

Consultative Project of VIDE Payroll Processes

April 24, 2025

**ISSUED BY:
VIDE INTERNAL AUDIT DIVISION**



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Department Purpose:

The Internal Audit Division (“IA”) is an independent, objective assurance and consulting activity designed to add value and continuously improve the operations of the Virgin Islands Department of Education (“VIDE”). We help VIDE achieve its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of internal controls within its Divisions.

IA evaluates procedures and processes relating to our governance, operations, and information systems by assessing the following:

- Effectiveness and efficiency of operations
- Reliability and integrity of financial and operational information
- The culture and attitude around issues of integrity and ethics
- Compliance with laws and regulations

IA is expected to provide recommendations for improvement in those areas where opportunities or deficiencies are identified based on best practices. While management is responsible for the overall internal control environment, IA is responsible for providing assurance to the Commissioner and VIDE's Senior Leaders that its internal controls are designed and operating as intended.

Background:

The Government of the Virgin Islands (GVI) and the Virgin Islands Department of Education (VIDE) experienced recurring challenges administering various Federally funded programs, the U.S. Department of Education (ED) designated GVI as a "high-risk grantee" under 34 C.F.R. §80.121 in 1998. GVI subsequently entered into a compliance agreement with ED to address its long-standing issues but could not do so successfully. As a result, in 2006 GVI received a letter from ED outlining specific actions it needed to incorporate to spend federal funds granted by ED, this letter is commonly referred to as the Specific Conditions Letter. Each year, ED sends a letter to GVI detailing the specific requirements that must remain in effect to maintain eligibility for federal funding. One of these recurring requirements specifically states that VIDE,

“... must develop and implement a standard operating procedure and guidance for payroll functions involving salaries paid with ED grant funds and establish and maintain an effective and accurate process for tracking and reporting time and effort spent by all employees whose salaries are paid under ED grants, including, but not limited to, maintaining

accurate and up-to-date employee staffing lists and notices of personnel actions; distributing time among different funding sources for split-time employees; and properly allocating salary costs among ED grants, based on records that accurately and properly record the distribution of each employee's work on multiple cost objectives, the time the employee attends work, and, for those employees who work on a single cost objective, semiannual certifications. The Virgin Islands, VIDE, and VIDHS must carry out these responsibilities consistent with Federal requirements in 2 CFR Part 200, Subpart E, and, more specifically, 2 CFR §§ 200.430 and 200.431."

Every quarter, GVI provides ED with updates on its progress on each specific condition. In Q2 2024, VIDE shared with ED its (1) Payroll Office Reconciliation Tracker and (2) Federal Grants Office Payroll Tracker. In Q3 2024, VIDE shared with ED its draft standard operating procedure (SOP) for processing payroll reimbursements, which went into effect in October 2024. Historically, VIDE has consistently faced significant variances from payroll operations, resulting in findings in the Single Audit due to unsupported variances stemming from budget and program adjustments.

Audit Scope & Approach:

Over 3 weeks, from November 12th to November 29th, 2024, VIDE's Internal Audit Manager shadowed the Payroll Accountant to understand and observe the following Payroll processes in real-time thoroughly:

1. Procedures taken when preparing for a pay week;
2. Compilation of the federal reimbursement packet;
3. Reviewing and revising the reconciliation process;
4. Reviewing and revising tracking tools to fully comply with Department of Finance, Benham & Hodge, and Bert Smith standards;
5. Processing of per diems;
6. Performing budget adjustments;

IA's primary focus was to document the process and identify the reasons for delays or failures in the federal reimbursement process and the substantial number of year-end adjustments that impacted the single audit process.

Statement of Responsibility:

Our Internal Audit services were performed from November 2024 to December 2024 following our agreed-upon scope and the applicable Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors. This report is intended solely for the information and use of leaders and the Commissioner and should not be used for any other purpose. The Government of the Virgin Islands, its external auditors, and regulators may receive a copy of this report to fulfill their responsibilities.

Summary of Observations:

During IA's fieldwork, we noted several opportunities for improvement that we categorized in four areas:

1. Federal Reimbursement Delays:
 - a. Regular Payroll
 - b. Per Diem
2. Payroll Roster
3. Payroll Adjustment
4. Payroll Reconciliation

Additional details for each category are below in the "Detailed Observations" section. To further illustrate VIDE's Payroll process refer to **Appendix A** for the process flow that identifies where the risks are within the payroll process and where additional controls can reduce VIDE's risk exposure.

