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Fairfax County School Board Audit Committee Meeting, Monday, June 15, 2026

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- Official meeting video (YouTube): <https://www.youtube.com/watch?v=GBc9BZ0c04A>
- Official School Board page (FCPS): <https://www.fcps.edu/about-fcps/leadership/school-board>

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[00:04:09] So this June 15, 2026 regular meeting of the Fairfax County School Board Audit Committee will come to order. Mr. Dannon has submitted a request to attend this afternoon's meeting remotely due to a personal conflict as he has a work conflict and is located in Burke, Virginia.

[00:04:25] I have performed an initial review of Mr. Dannon's request and having found it to be in compliance with the school board's remote participation resolution, I have approved the request. Mr. Dannon, please check your audio and visual. Good afternoon, everybody. Okay, perfect. I now ask board members physically present to vote on the following.

[00:04:43] I now ask all committee members who are physically present to vote on the following. All those in favor of confirming the chair's approval of Mr. Dannon's request, that is unanimous for those in the room, Mr. Henderson and Mr. Macklin.

[00:05:06] We will now approve the meeting minutes from the May 11, 2026 Audit Committee meeting. So I move that the -- or do I have someone to move this? Okay. that the Audit Committee approve the minutes from the May 11th, 2026 meeting with leave for the clerk to correct any formatting technical or grammatical errors.

[00:05:28] Do I have a second? Yes. Okay. Mr. Moon, all those in favor? That is unanimous. Mr. Dannon, how do you vote? Mr. Dannon is also in favor. Favor, yes, thank you. Unanimous, thank you. Okay, item 1.03, business process audits.

[00:05:45] I call on Brittany Hamilton for a report on business process audits. Thank you, Ryan. - So good afternoon. Today I will be presenting the business process audit summary. While this summary outlines the key results from five business process audits, the full reports are available on board docs for your detailed reference.

[00:06:05] These audits will be triggered by specific risk indicators, including continuous monitoring results, external indicators, or turnover in key positions with significant financial responsibilities such as principals or finance assistants and technicians.

[00:06:25] The core goals of these BPAs are to evaluate processes and regulatory compliance, test the strength of internal controls and determine if transactions are reasonable and do not appear fraudulent. The scope of work covers both appropriated and non-appropriated funds for FY26.

[00:06:43] We deep dive into the Career and Technology CTE automotive programs at Lewis and Marshall High School and also a comprehensive review of student auto sales which is SAS that program at Marshall High School so audits were completed across four schools one department uncovering a total of 15 findings three high-risk seven moderate and low risk and sorry in five low risk so we will begin on page one of the audit summary on the second column and go over the high-risk findings first so we'll start with Marshall High School so there was one high-risk finding our office

[00:07:22] audited the finance office the CTE automotive program and the student auto sales program so we identified no findings for the finance office in the CTE automotive program however we identified areas of opportunity for the student auto sales program which is sas so as a brief overview marshall high school they host the only student auto sales program in fcps this features an on-site car lot and the sas dealer reports directly to the school-based administrator however there's a collaboration with the

[00:07:58] instructional service department which is isd ct automotive instructors accept donated vehicles oversee repairs for resale and compile a vehicle folder for each resale vehicle, and once a vehicle is ready to be sold, the vehicle is sent to the SAS program to initiate sales process. So while reviewing 10 of these SAS vehicle folders, 9 of the 10 totaling over about 24,000 were missing the required documentation. Specifically, 8 folders did not have CTE instructor signatures on the SAS checklists, four missing inspection stickers, two for Kelly Blue Book

[00:08:37] valuations, and two are missing repair orders. OAG recommends that all vehicle sales be contingent upon completed vehicle folders, and all the required documents are signed. So additionally, we recommend the SAS office prohibits the sale of any vehicles missing these core verification documents.

[00:08:57] So then we'll move down to Waples Mills Elementary, who has two high findings. The first high finding was around sufficient documentation where multiple transactions lack supporting backup documentation, specifically two checks, 10 appropriated P-card purchases, two cash receipts and 10 non-appropriated P-card purchases, totaling a little bit over \$11,000.

[00:09:23] Additionally, a review of the TOPS or teacher online purchasing system revealed that appropriated purchase orders had not received formal wet signatures since October of 2024, so despite being reviewed digitally by the principal and the finance assistant.

[00:09:44] So our recommendation is to prove all, reconcile all payments of monthly statements and checks only when supported, when completed with supporting documentation is attached and submit all PCART payments before the due dates to avoid late payments.

[00:10:02] So then we'll go down to the second high risk finding around bank reconciliations. Reconciliations were missing signatures and dates dating all the way back from September of 2025 up until February of 2026. Also, the bank statements, the adjusting book balance and bank reconciliation for the month of February was out of balance.

[00:10:24] And then additionally, a check remained outstanding since August of 2025. And this appears to be a duplicate check paid out to the finance assistant. So our recommendations is just to bring the school, the accounts into balance, independently sign and date reconciliations and bank statements timely.

