



Procurement Assurance Audit

February 4, 2026

**ISSUED BY:
VIDE INTERNAL AUDIT DIVISION**



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Executive Summary

Department Purpose:

The Internal Audit Division (“IAD”) performs independent, objective assurance and consulting activities 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.

IAD 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

IAD 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, IAD 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 audit was conducted to evaluate the effectiveness of internal controls over the procurement process, assess compliance with applicable procurement policies, and determine the overall integrity of procurement activities carried out during Fiscal Years (FY) 2023 and 2024.

Key focus areas included:

1. Appropriateness of system access controls within Tyler Munis and VIDE systems,
2. Identification and summarization of procurement transactions,
3. Accuracy, completeness, and timeliness of procurement transactions,
4. Compliance with requirements for procurement documentation, the vendor selection process, thresholds, and regulations.

The audit aimed to promote transparency, accountability, and operational efficiency within the procurement function.

Procurement Organizational Structure:

The procurement structure ([Appendix A](#)) illustrates the procurement structure as of November 2025, within VIDE, which includes the Warehouse Division, and reflects the hierarchy and segregation of duties across both districts, St. Thomas/St. John and St. Croix.

Based on the chart provided by the Procurement Division, there were presently four (4) open vacancies in the St. Thomas/St. John District:

- Two (2) Contract Specialists
- One (1) Contract Administrator
- One (1) Purchase Order Analyst

Refer to Appendix B- Procurement Roles and Functions for job descriptions of each position within the Procurement Division.

The established organizational structure maintains a clear segregation of duties among procurement, receiving, and payment authorization functions. This framework promotes accountability and operational efficiency while minimizing the risk of conflicts of interest or unauthorized transactions.

Audit Scope and Methodology:

The audit covered procurement activities during FY2023 and 2024, including both federally and locally funded transactions. The review focused on assessing compliance with applicable procurement policies, internal controls, and documentation standards.

VIDE's Standard Operating Policies and Procedures (SOPPs) are intended to establish the internal framework for procurement, fiscal management, and accountability. At the time of the audit, the SOPPs were undergoing revision and therefore could not be reviewed or cross-referenced with DPP's Procurement Manual. Consequently, a detailed assessment of SOPP provisions related to procurement thresholds, requisition workflows, or internal controls could not be conducted; refer to Appendix C – DPP's Policy Framework.

Methodology

The audit approach included the following key procedures:

1. **Policy Review:** Assessed DPP policies and VIDE procedures for compliance with federal and territorial procurement regulations.
2. **System Access Controls:** Evaluated Tyler Munis user access for appropriateness relative to job responsibilities.
3. **Spend Analysis:** Analyzed vendor expenditures to identify usage frequency, concentration of spending, and potential procurement risk.

4. **Compliance Testing:** Reviewed 100 randomly selected procurement transactions (50 federal, 50 local) across multiple funding sources and procurement types to evaluate compliance with procurement thresholds, vendor selection requirements, and documentation standards. Supporting documentation—including purchase orders (POs), quotes, justification letters (JL), contracts, invoices, and receiving reports were reviewed for completeness, accuracy, and authorization.

This methodology provided reasonable assurance regarding the effectiveness of procurement controls and the extent of compliance with established policies and regulatory requirements.

Statement of Responsibility:

These procedures were conducted from July 2025 to November 2025 in accordance with the Standards for the Professional Practice of Internal Auditing, as prescribed by the Institute of Internal Auditors (IIA).

This report was prepared in accordance with the agreed-upon audit scope and is intended solely for the information and use of the Commissioner and VIDE leadership. It should not be used for any other purpose. The Government of the Virgin Islands, its external auditors, and regulatory agencies may be provided with a copy of this report to fulfill their respective responsibilities.

Summary of Observation:

The audit revealed that VIDE has generally established procurement and system controls that align with applicable federal and territorial regulations. Most procurement transactions—particularly those funded through federal programs— were compliant with established thresholds, competitive bidding procedures, and documentation requirements.