Recommendations:

IA recommends the following actions:

1. **Staffing in the Payroll Division**
 - a. Ensure adequate staffing levels to mitigate risks associated with understaffing.
 - b. Implement cross-training programs to prevent operational disruptions in case of employee turnover.

Currently, the Accountant II position bears a significant workload that no other employee can quickly take over if the incumbent were to leave, creating a substantial risk.

2. **Standardize and Clarify Per Diem Policies**

- a. Develop and document clear policies and procedures outlining per diem eligibility, approval, and reimbursement timelines.
- b. Ensure consistency across all departments to minimize discrepancies and confusion.
- c. Train employees and managers on per diem regulations and expectations.

IA recommends that:

1. Payroll collaborates with the third party or OMB's Compliance Unit to develop a less redundant process.
2. Internal Audit should conduct a separate assessment of the processing of Per Diem to gain a deeper understanding and recommend process improvements.

3. **Enhancement of Tracking Tools**

The Payroll Division should update its tracking tools to capture better and document the causes of variance. This improvement will help prevent delays in the single audit process, as auditors frequently inquire about the reasons behind variances.

4. **Improved Interdivisional Collaboration**

The Federal Grants, Human Resources, Budget, and Payroll divisions must establish a stronger working relationship. Delays in promptly addressing roadblocks often lead to multiple adjustments, contributing to variances.

5. **Timely Payroll Roster Management by Federal Grants**

The Federal Grants division should prioritize completing the payroll roster earlier in the year. Many adjustments and delays consistently stem from inaccuracies or delays in producing it.

6. **Employees assigned to a Closing Grant**

A policy that outlines handling employees paid with federal grants after the grant has expired.

Detailed Observations:

#	CONDITION - What was observed?	CRITERIA – What is the standard, law, or best practice?	CAUSE/ISSUES – What roadblocks were detected?	CONSEQUENCE – What is the effect?	CORRECTION ACTION PLAN RESPONSES
1	<p>Regular Payroll- reimbursing the local government for incurring payroll expenses of federal employees.</p>	<p>All federal employees' reimbursements should occur timely to ensure no cash flow disruption.</p>	<p>Not having a complete and accurate payroll roster when processing payroll, which is federally funded. Delays in producing a timely and accurate payroll roster by the Federal Grants Division hinder reimbursement. Specifically:</p> <ol style="list-style-type: none"> 1. Not all federal employees are included on the roster. 2. Employees are listed and associated with an incorrect program. 3. Employees were 	<p>Delays in reimbursing local governments for payroll expenses associated with federal employees disrupt cash flow, compelling them to utilize reserve funds or redirect resources from other essential services.</p> <p>An incomplete and inaccurate payroll roster is the basis for payroll processing and reimbursement.</p>	<p>While we acknowledge that the payroll roster is a dynamic document subject to updates based on Federal Grants' identification of discrepancies and receipt of NOPAs, the current process is resulting in significant delays in federal reimbursement. To mitigate these delays and ensure timely reimbursement, we propose the following corrective actions:</p> <ol style="list-style-type: none"> 1. Establish Clear Timelines for Initial Roster Submission: Fiscal will develop a standardized timeline for the payroll roster's initial submission following the grant application submission and identification of federally funded positions. This will provide a baseline for timely processing. The initial roster will be submitted by August 15, 2025. 2. Implement a Formalized Communication Protocol: The team will establish a clear and direct communication line between the relevant divisions (e.g., Budget, Federal Grants, Payroll, Human Resources). This protocol should outline the process for identifying and resolving discrepancies, including expected turnaround times for updates. The protocol will be completed by August 15, 2025. 3. Regular Reconciliation and Review Process: Payroll will implement a regular reconciliation process between the ERP payroll and the federal grants roster. This proactive approach will help identify and correct potential inaccuracies before significantly impacting reimbursement. This process will begin on October 1, 2025. 4. Defined Roles and Responsibilities: Fiscal will clearly define the roles and responsibilities of each division involved in the payroll roster process, ensuring accountability for timely and accurate submissions. Defined roles and responsibilities will be identified by August 15, 2025.