[00:10:42] Ensure all reconciling items, such as outstanding and duplicate checks, are cleared and voided in a timely manner. And then we're now going to transition over to our moderate findings, which is on page two. So we'll start with Bryant, which is also on page two.

[00:11:06] It's the first one under moderate findings. This was about obligations and contracts. So four sampled checks bypassed the purchasing process. One transaction was with the finance technician. So instead of the principal signing, the finance technician signed a five-year contract bypassing the CRAM's procurement review.

[00:11:32] And then three transactions were around funds that were obligated without an approved PO. Our recommendation is that the school adhere to the required purchasing process and only the principal signed contracts. Additionally, we recommend that the school has properly completed and approved purchase orders for all transactions before obligating funds.

[00:11:53] And then moving down to Lewis High School, so an unapproved fundraiser. It was a check that was issued to a charity using wrestling fundraiser concession proceeds without getting the required pre-approval from the Office of Comptroller, Regional Superintendent, Assistant Superintendent, and Office of Risk Management.

[00:12:13] And our recommendation is just to secure all required district-level approvals prior to hosting school-based charity fundraisers to ensure physical transparency. And then the second moderate finding is around purchasing procedures.

[00:12:28] where five transactions bypass standard protocols where a tablet was purchased outside of the Focus Accounting System. So we just recommend following the regulations of 5021 and 5012 around computer hardware.

[00:12:45] And then we'll go down to Marshall High School around the SAS program. There was two moderate risk findings on page three. One was for SAS pricing protocols where five vehicles were sold below Kelley Blue Book value without written justification. And our recommendation is that vehicles sold below market value include a signed statement of condition form verified by the SAS dealer. And then the second moderate finding was around internal controls, which is tracking of repair orders and vehicle usage. This was eight out of 10 vehicles were missing fuel purchase

[00:13:24] records for instructor test drives. Additionally, 10 vehicle folders did not have test driving logs to indicate mileage driven by the CTE automotive instructor. So our recommendation is just to develop and

implement standard procedures for tracking instructor vehicle usage. And then we'll go down to our last school, which is Waifels, which is for, I think they had two moderate findings. Yes, two moderate findings. The first one was for sales tax, where one P-card transaction and four employee reimbursements included sales tax, so a little bit over \$100 in sales tax.

[00:14:04] And our recommendation is just to ensure that sales tax is not reimbursable to staff and prioritize P-card usage and ensure separation of duties so the finance assistant does not process their own reimbursements.

[00:14:21] And then the second moderate finding was around multiple P-Card statements across three sample months. They were not reviewed and completed timely. And so our recommendation is just completing and approve reconciliations promptly.

[00:14:37] So we appreciate the RAS and the principals who have provided management responses and proactive corrective actions for these high and moderate risk findings. Management concurs with all the findings in the audit conclusions. We would like to extend our sincere thanks to management as well as finance assistants and technicians for their collaboration through this process.

[00:14:59] And I will bring it back to Ryan. - Great. Colleagues, if you have questions or concerns, please let me know. Seeing none, I'm gonna start off. Okay, okay. Go ahead.

[00:15:14] - So, actually, I have a question just particularly about two schools just 'cause in terms of what the timing was, bryant and lewis i know that both of them got new principals and i think maybe some of them may have gotten some new finance or they had interim principals did any of this occur during that time um for which schools again lewis and bryant lewis yes that was interim principal and then bryant and were there new finance technicians i think maybe at bryant there may have been i'm not 100 client no okay but there was also a transition of principals there as well retire okay i would

[00:15:54] have to look at and verify that okay for the other one yeah so sometimes i'd like to you know see if there sometimes if some of these issues are occurring when there's those transitions happening when there's a new principal coming or an interim or um a new finance technician like to understand if this is happening during transition times okay maybe sema may know a little bit more than i do okay so the question was for bryant and lewis right so bryant um the principal has been there

[00:16:31] since 23 and then the the ft's been there for a very long time and then for lewis the principal has been is new yeah and then the finance person has been there since 2020. mr man oh - Oh, thank you, Mr. Chairman.

[00:16:58] Thanks for the presentation. Just a few questions. This one is due to my ignorance of understanding a terminology being used. When you say cash disbursements, are we talking about checks?

[00:17:17] What about cash receipts? Is that cash, not checks? - When you're taking in cash, there is a manual deposit slip that's filled out. - So cash receipts is cash. - Say it one more time. - When we say cash receipts.

[00:17:33] - It's not always cash. It could be checks to, yeah. - Cash disbursements is checks. - Checks, correct. - Second one is, for the Bryan Alternative High School, I'm looking at the page number two, the last sentence below Bryan Alternative School.

[00:17:53] When the sentence goes like, "OA recommended the school adhere to the purchasing process and has a properly completed and approved purchase order for all transactions before obligating funds.

[00:18:09] Isn't that something already required even without wage recommendation? So that's nothing new. Nothing, you're just reiterating what has to be complied with.

[00:18:25] - Correct. - That's sort of like a reminder. They failed to do that. Is that simply that not? - Yeah, I think Mr. One, great question.