To validate the effectiveness of procurement controls, 100 procurement transactions were reviewed across FY 2023 and FY 2024, comprising 50 locally funded and 50 federally funded samples.

The analysis, summarized in Table 1, highlights a notable disparity in compliance rates by funding source, with federally funded transactions exhibiting significantly higher adherence to established requirements compared to locally funded transactions.

Procurement Transaction Compliance Summary (FY 2023-2024)

Table 1:

Funding Source	Fiscal Year	Samples Tested	Compliant	Non-Compliant	% Compliant	Samples with Multiple Exceptions
Local	2023	25	12	13	48.00%	11
Local	2024	25	3	22	12.00%	5
Local Total		50	15	35	30.00%	16
Federal	2023	25	24	1	96.00%	0
Federal	2024	25	21	4	84.00%	2
Federal Total		50	45	5	90.00%	2
Grand Total		100	60	40	60.00%	18

The overall compliance rate across all transactions tested was 60.0%.

- **Federal samples** demonstrated strong alignment with procurement controls, with a **90.0%** compliance rate, reflecting effective oversight and adherence to federally mandated requirements.
- **Locally funded samples**, however, showed a much lower compliance rate of **30.0%**, with a notable decline to **12.0%** in FY 2024 (3 compliant samples out of 25).

Several areas requiring improvement were identified to strengthen internal control effectiveness, ensure procedural consistency, and enhance audit readiness. While VIDE’s procurement framework provides a solid foundation of compliance and control, opportunities remain to enhance consistency, accountability, and documentation practices—particularly within locally funded transactions. Strengthening supervisory review processes and improving coordination among procurement, finance, and program personnel will further promote transparency, operational efficiency, and regulatory compliance. Further supporting information is presented in the Detailed Observations section below.

Detailed Observations:

The audit of procurement and system controls within VIDE revealed generally sound practices supported by established procedures and compliance frameworks. The review covered both federal and local transactions across FY 2023 and 2024, with emphasis on adherence to Department of Property and Procurement (DPP) policies, federal procurement standards, and VIDE's internal control requirements.

1. POLICY REVIEW

Policy compliance for federal purchases was generally strong. Transactions are mostly aligned with DPP policies and federal regulations, including adherence to purchase thresholds, competitive bidding procedures, and sole-source justifications. Documentation for federal purchases was usually complete and accessible. In contrast, local purchases showed greater inconsistencies in the retention of documents and clarity, underscoring the need for standardized checklists or reminders to ensure complete, auditable procurement files. IAD randomly selected 100 purchases and conducted detailed testing to validate compliance with established policies; refer to item 3 for the results.

2. SYSTEM ACCESS CONTROLS

A review of system access controls within the Tyler Munis platform revealed several instances of outdated user accounts belonging to transferred or separated employees. Additionally, periodic access reviews were not consistently performed, increasing the risk of unauthorized access, data compromise, or misuse of system privileges.

Federal Munis System Access Review:

A comparison of the Federal Munis user listing provided by Mr. Samuel Davis of the Third-Party Fiduciary Agent (TPFA) on June 26, 2025, with VIDE HR's active personnel listing was performed. IAD identified 107 users who were not listed on VIDE's active employees listing but have access to Federal Munis. It is suspected that a small number of these users are TPFA staff members; however, this could not be verified as the TPFA was unresponsive to IAD's numerous attempts to connect. The unverified and inactive user accounts should be promptly reviewed and removed once verification is complete.

Local Munis System Access Review:

A comparison of the VIDE local Munis active listings for both districts provided by Ms. Alicia Jackson of the Department of Finance (DOF) on June 25, 2025, with the active personnel listing from VIDE HR was performed. IAD identified 41 users who were no longer employed by VIDE but still retained access to the local Munis system. In addition to these inactive users, two accounts were found to contain name

discrepancies or name changes that had not been updated in the system, creating inconsistencies between HR and the local Munis system records. The list was forwarded to Human Resources, and the Assistant Director confirmed that 41 individuals were inactive. The identified local ERP accounts should be deactivated immediately, and user information should be updated to ensure accuracy and maintain effective access controls.

