# Table of Contents

Executive Summary .................................................................................................................................................. 3  

Background, Scope and Objectives, and Methodology ......................................................................................... 3  
  Background .......................................................................................................................................................... 3  
  Scope and Objectives ......................................................................................................................................... 3  
  Methodology ....................................................................................................................................................... 4  

Audit Findings, Recommendations, and Management’s Responses ................................................................. 4  

Executive Summary

This audit report summarizes the results of the Office of Auditor General’s Business Process Audit at Luther Jackson Middle School conducted on January 13, 2020. The audit was performed in accordance with the Fiscal Year 2020 audit plan approved by the Fairfax County School Board. The primary objective of the audit was to determine the adequacy of controls and processes in place for managing local school activity funds and appropriated funds during FY 2020. There were no reportable findings identified during the audit.

We appreciate the consultation, cooperation, and courtesies extended to our staff by the finance technician and principal at Luther Jackson Middle School.

Background, Scope and Objectives, and Methodology

Background

All departments and schools are responsible for business processes that support their core mission. These processes include procuring goods and services needed to meet their objectives and processing cash receipts. For departments, most of these processes are limited to appropriated fund transactions. However, in a school, there are both appropriated fund transactions and local school activity fund transactions.

These audits will be performed on an ad hoc basis depending on (1) changes in management/staff, (2) the results of the continuous 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 timely identified. The primary regulations include, but are not limited to:

- Regulation 5111 Financial Management Reports (FMR)
- Regulation 5810 School Activity Funds Management
- Regulation 5350 Procurement Card Management
- Regulation 5012 Purchasing Goods and Services Using Appropriated and Nonappropriated Funds

Scope and Objectives

We conducted this audit in accordance with generally accepted government auditing standards, with the exception of peer review. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit covered FY 2020 financial activity. The audit’s objectives were to:

- Evaluate the effectiveness of processes and 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 to be fraudulent
To answer the audit objectives the audit team used various methods, including the following:

- Meeting with school-based staff
- Reviewing relevant laws, rules, FCPS policies and regulations
- Reviewing prior audits and reviews
- Testing sampled transactions (procurement card, receipt, disbursement, etc.)

The FCPS Office of Auditor General is free from organizational impairments to independence in our reporting as defined by government auditing standards. The office reports directly to the School Board through the Audit Committee. We report the results of our audits to the Audit Committee and the reports are made available to the public via the FCPS website.

**Methodology**

The Office of Auditor General’s audit approach assessed the school’s current management of internal controls covering local school activity funds and appropriated funds. The structure of this audit was designed to assist principals and finance technicians in understanding the question “where are we now?” and what processes and controls must be in place to ensure compliance with FCPS regulations and best practice guidelines moving forward. The audit examined monthly expenditures, records, and statements; reviewed monthly reconciliations; conducted interviews with appropriate employees; with the goal of understanding the school’s current standing moving forward. Information was extracted from Payment Net, Great Plains, and FOCUS for sampling and verification to source documentation during the audit; however, our audit did not include an independent review of system controls.

**Audit Findings, Recommendations, and Management’s Responses**

There were no reportable findings identified during this audit.