[00:18:40] So maybe if I can also go back to your question number one, the cash, the distinction between cash receipt and cash and checks receipt. So we actually have individual audit reports on each of the school that we just reported on.

[00:18:56] There is a footnote there where we highlight, I was just able to find it, cash includes all cash and cash equivalents, including currency coins and checks. So there was that footnote. And we can making sure in the future, in the summary package that we do, we also include that footnote.

[00:19:17] So thank you for highlighting that. The second question about our recommendation. So of course, a lot of the things are compliance driven, because the policy says so, so we have to follow. This one is in particular, if I may just add on to what Brittany mentioned, is very important that before the purchases are made, there has to be pre-approval.

[00:19:40] So while there can be like a lot of different compliance requirements, because this one is so important that we really need to highlight that, that out of all the requirements, this one, everyone, like a finance technician, finance assistant, and principal really, really need to do that before we obligate any fund, if it makes sense.

[00:19:59] - Okay, so going to Marshall High Schools, they use instruction, instructors use vehicles. I don't know whether you are in the office around those times when school system has some concerns regarding instructors' use of vehicles in Marshall High School.

[00:20:22] In the past, there were some concerns, and the fact that it has been brought up again, I'm sure that years gone by, is not comforting on my part, just my note. Okay, so I have a couple questions.

[00:20:41] So ultimately, with student auto sales, who conducts the finance training for them? Is it the CTE office, SEMA's office? Sorry about that. It would be the CTE office that conducts. We do the finance training side of it, which is more on the use of the system and tracking of the inventory items.

[00:21:06] Question for our leadership team here. Do you know if there have been any adjustments in that office? Because to Mr. Moon's point, this has been a long-running concern. I think Jen Glazer has been in charge of that office under Noel and Sloan since I got here.

[00:21:29] But I guess my question is, have we had any, under Ms. Glazer, has there been any change in personnel or efforts to address this? If not, can't you say? I don't know if there's been a change in personnel, but I know when I was first coming into the division, there were some issues, I can't recall what part of it, and my understanding is there were some new parameters put into place, but I don't know if it was at Marshall or a different school, was it Marshall as well?

[00:22:02] And it was around the auto program as well, if I remember. - It was not limited to Marshall. - But Bainconston was a Marshall, my recollection was. - False Church was one of them too, but anyhow, It's been an issue a couple different times.

[00:22:18] In fact, Esther and I have spoken about it. So I think I'll talk with Dr. Presidio. I think his management response, or the one that was written, I think they need to commit to, number one, we also talked about not having everything in handwriting, right?

[00:22:36] The reports should be more visible electronically. And I think that's one of the big keys. Then that becomes more transparent for approvals. but I will check back with him and see where they are with their adjustments.

[00:22:52] - Okay, and I appreciate that. And if you could bring that to a future community, that'd be helpful. So just under our purview today is Marshall. When have we last looked at, or when do we plan to look at the other auto programs?

[00:23:13] - I can try to address that and if my team can support me on it. So for the automotive program, there are many different career technical education programs across the counties, right? So we have actually looked into many of them throughout the last year.

[00:23:30] And we got a lot of support from CIMA's office, the financial services actually have helped to transfer a lot of the manual process into automated process for the automotive repair program. So that we really see a lot of movement, positive movement.

[00:23:49] The one that we report on today, mainly focusing on the student automotive sales program. So that is a little bit more unique, where we actually selling kind of like donated cars after it has been fixed by the automotive repair program.

[00:24:04] So there's only one SAS program across in the entire county, which is the Marshall High School program. Does it make sense? - I thought we sold vehicles out of Edison and Falls Church or, no, go ahead.

[00:24:23] Oh, okay, so it's like a hub and spoke. Yeah, because there's only my, maybe Dr. Rand and Marty can help me, but I think that there's only one dealer, like an auto sales dealer, who is located in Marshall High School. I do believe that is correct, and Marty and I were just discussing what the last audit issue was, and it was the ordering of parts within the auto program that hadn't been vetted.

[00:24:48] There wasn't accounting for all the parts, which is different than the sale, but it's still in the auto program that I do believe there's one dealer that they do work with to sell these. - Yeah, I mean, this is an extremely valuable program.

[00:25:04] They're bursting at the seams. They don't have enough space to accommodate our students. It's award-winning. The educators are winning grants, but I think at a basic level, we need to figure out how we can assist them and improving these processes.

[00:25:25] Mr. Moon. - No need to debate on this, but at the Marshall High School in that time, it was more than just to say accounting for the parts. It was an instructor's use of vehicles was also part of the concern at the time.

[00:25:46] - I can address that. And so we actually took, I think that every auto program across all of CPS on the auto repair side, we automated it. We actually went there, we took all their paper documentation, taught them how to use the system, gave them a beginning inventory.

[00:26:06] So now the systems automatically tell you sale and it deletes the inventory and it tracks everything so no one can run home with parts and so forth. So that's all been done on the auto repair side, which was the initial findings that OAG had come up with, I think a year, two years ago, I think.