3. SPEND ANALYSIS

The spending analysis indicated that procurement activity was concentrated among a small group of recurring suppliers. While this pattern does not inherently indicate noncompliance, it highlights the importance of conducting periodic vendor reviews to promote competitiveness, fairness, and diversification within the supplier base.

Table 2A: Expenditure Activity Summary FY 2023-FY 2024

Fiscal Year	Category	Total Expenditures
FY 2023	Federal	\$66,824,199.67
FY 2023	Local	\$77,687,491.65
FY 2024	Federal	\$69,933.183.80
FY 2024	Local	\$29,838,007.51

Source: Total federal expenditures are based on the Schedule of Expenditures of Federal Awards (SEFA) for the U.S. Department of Education grant years October 1, 2022, through September 30, 2023 (FY 2023), and October 1, 2023, through September 30, 2024 (FY 2024), and VIDE procurement system and financial records for FY2023-FY2024.

Table 2B: Top Suppliers FY 2023-FY 2024

The top suppliers for FY 2023 and FY 2024 accounted for a substantial portion of federal and local procurement activity. These vendors were selected based on total expenditures.

Funding	Fiscal Year	Vendor Name	Total Procurement Value	Category
Federal	FY 2023	GVI	\$22,849,076.15	Employer Contribution Retire, F.I.C.A., Health Insurance Premium, Medicare, Reg Employee Salaries Class, Reg Employee Salaries Unclass., Social Security, Temp/Part Time Salaries, Travel
Federal	FY 2023	GVI Travel Reimburse	\$4,749,524.41	Indirect Costs, Training, Travel
Federal	FY 2023	Houghton-Mifflin	\$4,182,388.61	Operating Supplies/Professional Services
Federal	FY 2023	Harold W.L. Willocks	\$3,204,286.19	Operating Supplies/Other Services NOC
Federal	FY 2023	School Busing, Inc	\$2,449,457.00	Professional Services
Local	FY 2023	Aecom Caribe, LLP.	\$65,819,821.28	Professional Services
Local	FY 2023	Professional Design	\$5,866,734.79	Buildings & Improvement
Local	FY 2023	Grade All Heavy	\$2,629,836.05	Buildings & Improvement
Local	FY 2023	Milestone Healthcare	\$1,791,497.41	Professional Services
Local	FY 2023	Ranger American	\$1,579,602.12	Professional Services
Federal	FY 2024	GVI	\$20,385,038.06	Employer Contribution Retire, F.I.C.A., Health Insurance Premium, Medicare, Reg Employee Salaries Class, Reg Employee Salaries Unclass., Social Security, Temp/Part Time Salaries, Travel
Federal	FY 2024	GVI Travel Reimburse	\$5,088,812.30	Indirect Costs, Professional, Travel
Federal	FY 2024	SRA Office Solutions	\$2,537,100.10	Computer, Printer, Camera, Tools, Machinery & Equipment, Office Supplies, Operating Supplies, Professional Books, Small Tools & Minor Equipment
Federal	FY 2024	Houghton Mifflin	\$2,493,800.80	Operating Supplies, Other Services NOC, Professional Services
Federal	FY 2024	School Busing, Inc	\$2,289,845.83	Professional Services
Local	FY 2024	MCN Build, Inc	\$21,841,809.92	Buildings & Improvement
Local	FY 2024	Professional Design	\$4,014,031.31	Buildings & Improvement/Infrastructure

Funding	Fiscal Year	Vendor Name	Total Procurement Value	Category
Local	FY 2024	Itms Group Inc.	\$1,530,236.20	Other Services NOC
Local	FY 2024	Eleven Construction	\$1,508,127.00	Other Services NOC
Local	FY 2024	Aecom Caribe, LLP.	\$943,803.08	Professional Services

Source: Total federal expenditures are based on the Schedule of Expenditures of Federal Awards (SEFA) for the U.S. Department of Education grant years October 1, 2022, through September 30, 2023 (FY 2023), and October 1, 2023, through September 30, 2024 (FY 2024), and VIDE procurement system and financial records for FY2023-FY2024.

