



*Fairfax County Public Schools
Office of Internal Audit*

*Annual
Audit
Plan*

FY 2010

This page intentionally left blank

TABLE OF CONTENTS

Operational Audits

Grants Management	1
Travel	2
School Reviews	3

Grants 4

Individuals with Disabilities Education Act (IDEA)	
Great Beginnings	
Safe & Drug Free Youth	
<i>The audit was scheduled for completion as part of the FY 2009.</i>	

Procurement Card Audits 6

Other Internal Audit Projects 7

Continuous Auditing Efforts	7
Follow-up Reviews	8
Advisory Services/Requests/Projects	9

This page intentionally left blank



FY 2010
Audit
Process

DEPARTMENT: Financial Services
Various Offices

SUBJECT: Grants Management

STAFF DAYS: 60

Note: *This audit was scheduled for completion as part of the FY 2009 audit plan but will be carried over to FY 2010.*

DESCRIPTION OF SCHEDULED AUDIT:

FCPS receives grants from federal, state, and local government agencies, private foundations, non-profit organizations, charities, and privately and publicly held corporations. The types of grants applied for or received include entitlement grants (e.g., Titles I-V, IDEA, Impact Aid), earmarks, and competitive grants that may include block grants (as a subrecipient of Fairfax County).

The purpose of this audit will be to review the FCPS grants manual and to review and evaluate compliance with the established guidelines for a sample of departments/schools.

The objectives will be to determine that:

- FCPS guidance is in line with applicable regulations and provides for adequate Internal controls over decentralized grants management
- Procedures are in place to ensure timely notification is provided to grant managers when changes occur
- Appropriate steps are being followed by employees involved in decentralized grants management

Risks associated with grants management may include:

- Inaccurate or incomplete records
- Inadequate monitoring and reporting
- Inappropriate acceptance of grant awards
- Lack of compliance with grant requirement
- Assessment of penalties and/or “high risk” status



DEPARTMENT: Financial Services
Various Offices

SUBJECT: Travel

STAFF DAYS: 60

DESCRIPTION OF SCHEDULED AUDIT:

FCPS has established procedures for approving and paying expenses for employees while on official travel. Official travel is that which is considered essential to the effective operation of FCPS and is classified as either local or nonlocal. Local travel does not require an overnight stay or air/rail transportation (excluding Metro) and is paid from a centralized operating fund. Nonlocal travel requires either an overnight stay or air/rail transportation (excluding Metro) and is paid using departmental budgeted funds.

In 2007, the Department of Financial Services launched Online Travel. Online Travel is a web-based application used to submit, approve, and track official travel requests. The application calculates expenses using the U.S. General Services Administration (GSA) per diem rates for lodging, meals, and incidental expenses and the U.S. Internal Revenue Service (IRS) established standard mileage rate. The implementation of Online Travel eliminated the requirement for submitting travel related documentation to Financial Services for review; however, each office is required to maintain these on file.

The purpose of this audit will be to review employee travel, local and nonlocal, on a sample basis, to determine compliance with the online travel certification and FCPS travel regulations and other related guidance. The scope of this audit will not include travel for athletic events or field trips.

Associated risks may include:

- Inaccurate or incomplete records
- Reimbursement for personal expenses
- Reimbursement for expenses paid by another organization

FY 2020
Accrual
Audit
Process





DEPARTMENT: Cluster Offices
Various Schools

SUBJECT: School Reviews

STAFF DAYS: 40 Days Total

FY 2020
Annual
Audit
Plan

DESCRIPTION OF SCHEDULED AUDIT:

Each school in FCPS is responsible for the management of funds from various sources. The local school activity funds are audited annually by an outside auditor in accordance with state code.

The purpose of this audit will be to review the controls over the management of all funds for a sample of schools.