[00:26:28] And then it's taken us that long to do every auto program. But that side's done, and I think once we do the sales side, it should cover the whole program. So, Seema, what Mr. Moon's talking about, the instructor use of vehicles, is that, I don't, which audit was that related to?

[00:26:48] So that must have been different. That was a march. Yeah. That was a march long ago. Oh, long ago. Okay. That must have been. Prior to 2020. Thank you. Okay. That makes a difference. That likely even before my time.

[00:27:04] And this is a new audit that we redo it, take a look at the SAS program. And sorry, one more question from me. Can you differentiate where the line between the FATE program and FCPS is?

[00:27:22] Because my understanding is that FATE was the one that was operationalizing all the buying and selling, both for auto sales as well as the house, homes that are built in Springfield and McLean. Is FCPS actually in the auto sales business, or is that done through FATE?

[00:27:41] That one I won't be able to answer because it's more on the program side. Okay. And we could get some clarification for that particular program, and I think that some of the things that we're talking about are confluence of some HR issues that may not have necessarily gone to audit in the past with individual employees.

[00:28:07] Okay. So with apologies, I think we're requesting more information from our leadership team friends on this one. Okay.

[00:28:24] That could -- I think it would be helpful to bring it back to the Audit Committee. And Esther, just whatever the administration's report back. May I suggest that because we will need to work on follow-up, right?

[00:28:40] these are open audit recommendations so it i think to me it makes a lot of sense to give management you know some time to work on it when we bring it back for audit follow-up i don't know about the timing maybe in a couple of months i want to say october and november time frame so that then we can bring in more contents about that and then together to mention about the status of the audit recommendation so we can do it all together i don't know would it be something that is workable for the audit committee meeting yeah i mean that that's fine but oh yes that that works if that

[00:29:16] works sure absolutely i'll talk to dr presidio i thought they had provided a management response but it sounds like we want more follow-up right so they will say that oh this system will be improved training will be provided um so that there are some actions they have to be taken that that makes sense okay moving on okay so now we're going to move to item 1.04 FY 26 quarter 1 and quarter to continuous monitoring so I call on Brittany Hamilton again for the report on FY 26 quarter 1 quarter 2 continuous

[00:29:55] monitoring thank you so a OAG performed quarterly continuous monitoring for FY 26 Q1 and Q2 under the school board's approved audit plan and government standards. Continuous monitoring utilizes technology-based audit techniques to analyze patterns, trends, and specific transactions. Rather than focusing on individual school performance, this process provides a high-level summary of systemic issues across FCPS. So we reviewed 112 sites, including 34 in

[00:30:31] in person. 70 sites had zero issues. 21 sites had minor issues, 22 had no transactions sampled. And the findings in the chart on page two are our usual findings for continuous monitoring.

[00:30:48] So the top three are bank reconciliations, timely payment, and non-bank reconciliations. So the bank reconciliations are going to be issues around untimely completions, missing signatures and dates adjusted book balance is not matching the summary trial balance reports and then timely payment which is our second one is going to be around invoices not being paid timely and then non-bank which is the third one it's going to be procurement card statements that lacked timely reconciliation signatures or dates so no material concerns were found at a site level

[00:31:26] accept the competitive bidding exception so while a school originally bypassed standard procurement channels and due diligence for a field trip contract for over a hundred well over two hundred thousand the severity of the exception is softened due to an identical trip and vendor that was utilized by another school where verification and proper due diligence was successfully completed through the office of procurement um so for all our next steps our minimal are sorry our memos are given out to our individual schools and have been sent out to management

[00:32:04] oag will determine if further continuous monitoring or a full bpa is required or for these specific locations we would like to again thank management for their collaboration and with that i'll bring it back to my end. MR.

[00:32:21] Great. Any questions or concerns on this? Okay. Seeing none, we'll move on to item 1.05, FY26, Hourly Employee Structure and Stipends Audit. I call on Nia Chawab and Tim Tishman for the report on FY26, Hourly Employee Structure and Stipends Audit.

[00:32:41] Thank you. Good afternoon. Today we will be presenting the results of our performance audit of hourly employee structure and stipend.

[00:32:56] The objective of this audit was to evaluate whether the controls governing the hourly structure and stipends are properly authorized and operating in an effective, efficient, and equitable manner across FCPS.

[00:33:19] As a result of this review, we've identified three findings related to the hourly pay band application, verification of homebound and home-based instruction hours, and stipends across all these three areas we noted that the current decentralized and manual workflows do not fully ensure efficiency effectiveness and equity of these processes i'm just going to give it one second okay all right so to walk you through the details i would

[00:33:50] like you please to refer to page 18 finding one hourly pay band structure and application in order to understand this finding i would like to first describe the current framework of how pay bands are applied or determined so within the current framework once employees are hired they're entered into the system or lawson are a pay band one or defaulted pay band one then principal and program managers uses the manual paper based hr

[00:34:25] 11, or what it's called a temporary assignment online time information form to transition the employee from the default pay band to the correct assigned pay band. Employees then manually enter or type these pay bands from the HR 11 form into my time reporting so they can get paid.