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			<p>classified incorrectly.</p> <p>These inaccuracies required multiple communications between the Budget and Federal Grants Divisions to resolve, delaying the processing of a Pay Period by a few weeks.</p>		<ol style="list-style-type: none"> 5. Training and Resources: Federal Grants and Payroll will provide necessary training and resources to relevant personnel in all divisions to ensure a thorough understanding of the payroll roster requirements and the importance of accuracy. Training and resources by September 15, 2025. 6. Leverage SharePoint Access: Federal Grants will ensure Payroll receives viewing and downloading access to the payroll roster in SharePoint. This access will enhance transparency and allow Payroll to proactively monitor the roster and identify potential issues early in the process. This will be completed by June 30, 2025.
2	<p>Per Diem reimbursements- the process of reimbursing part-time employees who are paid by working on federally funded programs</p>	<p>All federal employees' reimbursements should occur timely to ensure no cash flow disruption.</p>	<p>Additionally, per diem procedures are ambiguous, including whether non-exempt employees can work on per diem and whether a yearly limit applies to district employees frequently utilizing per diem. Responses to these inquiries were inconsistent, and no written documentation was available to provide clarity.</p>	<p>Redundant processes and lack of staffing during peak times in the summer cause a delay.</p> <p>Disrupts cash flow.</p>	<p>To address the identified issues with the per diem reimbursement process for part-time employees working on federally funded programs, which are causing ambiguity, inconsistent application, and potential delays in reimbursement, we propose the following corrective actions:</p> <ol style="list-style-type: none"> 1. Standardize the Reimbursement Process: Payroll will draft a written policy outlining a standardized, step-by-step process for per diem reimbursements for this specific employee group. This will ensure consistency and reduce the potential for errors. The draft policy will be completed by August 31, 2025. 2. Provide Targeted Training: Payroll will conduct specific training for all personnel involved in processing per diem reimbursements for part-time employees on federal grants. This training will focus on the new policy and standardized procedures. Training will be conducted by September 15, 2025. 3. Review Staffing Levels During Peak Times: Given the consequence of lack of staffing during peak summer times contributing to delays, Fiscal will review current staffing levels and workflows to determine if adjustments

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					<p>are needed to handle the volume of per diem reimbursements during peak periods. This may involve cross-training staff or exploring temporary staffing solutions. This will be done by August 15, 2025.</p> <p>4. Evaluate Current Redundancies: While understanding the potential intent of current redundancies for audit purposes, Payroll will carefully evaluate each step to ensure it is necessary and clearly defined within the new written policy. The goal is to maintain appropriate controls without causing unnecessary delays or confusion. This will be assessed according to the draft policy completed by August 31, 2025.</p>
3	<p>Payroll Roster- a list of all federal employees, salaries, split amounts, health insurance, and the federal program paid from.</p>	<p>To produce a complete and accurate payroll roster. This roster is the basis of payroll reimbursements.</p>	<p>1. Early Preparation: The roster is not prepared early enough to allow for thorough fact-checking before submission to payroll.</p> <p>2. Roster is Delayed and Inaccurate: Federal Grants does not receive NOPAs timely from HR. The roster is not checked or updated by Federal Grants Division before every pay period</p>	<p>Poor time management, numerous inaccuracies, delays on the district level, no proper communication between Federal grants, HR, and Budget when issues arise.</p> <p>This creates numerous adjustments during and at the end of the year.</p> <p>Causes significant</p>	<p>To address the identified issues of inaccurate and delayed payroll rosters, impacting timely federal reimbursements, we propose the following corrective actions:</p> <ol style="list-style-type: none"> 1. Establish Initial Roster Submission Timeline Following Grant Application Submission: <ul style="list-style-type: none"> o Standardized Timeline: Fiscal will develop a standardized timeline for the initial submission of the payroll roster following the official grant application submission and the identification of federally funded positions. This timeline will specify the expected timeframe for Budget to provide the initial roster information to Federal Grants. The initial roster will be submitted by August 15, 2025. o Triggering Event: The grant application submission date and the confirmation of funded positions will trigger the roster creation process. 2. Fiscal Year End Roster Review Team for Ongoing Accuracy: <ul style="list-style-type: none"> o Dedicated Team: A dedicated roster review team, comprising representatives from the Program offices, Human Resources (HR), Budget, and Federal Grants (FG), will be convened