Table 2C Expenditures by Division and Program FY 2023-FY 2024

Expenditures by federal program and local division for FY2023 and FY2024 accounted for a substantial portion of both federal and local procurement activity. The analysis reflects recurring programs and divisions that support educational operations, infrastructure, and federally funded initiatives.

	FY 2023 Federal Program	FY 2023 Expenditures	% of Total FY 2023	FY 2024 Federal Program	FY 2024 Expenditures	% of Total FY 2024
1	Education Stabilization Fund	\$20,855,217.21	31.20%	Education Stabilization Fund	\$12,816,509.28	18.30%
2	American Rescue Plan – ESF SEA	\$18,797,167.01	28.20%	American Rescue Plan – ESF SEA	\$31,482,498.71	45.00%
3	Consolidated Grants	\$16,596,897.52	24.90%	Consolidated Grants	\$16,673,542.88	23.80%
4	Special Education	\$8,294,073.62	12.40%	Special Education	\$8,214,094.03	11.80%
5	Special Education – Disabilities Education Act (ARP)	\$1,469,930.14	2.20%	Special Education – Disabilities Education Act (ARP)	\$201,606.30	0.30%
6	Adult Education	\$423,981.48	0.60%	Adult Education	\$271,725.98	0.40%
7	Striving Readers Literacy Program	\$302,671.20	0.50%	Striving Readers Literacy Program	\$177,434.57	0.30%
8	Stronger Connection	\$2,000.00	0.00%	Stronger Connection	\$65,691.67	0.10%
9	USVI Community STEM Project	—	—	USVI Community STEM Project	\$5,753.57	0.00%

	FY 2023 Federal Program	FY 2023 Expenditures	% of Total FY 2023	FY 2024 Federal Program	FY 2024 Expenditures	% of Total FY 2024
	Total USDE Expenditures of Federal Awards (2023)	\$66,741,938.18	100%	Total USDE Expenditures of Federal Awards (2024)	\$69,908,856.99	100%

	FY 2023 Local Division	FY 2023 Expenditures	% of total FY 2023	FY 2024 Local Division	FY 2024 Expenditures	% of total FY 2024
1	DOE CAHS OTHER	\$37,448,420.04	30.63%	DOE STX Pw 1052 Capital	\$22,932,458.42	41.72%
2	DOE STX CENTRAL HS OTHER	\$28,371,401.24	23.21%	DOE Asset Recovery Cap Project	\$8,531,260.01	15.52%
3	DOE STX PW 1052 CAPITAL	\$22,932,458.42	18.76%	Fed Subgrantee For Central Govt	\$6,686,753.40	12.16%
4	DOE ASSET RECOVERY CAP PROJ	\$14,625,920.64	11.96%	Doe Off Comm Admin Oth Service	\$3,697,912.05	6.73%
5	FED SUBGRANTE FOR CENTRAL GOVT	\$5,162,484.21	4.22%	School Lunch Supplies	\$3,341,637.17	6.08%
6	DOE AUX SERVICES OTH SRV	\$4,073,761.36	3.33%	Education/Supplies	\$2,940,437.98	5.35%
7	DOE BUSINESS OFF OTH SRV	\$3,689,089.85	3.02%	Doe Fisc Adm Oth Service	\$2,826,269.76	5.14%
8	DOE OFF COMM ADMIN OTH SRV	\$3,272,733.46	2.68%	Doe Aux Services Oth Service	\$2,112,899.72	3.84%
9	SCHOOL LUNCH SUPPLIES	\$2,683,303.34	2.19%	OMB-Department of Education	\$1,898,039.02	3.46%
	Total Expenditures of Local Awards (2023)	\$122,259,572.56	100%	Total USDE Expenditures of Local Awards (2024)	\$54,967,667.53	100%