[00:34:45] So in short, while this process gives operational flexibility to the department and schools, The manual paper form HR 11 is the only authorizing document that documented the paybent for our hourly employees. And because the paybent are currently assigned at a manager distraction with no second review, we found that the process may allow for pay or unauthorized payroll expenses.

[00:35:13] So to give you a better picture here, we tested a sample of hourly employees across department and schools, reviewed the HR 11 form and found instances where pay band did not align with the work description. For example, as illustrated or detailed in the table on page 19, an employee HR 11 description was energy management technician. The manager here assigned pay band 12 for

[00:35:46] the employee. However, based on FCPS job description, this role or this duty align with pay band 7 and pay band 8. Also we found in some cases where employees were paid different pay band for the same work description. For instance, five employees were performing the same duties which were multilingual interpretation, however they were assigned varying pay bands from pay band 8 to pay band 10. In other

[00:36:23] instances we found the work of the work documented in the form was in the HR 11 form was not explicit to determine if the pay band was adequate you may refer to some example on starting on page 19 and because I mean moving to section 2 within our first finding because hourly employees are required to manually enter the pay band into my time to get paid we found instances of errors where the approved records in my time did not approve did not match the HR 11 payment

[00:37:02] We documented the discrepancies in the table on page 20. For example, an employee entered in my time pay band 2. However, the HR 11 assigned him adult and communication or AC band 2, which are two different pay rates per hour.

[00:37:24] So the final observation within this finding is related to performance assessment or the feedback given to the hourly employees. We found that currently we don't have a former process for performance assessments for hourly employees. So for this finding, we have a couple of recommendations, mainly to shift from manual processes to system controls.

[00:37:46] We recommend talent acquisition and management office, or TAM, in collaboration with Office of Employee Services and Operation ESO to enhance guidance and training given to principals in order to train them on how to assign payments. We also recommend SAM to establish a monitoring framework and a secondary review process.

[00:38:11] Within this recommendation, I'm sorry, within this finding, we recommend OER or Office of Employee Relations to create or consider creating an assessment process for hourly employees. Moving to the second finding on page 24, which cover homebound and home-based hourly teacher verification.

[00:38:32] I'm sorry, I did not mention in the beginning that the scope of hourly structure involved or included hourly pay band assigned 1 to 15 and homebound and home-based teachers. So the second finding is related to homebound and home-based hourly teachers.

[00:38:49] Here we looked at how we verify and approve hours for homebound and home-based teachers. So a bit of context here, we have a population of over 700 students receiving these services. And to ensure hours are accurate, teachers must submit weekly family or parents verification emails and a worksheet detailing the subject, the time, and the hours they instructed.

[00:39:12] To ensure all reported hours are accurate and authorized before payment, we have a team of three coordinators. I believe now they're down to two who manually cross-reference all of these family emails and verification detail using an Excel tracking sheet.

[00:39:28] So here again, we found that the manual nature, the process is a manual and decentralized and it's structured in a way that may allow for an authorized payroll expenditure. So specifically, we found instances where teachers were compensated for instructions.

[00:39:48] However, we could not determine if family verified those hours. We also found instances where teachers were compensated for instructions that exceed the weekly limits included or set by Regulation 2140.

[00:40:03] We also found that currently we don't have a tracking mechanism to document any action taken for students that have three or more consecutive cancellations, meaning we don't have a process in place to track if services were paused or terminated for these students.

[00:40:20] Here we're recommending the OSS or Out of School Support Office to explore transitioning to a digital verification process and also establish a tracking mechanism to document any action taken for students within three or more consecutive cancellations.

[00:40:42] Our final findings bring us to stipend on page 28, stipend structure and application. Here we found some areas of improvement. So while HR reviews stipends for compliance before process and payment, we noticed that there is no process in place to verify that stipends are tied to an actual active existing activity.

[00:41:09] Without that check, there is a risk that stipend funds could be used for activities that do not exist at the school. Additionally, because the stipend contract review is a manual process, we found instances where stipend payments exceeded the limits without any documented approval.

[00:41:30] We also look at how stipends are distributed across FCPS. Specifically for department chair stipends, we found one school that consolidated the entire budget for six department chairs into one single payment or one single stipend for one employee.

[00:41:49] in the amount of \$8,910. And last, within this recommendation, we found that there's no guidelines on the number of stipends a single employee can hold during a school year. For example, during FY25, as shown, or detail and table on page 29, there were instances where employees receive more, seven or more stipends with total compensation reaching as high as \$13,000 for one employee during one school year.

[00:42:22] So for this last finding, we recommend ESO or employee services and operations to consider implementing an electronic workflow system for stipend contracts to establish a verification protocol to ensure that stipends are tied to an existing activity at the school and to establish guidelines on the number and types of stipend an employee may hold per year.

[00:42:49] So to wrap things up, the underlying theme here for all these three areas is the manual decentralized system. Per our understanding, the new HCM, or the human capital management, is positioned to remediate some of these observations.

[00:43:08] Management concur or agree with the finding and recommendation and provide all the corrective actions. We thank them for their exceptional cooperation throughout this audit. This concludes our presentation and I will now hand it back to Ryan for questions.