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			<p>to ensure that payroll is using the most accurate version.</p> <p>3. Budget Insufficiencies: Federal Grants identified instances where districts hired employees without sufficient budgets. Budget officers noted discrepancies between old and revised budget allocations, leading to employees being removed from the roster.</p> <p>4. Grant Closures: Employees are removed from the roster when grants close, but no processes are in place to</p>	<p>variances during a single audit.</p>	<p>annually within the last two months of the current fiscal year. The roster review meeting will convene by July 30, 2025.</p> <ul style="list-style-type: none"> o Proactive Preparation: This team will be responsible for proactively preparing the payroll roster for the upcoming fiscal year, utilizing the current payroll roster as a starting point. This early engagement will allow for thorough fact-checking and address potential issues before the start of the new fiscal year. <p>3. Improved Communication and Timely Updates:</p> <ul style="list-style-type: none"> o Formalized Communication Protocol: The team will establish a clear and consistent communication protocol between Federal Grants, HR, and Budget. This protocol should outline timelines for NOPA submission from HR to Federal Grants, the process for Federal Grants to review and update the roster (including the initial setup after grant award), and the method for communicating any discrepancies or required adjustments to Payroll and Budget. The protocol will be completed by August 15, 2025. o SharePoint for NOPA Management: The HR Director's commitment to using a dedicated SharePoint folder for sending NOPAs to Federal Grants will be implemented and reinforced to ensure timely and accessible information sharing. HR response – ongoing o Regular Roster Review by Federal Grants: Federal Grants will prioritize assessing the completeness and accuracy of the payroll roster regularly, ideally before each pay period, to ensure payroll uses the most accurate version. This proactive approach should begin no later than the start of Fiscal Year 2026, as previously agreed. To be completed October 1, 2025. <p>4. Enhanced Budget Management and Grant Oversight:</p>

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			reassign them. Consequently, the Department of Finance continues recognizing these employees as federal and pays them accordingly until payroll is instructed otherwise, causing numerous adjustments.		<ul style="list-style-type: none"> o Grant Manager Responsibility: Grant Managers should hold responsibility in ensuring that funding is available and allocated appropriately to support their programs. This includes proactive monitoring of budget allocations and timely communication of any potential shortfalls to the Budget office. Review will be ongoing. o Budget Reconciliation Process: Federal Grants will implement a regular reconciliation process between grant budgets and the payroll roster to identify and address any budget insufficiencies in a timely manner. Review will begin by November 15, 2025 and be completed monthly thereafter. <p>5. Formalize Grant Closure Procedures:</p> <ul style="list-style-type: none"> o Develop Grant Closure Policies and Procedures: Fiscal will establish clear policies and procedures for managing employee assignments when grants close. This should include a defined process for reassignment, transfer of funding, or other appropriate actions to prevent employees from being incorrectly paid from closed grants. The protocol will be completed by August 15, 2025.
4	Payroll Adjustments- adjusting the GL from variances that also show up during single audits	Payroll adjustments should be limited and only in some cases a few arise.	1. Timeliness: Adjustments are not completed promptly and often accumulate, creating a significant backlog by year-end.	Adjustments create significant variances during the audit period, many of which cannot be adequately explained.	To address the significant variances in payroll adjustments observed during audits, which are caused by a combination of timeliness issues, roster inaccuracies, HR delays, system errors, grant extensions, unidentified employees, and missed reimbursements, we propose the following corrective actions, incorporating the team's recommendations: <ul style="list-style-type: none"> 1. Timely Creation and Review of Payroll Reconciliation: <ul style="list-style-type: none"> o Payroll will implement a process for the timely creation and review of payroll reconciliation reports. These reports should be generated frequently (e.g., bi-weekly or monthly) rather

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			<p>2. Roster Inaccuracies: Issues such as incorrect splits, classifications, and program allocations necessitate frequent adjustments.</p> <p>3. HR Delays: Delays in switching employees to the new grant year increase the volume of required adjustments. HR attributed these delays to late payroll roster submissions and system errors preventing split processing.</p> <p>4. System Errors: The system pulls incorrect or outdated rates, further complicating adjustments.</p>		<p>than solely at year-end. Reconciliations will be done monthly with the first report submitted by November 15, 2025.</p> <ul style="list-style-type: none"> o The reconciliation process will involve a detailed review to identify and rectify necessary payroll adjustments promptly. o Detailed reports, including the employee name, account (Org Code, Object, Project), and the specific amount to be adjusted, along with a clear explanation for the adjustment, will accompany all reimbursement requests. <p>2. Proactive Payroll Roster Management:</p> <ul style="list-style-type: none"> o Payroll Roster Review Team: The Payroll Roster Review Team, comprising representatives from Program offices, HR, Budget, and Federal Grants (FG), will be established. To be convened by August 15, 2025. o Fiscal Year Start Roster Accuracy: This team will convene within the last two months of the current fiscal year to review and establish the most accurate payroll roster possible. This proactive approach aims to minimize inaccuracies from the outset. To be convened by August 15, 2025. o General Fund Transfers: In consultation with the Budget office, HR will be promptly informed of employees who need to be transferred to the General Fund. This will initiate the timely preparation of revised NOPAs. <p>3. Improved HR Processes:</p> <ul style="list-style-type: none"> o Timely Grant Year Transitions: HR will implement processes to ensure the timely switching of employees to new grant years to minimize the volume of required adjustments. This includes establishing clear timelines and responsibilities for this process. Process is ongoing and will be completed once information is received from fiscal