Source: Total federal expenditures are based on the Schedule of Expenditures of Federal Awards (SEFA) for the U.S. Department of Education grant years October 1, 2022, through September 30, 2023 (FY 2023), and October 1, 2023, through September 30, 2024 (FY 2024), and VIDE procurement system and financial records for FY2023-FY2024.

4. COMPLIANCE TESTING

Testing of sampled transactions indicated that federal purchases were generally well-documented, properly authorized, and compliant with procurement requirements, with competitive bidding and sole-source documentation appropriately maintained. Minor variances in Purchase Order values were attributed to short-pay adjustments or modifications, with no evidence of fraud or unauthorized activity. In

contrast, local transactions showed deficiencies, including missing or improperly linked records and inconsistent file organization, within the Tyler Munis system. Compliance testing revealed unclear short-pay memos, missing service confirmations, and incomplete documentation, underscoring the need for improved oversight and standardized recordkeeping.

Overall, while VIDE’s procurement framework supports federal compliance, enhancements in local documentation controls, supervisory review, and interdepartmental coordination are necessary to strengthen accountability and ensure full compliance with federal and territorial procurement standards.

Key Findings and Supporting Examples

#	Category	Funding	Fiscal Year	Vendor	PO#	Findings
1	Incomplete or Missing Documentation	Federal	2023	OMNISYSTEMS, INC	22300216	Unsupported Bidding: The purchase order (PO) pertains to goods that are specific in nature. No Invitation for Bids (IFB) was attached to the PO.
2	Incomplete or Missing Documentation	Federal	2024	SPOTLESS CLEANERS	22300892	Missing Authorization: No signed documentation from school personnel indicating that the work was performed. An evaluation report not attached.
3	Incomplete or Missing Documentation	Federal	2023	KSS SUPPLIES UNLIMITED	22300357	Unrecorded Variances: Short pay memo was not signed by the accountant and does not indicate the reason for the credit.
4	Minor Financial Discrepancy	Federal	2024	KSS SUPPLIES UNLIMITED	22300357	Unrecorded Variances: There is a noted discrepancy in payment.
5	Minor Financial Discrepancies/PO Modification	Federal	2024	LOTUS LOGISTICS	22300270	Unrecorded Variances: Discrepancy on PO modification for discontinued items.
6	Justification Letter or Narrative Inconsistencies	Federal	2024	D.V.D CONSTRUCTION	22400820	Narrative Inaccuracy: Minor discrepancy in justification narrative regarding number of days for change order completion date.
7	Errors or Violations of Established Procurement Procedures	Local	2024	CARIBBEAN FOOD	13218	Vendor Mix-Up: The liquidation sheet for a food purchase listed an incorrect vendor (ES Foods), which was different from the Caribbean Food vendor listed on the PO and Invoice, creating transactional confusion.