[00:43:24] Great. Any questions or concerns? Yes, Ms. St. John-Cunning. So, I mean, in terms of the different compensation for different pay bands for the same job, and I'm just going to speak from my

experience because I was an interpreter, and depending on what level of interpreter you were and how many years you were, you got paid more versus a new interpreter.

[00:43:51] So when you're talking about that discrepancy, did you, I don't know if that still exists, if that changed at HR since way back when, in my day. Well, Mr. Smith and I were just talking that it wouldn't be unusual for a staff member to have multiple stipends if they're doing multiple things.

[00:44:10] Well, I'm talking about the hourly interpreters that I would, and then plus, I would have to go, this is not the stipends, this is hourly. as an hourly interpreter, because I had been an interpreter for so long, I had a higher hourly rate than somebody that just came into the system. Also, my level gave me a higher hourly rate. And so when you're saying, so then when my, so if there were two interpreters at an event, sometimes, let's say there's an event where you have an Urdu, a Spanish

[00:44:48] and a Vietnamese interpreter. You could have three different interpreters at that school working the same job, but they could be at different levels and be at different pay bands. So when you said there was that discrepancy for the same job, but they had a higher pay band.

[00:45:08] I'm trying to understand if you guys teased that out. - Yeah, so that's a good remark. So here, the supporting documentation that we use here to come up with this conclusion is the HR 11. within the HR 11, it has a description of work. The only information that was included in the HR 11 within the description of work is multilingual interpretation.

[00:45:30] So for us, like from other lenses, like where we have different HR 11 for different employees with the same description of work, but it has, you know, but the pay band is different. So the description of work was not detailed enough to, Like, for example, like you said, multilingual, and then the language with five or four years.

[00:45:57] Those discrepancies could be valid. You were just saying this is, all three were there for the same job, but they got paid at different levels. And you didn't look to see with the same discrepancies. So here, like, we're looking at the process in general, like the process of having HR manual as the only authorizing documents that shows what the manager assigned is not working.

[00:46:22] So we're looking at the process. That's why we did not go into details of why these employees, they're having the different pay bands for the same description of work. Like the purpose of this audit is to look at the process to ensure that the manual, the paper manual HR11 is not efficient.

[00:46:44] Yes, efficient. And yet, how, so I would show up at a school, right, and then someone at the school would have to verify that I was there, and they would have to sign a paper. How would, I'm trying to figure out, like, in terms of efficiency, and let's go back to an event that has three or four or five interpreters.

[00:47:07] How would that verification happen if it's not manually, that there would be a certain person that would have to sign off so that I could get paid? And if there's five interpreters, like, how would you do that electronically? Like, I'm just trying to figure out the logistics of how that could happen.

[00:47:24] I understand that it has to happen, but I can't, in my head, figure out how it can because there had to actually, and you're not necessarily, like, in a, necessarily in, let's say, when you're there for an IEP, it's different because that's, you know, for all practical purposes, a nine-to-five, and there's staff there that will sign it Versus when you're going to an evening event, there may not be that many staff.

[00:47:51] You have to find the one or just two people there that are going to verify that. That's just a wondering, a question. May I try to review maybe like a second review of an HR 11? Because here we have only like one person who's determining the pay band or documentation again of why we're assigning this person pay band eight and this person face.

[00:48:16] there was no documentation with the HR 11 documenting why we gave like just to be just to address the equity part here like why we're getting the same duties to different payments if I may just I think that's good but at the end of the day Mercier I think for us we're looking for a system right we're looking for a process instead of a lot of human decision that we would like that to be documented is a process flow instead of manual so that's kind of the key aspect and I'm sure within FCPS because we have all walks of life right

[00:48:53] translators can be one and I'm sure there are a lot of other positions that have different mature different level of like right work on it too so the same would also apply but what we try to say here is we saw a lot of disparity amongst it and maybe they are legitimate we don't know based upon the documentation that was provided. Thank you. I appreciate this and I you know I know I'm being very specific for what my experience is versus systemic and I understand it would be important to have a consistent systemic situation. I'm just

[00:49:32] trying to figure out how that would happen which is their job. So if I'm mistaken the magnitude the amount of payment that goes out whether it's hourly pay or stipends etc it's about 28 million dollars for hourly and 1.5 for homebound and home-based teachers and close to 18 million dollars for stipend payments correct so all together we are

[00:50:09] talking about 2046 plus about 40 40 close to 48 million dollars not not a small sum so and absolutely it's correct that we need to make sure that those payments are properly made and properly documented and make sure that we are all in full compliance having said that having said that our human capital management system that we are implementing where are we we're there right

[00:50:38] now are we in in fully is that fully in full operation or are we still we will and good afternoon everyone we'll be coming into phase one of the human capital management my path Our new HCM tool will begin in December, which will be our payroll processes, a lot of our foundational work that will happen in December.

[00:51:09] And a lot of these issues will be controlled for within the HCM. We'll be able to set up rules within the HCM. We'll have greater consistency around the pay bans. A lot of that will be preordained within the HCM itself.