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			<p>5. Grant Extensions: In some cases, no extension letters were sent to Finance, leading to grants closing prematurely and employees being paid in the new year.</p> <p>6. Unidentified Employees: Employees removed from the roster but not reassigned remain listed as federal, preventing payroll updates.</p> <p>7. Missed Reimbursements: Federal employees not included in the roster for an entire year result in no reimbursements to the General Fund.</p>		<ul style="list-style-type: none"> o Address System Errors: The Division of Personnel and HR will collaborate to identify and resolve the system errors that prevent split processing and incorrect rate pulls. This may involve system updates, process modifications, or enhanced training. Ongoing and issues are addressed once notification is received. 4. Enhanced Grant Management and Communication: <ul style="list-style-type: none"> o Formal Grant Extension Notification: Federal Grants will formalize a process to ensure timely and direct notification of all grant extensions to the Budget office. This will prevent premature grant closures and incorrect payroll allocations. The protocol will be completed by August 15, 2025. o Procedure for Unidentified Employees: Fiscal will develop a clear procedure for addressing employees removed from the roster but not immediately reassigned. This procedure should involve communication between Program offices, HR, and Payroll to ensure timely reassignment or appropriate funding allocation. The protocol will be completed by August 15, 2025. 4. Regular Audits and Monitoring: <ul style="list-style-type: none"> o Fiscal will conduct regular internal audits of payroll adjustments to identify recurring issues and assess the effectiveness of the implemented corrective actions. This process will be completed by January 20, 2026. o Fiscal will monitor key metrics, such as the number and amount of payroll adjustments, and the time taken to resolve discrepancies. This process will be completed by January 20, 2026.

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5	<p>Reconciliations are the process of reconciling federal payroll with the reimbursement received.</p>	<p>Reconciliations should happen monthly.</p>	<p>1. Variance Tracking: While payroll effectively tracks pay periods and per diem amounts, variances are not tracked adequately. The current tracking tool does not provide explanations for these variances.</p> <p>2. Audit Issues: Payroll was unable to explain the causes of variances during the single audit. Upon further investigation, IA found that most variances were due to budget adjustments, delayed per diem submissions resulting in grant closures, and insufficient urgency in</p>	<p>The existing template does not explain variances - enough info is not being tracked for effective management, resulting in recurring single audit findings.</p>	<p>To address the observed lack of adequate tracking and explanation for variances in the reconciliation of federal payroll with reimbursements, which has led to recurring single audit findings, we propose the following corrective actions:</p> <ol style="list-style-type: none"> 1. Enhance the Reconciliation Template: <ul style="list-style-type: none"> o Revise the Template: Payroll will revisit and revise the existing template used for reconciling federal payroll with reimbursements. Revision will be completed by September 15, 2025. o Add Variance Tracking Columns: New columns will be added to the template to specifically track and explain reimbursement variances. These columns should include, at a minimum: <ul style="list-style-type: none"> ▪ Date of Variance: The date when the variance was identified. ▪ Reason for Variance: A mandatory field with predefined options (e.g., budget adjustment, delayed per diem submission, grant closure, payroll roster issue) and a free-text field for detailed explanations. ▪ Responsible Party: The division or individual responsible for the variance (e.g., Budget, Payroll, Federal Grants). ▪ Date Resolved (if applicable): The date the variance was resolved. ▪ Action Taken (if applicable): A brief description of the action taken to resolve the variance. 2. Implement Monthly Reconciliation and Review Process: <ul style="list-style-type: none"> o Mandate Monthly Reconciliations: Fiscal will formalize a policy requiring monthly reconciliation of federal payroll with reimbursements, adhering to the established criteria. This will be completed by November 15, 2025.