#	Category	Funding	Fiscal Year	Vendor	PO#	Findings
8	Errors or Violations of Established Procurement Procedures	Local	2023	PROFESSIONAL DESIGN	3516	Pre-Commitment (PO Prior to Contract): In one instance, the Purchase Order was dated prior to the fully executed contract.
9	Financial Mismatches or Adjustments between POs and Invoices	Local	2023	PROFESSIONAL DESIGN	9369	Large Unreconciled Variances: A high-value PO had an invoiced amount of \$2,812,834.20, leaving a significant unexpended balance of \$216,825.90 for which No PO modification was found.
10	Purchase Orders Not Fully Used (Overestimation)	Local	2024	ANNALY FARMS INC.	18125	Smaller Unexpended Balances: A PO for \$146,172.00 was closed with an unexpended balance of \$12,870.00, requiring a JL/evaluation report to document the reason.
11	Purchase Orders Not Fully Used (Overestimation)	Local	2024	VIRGIN ISLANDS TELEP	12847	Significant Underutilization: In one instance, the PO total was \$4,700.00, but only \$1,200.00 was utilized, leaving a substantial unexpended balance of \$3,500.00 (approx. 74% of the PO value) with no justification.
12	Clarity, Accuracy, or Completeness of Supporting Narratives	Local	2024	ITMS GROUP INC.	18170	Contradictory Documentation: The Account Payable form for a large subscription service listed the incorrect vendor (Virgin Islands Port Authority) instead of the actual vendor (ITMS Group Inc.).
13	Clarity, Accuracy, or Completeness of Supporting Narratives	Local	2024	ITMS GROUP INC.	18170	Conflicting Financial Details: For one transaction, the PO amount (\$1,220,554.57) did not match the Justification Letter amount (\$1,222,554.57), requiring clarification on which value was accurate and if a PO modification was necessary.
14	Incomplete or Missing Documentation	Local	2024	DYER & PAYNE, INC.	19960	Missing Authorization: Several transactions lacked fundamental documentation, including the Justification Letter (JL), Formal Contract, or Evaluation Reports.

#	Category	Funding	Fiscal Year	Vendor	PO#	Findings
15	Incomplete or Missing Documentation	Local	2024	CRG HOLDINGS, LLC	19247	Vendor Vetting Gaps: Evidence of vendor vetting was inconsistent. Multiple transactions were noted as having a Missing SAM (System for Award Management) status.
16	Incomplete or Missing Documentation	Local	2024	PROPERTY & PROCUREMENT	5877	Vendor Vetting Gaps: Evidence of vendor vetting was inconsistent. Multiple transactions were noted as having a Missing SAM (System for Award Management) status.
17	Incomplete or Missing Documentation	Local	2024	WEST BAY WHOLESALE,	19927	Unsupported Bidding: One high-value transaction was noted as having No Invitation for Bids (IFB) and No JL/Evaluation Report.

Source: Total federal expenditures are based on the Schedule of Expenditures of Federal Awards (SEFA) for the U.S. Department of Education grant years October 1, 2022, through September 30, 2023 (FY 2023), and October 1, 2023, through September 30, 2024 (FY 2024), and VIDE procurement system and financial records for FY2023-FY2024.

Other Critical Items:

LOCAL VS. FEDERAL PURCHASE ORDER OVERSIGHT

A significant factor contributing to the disparity in compliance rates between federal and local transactions is the difference in oversight and workflow controls. During the audit period, the Procurement Division did not manage or review local purchase orders (POs) in the same manner as federal POs. Federal POs undergo full procurement oversight, including documentation verification, contract attachment, compliance checks, and supervisory approval prior to issuance.

In contrast, local POs were not reviewed or processed through the centralized Procurement Division. As such, Procurement’s control and were not applied to local POs. This structural gap resulted in a higher occurrence of discrepancies among locally funded transactions, including incomplete documentation, inconsistent narratives, missing justification letters, and lack of supporting evidence for services rendered.

Procurement has acknowledged this gap and is actively working to strengthen controls over local POs, including improvements to workflow standardization, increased coordination with fiscal units, and exploring opportunities to integrate local procurement actions into a centralized review process.

GVIBUY

The Government of the Virgin Islands (GVI) is implementing a new centralized purchasing platform, known as GVI Buy. GVIBuy is an enterprise-wide procurement, contract management, vendor management, sourcing, and online marketplace platform which will be required for all purchases (local and federal) once fully implemented. This system will streamline purchasing workflows (RFP/Quotes, requisitions, purchase orders and approvals), improve transparency, enhance documentation controls, and ensure consistent application of local and federal procurement guidelines. GVIBuy is scheduled to go live for all agencies on March 1, 2026.

