principal update, which they perform weekly.

[00:19:52] So somewhere in a quarter we can attach it to a public or a principal update. But for the public and the greater community, it's just determining what is the best way to provide that information without overloading them with information they are to receive from their child and parent view or through the superintendent's office or other publications that come out of LCPS.

[00:20:21] Yeah, I'm looking forward to it. A couple of follow-up questions. Would you be, I would imagine that any newsletter would include contact information for your office to provide feedback or follow-up for the community.

[00:20:43] Do you anticipate ever conducting polls or specifically asking for community feedback on various topics? Currently, that's not in the works. I recall a meeting with the local auditors in Oregon who actually poll their local community for audit topics as well, and that they include in their audit universe that they present to the audit committee.

[00:21:11] I don't know if we want to go to that level, but now that you bring it up, the community would like us to poll the community. We certainly can do that in the future if we think that's the best practice. As a parent of two students who attend separate LCPS elementary schools, I appreciate that you're sensitive to the amount of communication that goes out to the community and the possibility of becoming overwhelmed or missing.

[00:21:41] Yes, and we have two individuals. One has a student in our office. One has a student currently in elementary. Another has two who have matriculated through LCPS, and so it helps rely on them to understand what communications they receive as a parent.

[00:21:57] And also, we rely greatly on communications, D.C. Family Communications Department, for helping us in how we communicate to the public. Thank you.

[00:22:19] Yeah, I'm really excited about this, too. I think it's a really great opportunity for your office to share. I think people have heard the phrase, in some cases, what an Auditor General is, but they don't have any idea what you do. So I think it would be a really great way for you to communicate that, at least out to the public. I think one of the things I always get concerned about and that I work with my clients on when they're doing surveys or they're going out to the community is if you're going to ask, then there's got to be some action on the back end.

[00:22:46] And I don't know bandwidth-wise whether or not you all have the bandwidth yet to be able to take action. It's great to get the feedback, for sure, but I think you've also got to measure. We're already going to get, I'm sure, a pretty substantial laundry list of items.

[00:23:04] And when you go out to the community to ask for more, it's just going to make it even bigger. I don't know. It's a pro and con thing. I don't know that I have necessarily a set viewpoint on that. But I always like to say if you're going to survey and you're going to ask people, then you better be ready to take the action on it. So I think we just have to level set the expectation about receiving the input but not necessarily being able to deliver the output on that quantity of potential input you might be getting.

[00:23:31] So I think it's just something to be mindful of as we're doing it. I think it might be interesting to maybe even do that in a phased approach where you're starting with a smaller audience of, you said principals and administrators and board and see what you get from that first and then maybe in another year then expand that out to the public at some point.

[00:23:52] I don't know. I'm not – I'm just throwing out ideas at this point in time because I think I just – you ask this community, you're going to get an awful lot, and the question then becomes you don't want them to really say, well, he asked, but they didn't do anything with it, right? Correct. And it goes about, well, who is prioritized in that?

[00:24:09] Because usually the voices we'll hear the most are those who are unhappiest voices are usually going about their business. And so when those voices do respond and it doesn't end up on our docket to perform an audit, they'll become disillusioned.

[00:24:27] And so it becomes one of what you said is that once we take those responses and it doesn't end up, it looks like we're not doing anything about it. Also, the principals are 100, give or take. And so their responses alone are a lot.

[00:24:45] And so when you do add the community in, it does become a lot. We do have a hotline currently, and that is open to the public. And any time the public wants to submit a hotline concern, it is available. And so there is an avenue for them to reach us and submit a concern that doesn't necessarily have to end up in the audio universe.

[00:25:09] But because of their concerns, some of the things that they do indirectly do end up on the audit universe. And so I won't go in deep detail, but the universes we have provided in the past have been a result.

[00:25:24] Some of the items have been a result of information submitted on the hotline from community members. Great. And so I think, yeah, I think that's great. And it's not that I don't want to hear from the community because absolutely I do. It's just I'm worried about the bandwidth and capacity issue and then also the responsiveness question, too.

[00:25:43] So it's just all part of the stuff in the mix that you've got to sort out as you're building this out. But I'm excited for the newsletter. I think it's going to be great. And I think even kind of a phased approach with the public in explaining and rolling out what you do and I think sharing the hotline again and what the purpose of that is I think is really important.

[00:25:59] So thank you for doing this. Thank you. Mr. Pepper. Thank you, Chair Donahue. Just real briefly, I know you're talking about – I heard the discussion, do we send it out on our own? Do we send it out as part of the superintendent's update?

[00:26:15] Do you have a general idea of the length that this letter is going to be? Is it going to be brief? Is it going to be detailed? What are you thinking? I would like to keep it to a one-pager. I do think that when

audits are completed, it could go to two pages. I think the first one will probably be a two-pager just because we want to explain who we are, what we do.

[00:26:37] And so that one might contain more than just snapshot information. So ideally, one page, you want to keep it quick. You want to let people know what you do. uh where they can contact you um and then just give them fun facts but um when audits are done maybe two pagers the first one maybe two pagers but uh in the future ideally one page i'm just going to say this as a as a parent in lcps if i kind of email from the audit first thing i'd be like what is this and the second thing i would see is this seems very dense and yes um readership might not be necessarily as high as if it was just thrown in with like this is the lcps update

[00:27:16] oh look at this there's something on audit just gonna put that out there because not not all of us are as geeky as probably three of us up here talking about audits you guys on that side of the table as well so just some food for thought but um we will uh try to avoid jargon or audit jargon and keep it uh very straight to the point and uh as as fun as an audit newsletter can possibly be

[00:27:40] I am excited to read about in particular fun audit facts so I'll be looking forward to the first issue with that we will move on to item number six on our agenda new business then on to our adjournment thank you all

[00:28:16] for coming today our next meeting will be May 6 2026 at 6:00 p.m. hope to see you there and get home safely.



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