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			updating the payroll roster.		<ul style="list-style-type: none"> o Designated Responsibility: Fiscal will assign clear responsibility for performing and reviewing these monthly reconciliations. This will be done by August 15, 2025. o Variance Analysis and Reporting: The monthly reconciliation process will include a thorough analysis of any identified variances, with explanations documented in the revised template. A summary report of significant or recurring variances will be generated and shared with relevant stakeholders (e.g., Fiscal, Federal Grants, Budget). o Address Root Causes of Variances: o Budget Adjustments: Budget will collaborate with Federal Grants to improve communication and timeliness of budget adjustments that impact payroll reimbursements. This may involve establishing notification protocols and timelines. The protocol will be completed by August 15, 2025. o Delayed Per Diem Submissions: Fiscal will implement stricter policies and procedures regarding per diem submission deadlines and provide guidance to employees on the importance of timely submissions. Payroll will explore options for electronic submission and tracking. Fiscal will provide timeline for completion of policy; suggesting completion by August 15,2025. o Grant Closures: Federal Grants will be responsible for ensuring adherence to the grant closure notification procedures detailed in the Corrective Action Plan for Finding 3, specifically regarding the timely communication of closure information to Budget, Payroll, and HR to facilitate accurate payroll allocation. o Payroll Roster Updates: Fiscal will reiterate the requirements for timely payroll roster updates, as outlined in the Corrective

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					<p>Action Plan for Finding 3, and will establish a process to monitor and hold responsible the relevant parties for any ongoing delays. Fiscal will provide timeline for completion of policy; suggesting completion by August 15, 2025.</p> <ul style="list-style-type: none"> o Template Training: Payroll will provide training to all relevant personnel on how to use the revised reconciliation template and the importance of accurately documenting variances. Training will be conducted by September 15, 2025. <p>Policy Communication: Fiscal will communicate the updated policy for monthly reconciliations and the procedures for addressing variances to all relevant departments. The finalized policy will be communicated by October 1, 2025.</p>

Conclusion:

The Department of Education faces significant internal control issues regarding the reimbursement of federal funds. None of the divisions is adhering to the standard operating procedures (GM 1.8—Processing Payroll Reimbursement) currently in place. There is an urgent need for improved communication and coordination between the Federal Grants, Human Resources, Budget, and Payroll divisions. At present, there is a lack of clarity on how the roles and actions of each division impact the others.

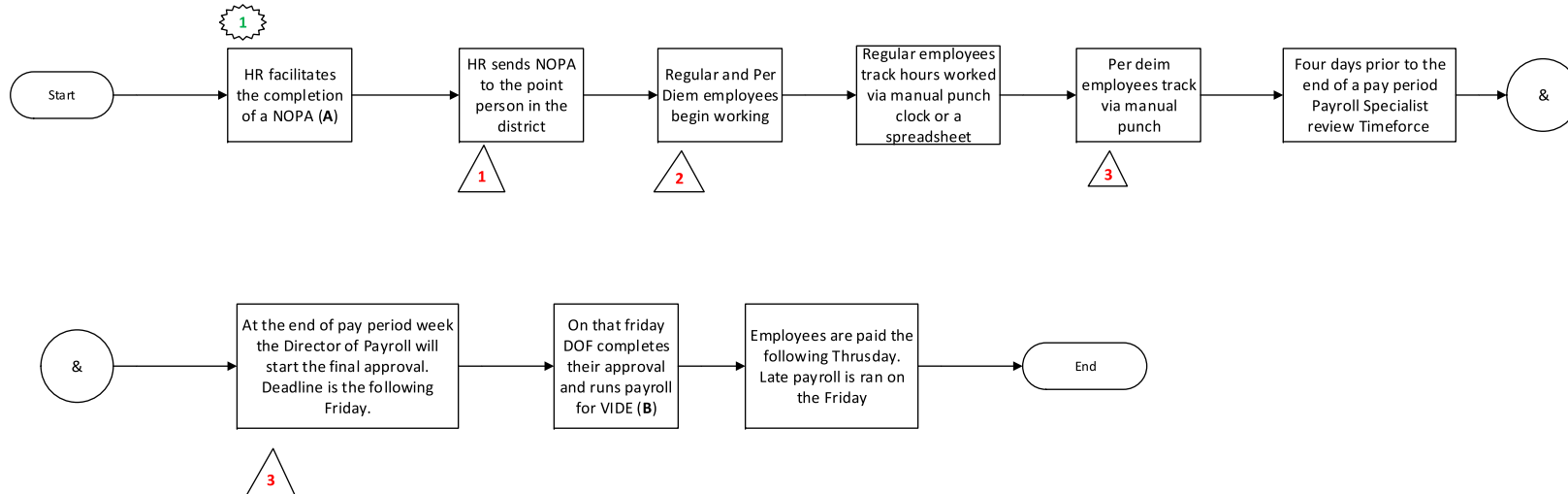
This lack of collaboration has placed an undue burden on the Payroll Division, tasked with processing information provided by the other three divisions. Unfortunately, this information is flawed and inaccurate, leading to unnecessary adjustments and inefficiencies within Payroll. A significant root cause of these challenges is the inaccuracy of the Payroll roster. When this roster contains errors, it severely hinders Payroll and Human Resources operations. Furthermore, Federal Grants and Budget divisions are not working cohesively to mitigate these issues, exacerbating the problem.