[00:51:26] So that's when a new HECM is going to require instead of paper, is it HR 11 you said the form is? So instead of using that form, it's going to be online. And when you say it about, you know, pay money exceeding amount budgeted, that it's going to catch that.

[00:51:44] So it's going to put a limitation on how much one can spend. If someone is paying outside the pay band, then that can be cut automatically by HECM. So all this can be addressed from this. we will be able to address those issues and set up those rules within the HCM, so yes.

[00:52:03] - Okay, and so one last thing is, correct me if I misunderstood your recommendation, is to have someone to actually check or assess the work that may be done by this HCM later on by our computer system.

[00:52:27] Is that, was your report recommending the school system to have someone to look, review what is being put in, how the money's being paid out of this altogether \$48 million bucket, is that?

[00:52:49] - Yeah, so our main recommendation for all three areas, since all these areas rely on manual decentralized process, is to transition from the manual process in the control system. And for the first finding for hourly instruction, we added another recommendation for a second review for HR 11 since it is up to the manager.

[00:53:12] - I guess that's the point. Second review is somebody has to do the second review, whether that can be done by HCM without costing additional money or requiring more positions created. - Correct, correct.

[00:53:28] And that based on management corrective actions, the new system will remediate this observation. However, the only way we can find that is during that follow-up. When we follow up with management for these recommendations, we'll probably do a demo or sit down and do a walkthrough to see if those observations are going to get flagged.

[00:53:53] I'm just hoping that with the significant investment we have already made in acquiring HCM and implementing from December 1st, all these issues can be addressed through HCM rather than creating additional positions or additional layer of someone actually doing work what that can be done by HCM.

[00:54:13] That's what I'm hoping for. Yes. - May I just, yes, so if I can just supplement the response is that we really hoping HCM is the solution, right, and it looks like it is the solution. What audit will do, Mr. Moon and audit committee members, is that we will double check, right, from an audit lens, has that capability to be able to resolve the risk that we identified?

[00:54:39] And then we will circle back with the audit committee during the audit follow-up because we will report back. - I get that, all right, thank you. - And if I may, so we're appreciative of this audit and I think that as Esther shared, it's the risk that is aligned with our issues that we have now and our HR team has understood some of these areas and concerns for some time.

[00:55:07] We just didn't have the tools to be able to address it in the way that we will be able to do with the HCM. So there are some procedures and practices that we've recognized were in place and have tried to work around without having the appropriate tools.

[00:55:22] So aligned with the risk and practice, we'll be able to fix that with the HCM. - Okay, I'm looking forward to next follow-up report will clarify our capability or HCM's capability of being able to address all the concerns.

[00:55:40] - Ms. Giancani. - A question that I have on the stipends and looking at this, it seems like this would be at high schools. Just a wondering is, and I understand like, look, we have incredible staff and we have staff that are like Energizer bunnies that could do all of this.

[00:56:04] But also I'm wondering if you look at the schools the size and if there were staff resources I'm thinking like if you have a small school and you don't have a large uh pool of teachers then there are those teachers that will step up to the plate to do more than one activity in terms of you know doing some of this work and I'm just wondering you have um one two three five six schools listed like in terms of what size

those schools are i just know like specifically for me for lewis it's a smaller high school so in terms of bandwidth of

[00:56:43] the staff i know several staff members though that do several things because they're willing to step up to the plate they're not a large high school and they don't have a large uh amount of staff members that can step up for different positions maybe i can start and i know that my team is looking for the specific school um mercier so we are very intentional not to include the school names and and i i'm sure you understand why it's because we want the focus to be at this division level right and also we are not saying that the staff member receiving multiple

[00:57:19] stipends are incorrect and we are not saying that too right we want to make sure it's an equitable process that indeed that particular school need that one employee could handle all the different tasks and fulfill the task and receive multiple stipends if that is the case we i think it's okay but to your question I don't know team do we have the specific I mean I mentioned a name just because I I know the situation of one of our schools where

[00:57:58] they don't have such a large staff you know and and I personally know some staff members that do just because they're committed and that might not even be a school that's in here I'm just saying like did we look at this is a school that has X number of students so they would have it we have that information but you don't have to give it to us yeah we don't have the exact number of students that the school has but the this elementary school has between five hundred to seven hundred seven hundred ninety nine students and per

[00:58:31] budget, they're assigned six department chairs for \$14.85 each. Thank you. Well, thank you, Muni and Tim, for the presentation. It's much appreciated. Now we're going to move to item 1.06, audit follow-up. So back to you, Muni.

[00:58:55] Thank you. Thank you, Ryan. So I'll be presenting the audit recommendation follow-up as of April 30th. You can go to the next page, please. So as you can see on the page summary, Okay, sorry.

[00:59:27] As you can see on the table on page summary on page two, we have seven audits with open recommendations, and we're able to close six this period. There are 14 outstanding recommendations. Out of those 14, four are not due by April 30th.

[00:59:46] Per our understanding, management is making progress on these outstanding items. So the first item is food and nutrition services on page three. The two recommendations related to benchmarking and updating the regulation are in process.