Associated risks may include:

- Lack of adequate control over processing, recording, and reporting financial activity
- Lack of adequate documentation to support reconcilements, receipts, payments made, and reports submitted
- Inadequate separation of duties



DEPARTMENT: Financial Services
Department of Special Services
Instructional Services
Cluster Offices

SUBJECT: Grants

STAFF DAYS: 180 Days Total

DESCRIPTION OF SCHEDULED AUDIT:

Fairfax County Public Schools (FCPS) receives grant funds from federal, state, and private industry sources to support a multitude of programs.

The purpose of this audit will be to determine the adequacy of controls over funds and that funds are used, accounted for, and managed in accordance with the grant requirements.

Associated risks may include:

- Funding not used in accordance with grant requirements
- Lack of a transparent audit trail documenting how grant funds were expended
- Inability to demonstrate achieved outcomes as set forth by the terms and purpose of the grant
- Required reporting not submitted in a complete or timely manner
- Lack of documentation to support reports submitted

Audits will be performed within the following:

- The Individuals with Disabilities Education Act (IDEA) is a law ensuring services to children with disabilities throughout the nation. IDEA governs how states and public agencies provide early intervention, special education and related services to eligible infants, toddlers, children and youth with disabilities. FCPS receives approximately \$20 million.
- Great Beginnings has provided new teachers with training and support since 1995. FCPS has received new funding from Apple Federal Credit Union to enhance the Great Beginnings teacher mentoring program. These funds, \$175,000 a year for possible 5 years, will kick off "The Next Generation" with a week of new teacher training in August. This audit will focus on the controls that are implemented to track and monitor the funds and fund usage.

FY 2020 Access Audit Report



DEPARTMENT: Financial Services
Department of Special Services
Instructional Services
Cluster Offices

SUBJECT: Grants

STAFF DAYS: 180 Days Total

FY 2010 Access-Audit Report

- Safe & Drug Free Youth – (**Note: This audit was scheduled for completion as part of the FY 2009 audit plan but will be carried over to FY 2010.**) There are federal grants associated with Safe & Drug Free Youth, a flow thru grant and a competitive grant as follows:
 - The flow thru grant is Title IV A, Safe and Drug Free Schools and Communities Act. FCPS applies to the Virginia Department of Education for this funding. This grant is concerned with the NCLB objectives of keeping schools safe, drug free, and conducive to learning. The allocation for FY 2008 was \$480,852. The grant funds 3 Alcohol Tobacco and Other Drug (ATOD) program specialists, an ATOD prevention instructor, stipends to the 19 community coalition leaders (including consultants, facilitators, etc.), funds for coalition activities, and conferences for staff.
 - The competitive grant is the Drug Free Communities Support Program grant, and FCPS applies for this funding in partnership with the Unified Coalition of Fairfax County (which consists of the 19 coalitions and their community partners). This funding is provided through the Substance Abuse and Mental Health Services Administration. The purpose of the grant is to fund programs that reduce substance abuse among youth. Funded activities include community awareness campaigns (Like “Parents Who Host, Lose the Most”), increased police enforcement through activities like merchant checks, and the promotion and sharing of prevention resources across the county. For the latest budget period (September 2007 to September 2008), FCPS received \$99,233.



DEPARTMENT: Various
SUBJECT: Procurement Cards
STAFF DAYS: 50 Days Total

DESCRIPTION OF SCHEDULED AUDIT:

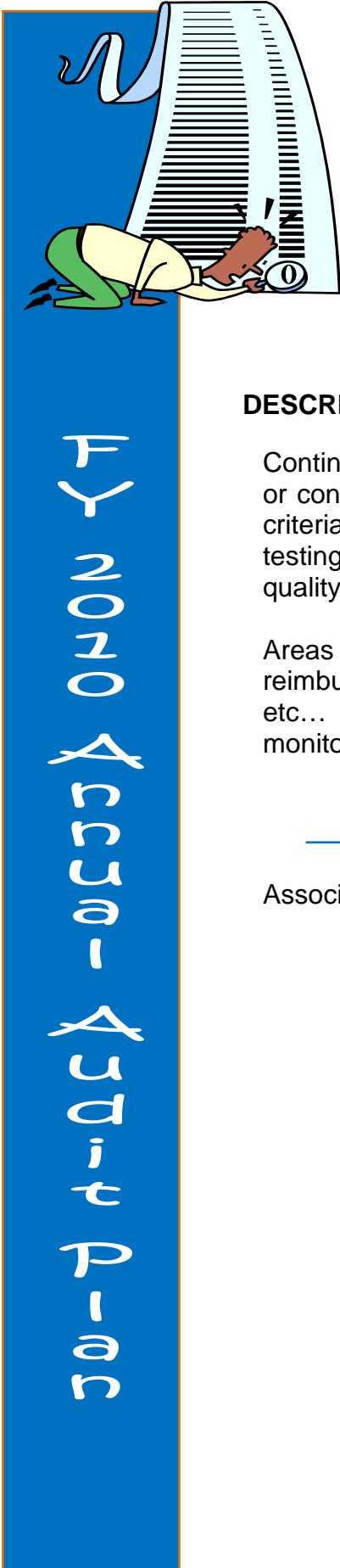
The use of procurement cards offer efficiency and savings, but can be an area of high risk if adequate internal controls are not in place. This program provides the potential for the same individual to order, pay for, and receive goods and services. This audit will focus on the use of cards by FCPS schools and offices.

The objectives of these reviews will be to ensure the adequacy of:

- Controls over the access, handling, and safekeeping of the cards
- Maintenance of appropriate documentation
- Adequacy of approvals, card oversight, and reconciliation

Associated risks may include:

- Improper or abusive purchases
- Inaccurate or incomplete records
- Inadequate monitoring and reconciliation
- Purchase of services or items not received by the County



DEPARTMENT: Various
SUBJECT: Continuous Auditing
STAFF DAYS: 36 Days Total

DESCRIPTION OF SCHEDULED AUDIT:

Continuous auditing is a process of performing auditing on a more continuous or continual basis. It is a process that tests transactions based on prescribed criteria to identify anomalies. This allows for more detailed and more frequent testing, increased audit productivity, and faster identification implementation of quality improvement efforts.

Areas which may be reviewed could include, but not be limited to, non-travel reimbursements to employees; payments to unusual vendors; overtime trends; etc... Internal audit will be coordinating continuous auditing efforts with the monitoring efforts being implemented by the Department of Financial Services.

Associated risks vary depending on the type of activity under review.



FY 2020
Accrual Audit Process

DEPARTMENT: Various Offices Schoolwide
SUBJECT: Audit Follow-up Assignments
STAFF DAYS: 30

DESCRIPTION OF SCHEDULED AUDIT:

The purpose of performing follow-up reviews is to determine that corrective actions have been put into place to address audit observations. We will perform steps necessary to determine that agreed actions have been implemented in a timely manner and whether operations continue to have an adequate control structure in place. These follow-up efforts, as required by Government Auditing Standards, will help ensure that efficiencies and controls are achieved.

When preparing a response to an audit, management indicates what actions they plan to take to address audit observations and the anticipated date of completion. While it is management's responsibility to implement agreed upon actions, we will institute a procedure for contacting management to obtain feedback regarding progress made and to obtain justification for actions that are not taken within the agreed upon timeframe.



DEPARTMENT: Various Offices Schoolwide
SUBJECT: Advisory Services/Requests/Projects
STAFF DAYS: Varies

FY 2020
Annual
Audit
Plan

DESCRIPTION OF SCHEDULED AUDIT:

These budgeted days will be used to provide various services to management. These services are usually initiated by a request from management and may include:

- Participation in management committees and task forces
- Performing an analysis on a project or operation
- Reviewing draft procedures and policy guidance
- Completion of small operational reviews
- Participation in a system development life cycle

Assisting management with the above activities allows internal audit to take a proactive approach to controls. For example, by performing a review of draft procedures and policy guidance audit will make suggestions regarding controls that management may want to put in place. It is more efficient and economical to design a sound control environment from the beginning rather than to try to fit controls in after a function or process has been in place for a length of time.