This assessment highlights that the Payroll division's performance is heavily influenced by the actions—or inactions—of the other divisions. The lack of awareness and accountability in properly executing tasks has created overwhelming unnecessary work for Payroll. Additionally, the absence of urgency in addressing these issues impedes the division's effectiveness.

Appendix A: Payroll Process Flows

-Refer to the following pages-

Description: Overview of hiring of employees paid with federal funds.



Risks:

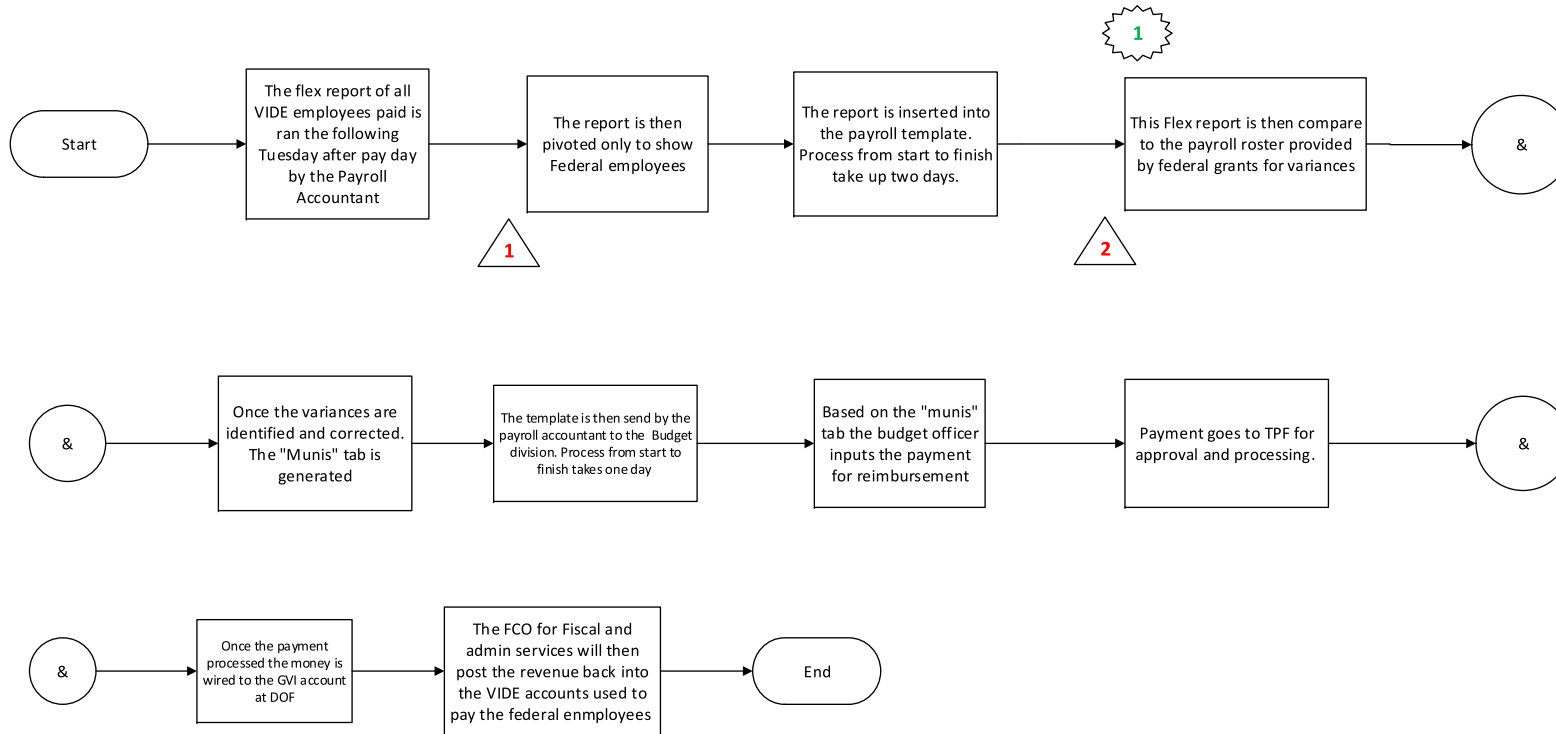
- 1 - NOPA's are not sent to or made available to preparer of the payroll roster
- 2- Employees begin working without an executed NOPA
- 3 - Inconsistent methods of tracking time are utilized across Department; training not performed.