[01:00:04] Next, on page four, item two, procurement process, we have four recommendations that are in process and were due as of April 30th per our management or per our understanding. The completion of these recommendations are pending the final review of regulations as well as fully implementing the new vendor assessment software.

[01:00:26] On page six, we have the, sorry, moving to item three. On page six, we have the critical process review hire. We were able to verify and close one recommendation related to centralizing instructional hiring processes.

[01:00:44] So in the past, candidate had to apply to a general rule, then email the principal of the specific school they were interested in. Now management has remediated this issue or this finding or observation.

[01:01:00] Now school-specific opt-in are now live in Brass Ring, which is our applicant tracking system, meaning the instructional position are now hired through dedicated requisition for each location. Also, to preserve talent pipeline, qualified applicants are copied and saved on the pool for other opt-in.

[01:01:21] There are three recommendations within this audit that they're in process. Two of them were due as of April 30, 2026. Per management, the implementation of these recommendations is pending the full implementation of the new MyPAT or HCM, the new human resources software.

[01:01:53] Next, we have item four, construction and the renovation contracting process. We were able to close three recommendations. The first recommendation is around project time extension. In the past, there was no former process to document these extensions.

[01:02:09] To address this, design and construction department complemented mentoring training to all staff to reinforce or ensure that extensions are properly documented moving forward. The second item with closed involved the project punch list monitoring.

[01:02:26] The punch list is the list, actually it's an Excel spreadsheet that the contractor uses to document all their outstanding items or things that need to be fixed or replaced. DNC updated their manual to establish their punch list tracking guidelines.

[01:02:43] Now, field construction representatives and architects are required to monitor punctual progress and provide those formal updates during regular project meetings. Last recommendation we closed was related to reevaluating the period between substantial and final completion dates.

[01:03:06] Previously, there was a 30 date between these two milestones. Now DNC has updated the contract specification to remove the 30-day. That way it gives a project team more time to customize that timeline based on the size and the complexity of the project.

[01:03:30] We have three recommendations that are in process and will do as of April 30th that are related to finalizing the draft manual update. is currently waiting for leadership to review the manual also establishing undocumented key performance indicator and benchmark and exploring solution for creating dashboard is in process our last item on page 10 these are business process audit we were able to close the recommendation for Lewis Archer

[01:04:08] elementary school and Cameron elementary school by verifying the appropriate supporting documentation or evidence and in their high school we had two recommendations but they were not do as of April 30th next on page 11 next steps we will follow up on open items on within during the next audit mean I believe it's September audit committee meeting and the last slide on page 12 we have included for your reference OIG framework for the other recommendation follow-up. That brings us to the end of this representation. I will hand it back to Ryan

[01:04:48] for a question. Ms. St. Giancani. Okay. Actually, every time I ask a question, I didn't thank you guys for all your work. So that's what I want to say is thank you because you guys have done a great job. Thank you. Well, and I will- Second. Yeah. And then that third's and I fourth. So I do want to thank everyone for their hard work this year. It's been a long and grueling year. I think it's been a very productive year. You've uncovered some

[01:05:22] things in the system, which we very much appreciate, and you have kept the ship running, and while many complaints come into fraud, waste, and abuse, among other places, so very much appreciate

your service to this system.

[01:05:37] This is the final audit committee meeting of the year. It's been a pleasure to work with my colleagues on the committee as well as staff. It's now been two years and we'll see if I come back as your chair, but if not, thank you again.

[01:05:54] And I do want to remind everyone that on June 23rd, we will be having our risk assessment work session as a board, so I look forward to that conversation as a full board.

[01:06:10] So with that, the audit committee. Mr. Chairman, on June 23rd, am I correctly assuming that you will be managing that portion discussion okay so I don't have to worry about that thank you I'll be at the work session but I'm not managing it okay so with that the audit committee will now make a motion on June 15th 2026 to go into closed meeting to the one discuss personnel matters pursuant to section 2.2 3711 a 1 of the code of Virginia and to consult with legal counsel regarding specific matters requiring the the provision of legal advice by such counsel

[01:06:47] pursuant to section 2.23711A7 and A8 of the Code of Virginia. Hold on, we're updating the motion.

[01:07:05] We struck something. With apologies. The Audit Committee will now make a motion on June 15, 2026 to go on a closed meeting to discuss personal matters pursuant to section 2.237A1 of the Code of Virginia and two, consult with legal counsel regarding specific matters regarding the provision of legal advice SUCH COUNSEL, PURSUANT TO SECTION 2.23711 A.7 AND A.8, GO TO VIRGINIA, SPECIFICALLY A, STUDENT DISCIPLINE AND B, PERSONNEL MATTERS.

[01:07:41] DO I HAVE A MOTION? MOVED BY MR. MOON, SECONDED BY MS. ST. JOHN CUNNING. ALL THOSE IN FAVOR, THAT IS UNANIMOUS, INCLUDING MR. DANNON ONLINE. OKAY, WE ARE NOW RECESSED AT 5:07 PM AND WE'LL MEET IN CLOSED SESSION.



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