Control Needed:

- 1- Streamline process to provide NOPA's to the Federal Grants Division who prepares federal employee roster (why can't HR produce this anyway?)

Description: Overview of regular payroll reimbursement.



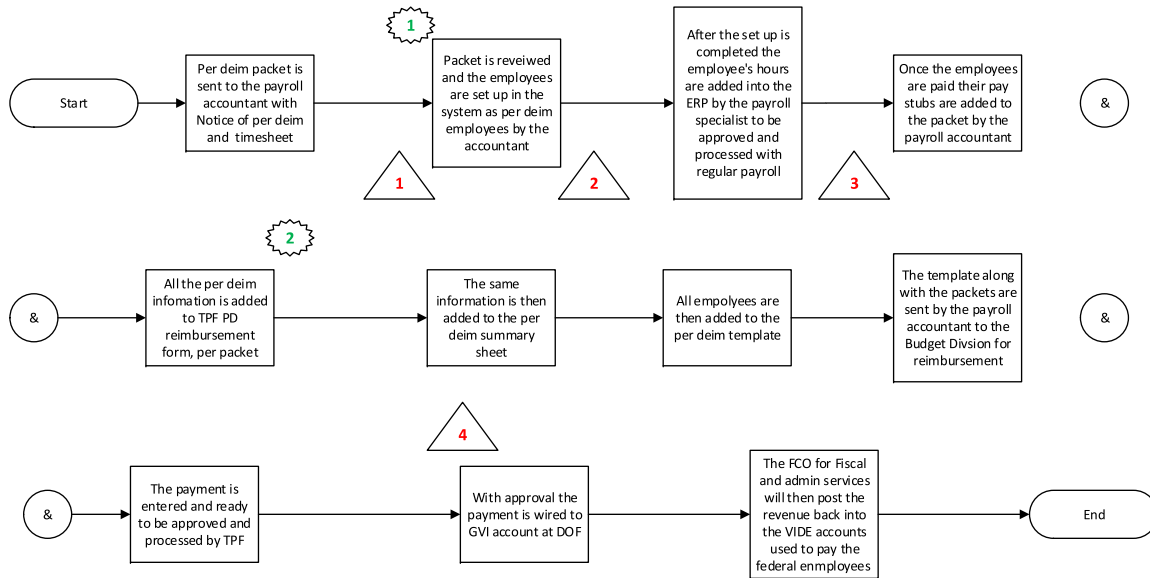
 **Risks:**

- 1 - The Flex report should only allow for only federal employees to be pulled. New parameters should be set in the system.
- 2- The inaccuracy and production delays with the payroll roster has halted the process at this stage from anywhere between one week to couple months.

 **Control Needed:**

- 1- The Federal Grants division should start creation of the roster months before the begin of the new fiscal year. Beyond creation, the roster must be probably check to all NOPAs. The roster should be avaiable to the payroll office via a live document source so when changes are made it is captured in the payroll process.

Description: Overview of per diem payroll reimbursement.



Risks:

- 1 - The Flex report should only allow for only federal employees to be pulled. New parameters should be set in the system.
- 2- The inaccuracy and production delays with the payroll roster has halted the process at this stage from anywhere between one week to couple months.
- 3- This process of pulling every employee check step is very tedious and can result in delays.
- 4- These three steps are redundant and the same information is placed into 3 different spreadsheets.

Control Needed:

- 1- SOPs should be created to lay out exactly what qualifies and employee for per diem. The ERP should be updated to remove old employee info after a certain period of time.
- 2- The process becomes redundant at this stage. Payroll office should reach out to TPF for clarification on the process.