Internal Audit noted at the time of this report, the Department of Property and Procurement was conducting a training series on various functions within the platform. Internal Audit strongly recommends that the VIDE Procurement Division actively participate in these sessions, to ensure VIDE is positioned to have a successful transition. Once GVI Buy is placed into production, VIDE will be required to make all vendor selection, vendor maintenance, RFP's and purchases on this platform, which will require significant changes to its internal practices for all (local and federal) purchases.

Recommendations:

Based on the observations from this audit, the following recommendations are provided to strengthen procurement practices, system access controls, and overall internal controls at VIDE:

#	Category	IAD's Recommendation	VIDE's Corrective Action Plan
1	Documentation & Compliance	Strengthen Contract Management: Attach signed contracts to all procurement files exceeding threshold limits, with justification for any missing or expedited processes within the Munis system.	Action Plan: Procurement will enforce strict compliance during the Justification Request review. The Contract Specialist must verify the executed contract is in the package before approving the Justification Letter for entry. Once entered, the Business Office and Deputy Commissioner, Fiscal & Administrative Services will act as final system approvers. They will verify that the contract is attached to the Munis requisition and will reject and

#	Category	IAD's Recommendation	VIDE's Corrective Action Plan
			<p>return any transaction that lacks it, ensuring no purchase order is generated without a contract.</p> <p>Implementation Date: January 30, 2026</p> <p>Owner: Procurement Division, Business Office & Deputy Commissioner, Fiscal & Administrative Services</p>
2	Documentation & Compliance	<p>Include IFB with All Purchases: Attach Invitations for Bid at the requisition stage for all purchases to support transparency and compliance.</p>	<p>Action Plan: The Procurement Division will mandate the Invitation for Bid (IFB) as a required component of the Justification Request. Procurement will deny any request missing the IFB, preventing data entry.</p> <p>During the Munis workflow, the Business Office and Deputy Commissioner, Fiscal & Administrative Services will review the electronic attachments. Any requisition found missing the IFB during this final approval stage will be rejected back to the Program Manager for correction.</p> <p>Implementation Date: February 28, 2026</p> <p>Owner: Procurement Division, Business Office & Deputy Commissioner, Fiscal & Administrative Services</p>
3	Documentation & Compliance	<p>Document Exceptions Clearly: Include written explanations in justification letters or PO notes when policies are bypassed and indicate who approved.</p>	<p>Action Plan: Documentation of exceptions will be enforced through the Justification Letter (JL) review process. During the Justification Request review, Procurement will verify that any deviation from standard policy is explicitly detailed in the narrative of the JL. If the explanation is missing, Procurement will reject the request.</p> <p>The Business Office and Deputy Commissioner, Fiscal & Administrative Services will review the attached Justification Letter during the requisition approval</p>

#	Category	IAD's Recommendation	VIDE's Corrective Action Plan
			<p>process. They will verify that the JL document itself contains the required exception notes before approving the requisition in the system.</p> <p>Implementation Date: January 30, 2026</p> <p>Owner: Procurement Division, Business Office & Deputy Commissioner, Fiscal & Administrative Services</p>
4	Financial Accuracy	<p>Clarify Short-Pay Documentation: Identify unreceived items and the personnel responsible within short-pay memos.</p>	<p>Action Plan: The new "Purchase Order Analyst" role includes specific responsibility for "Invoice-to-Payment Readiness". Analysts are required to validate invoices against the PO and Receiving Folder. The policy explicitly states: "If there is partial payment, [the Analyst must] indicate lines to be paid on invoices". This notation serves as the official variance documentation required by the audit.</p> <p>Implementation Date: Implemented (January 5, 2026)</p> <p>Owner: Procurement Division</p>
5	Financial Accuracy	<p>Ensure Accuracy in PO Modifications: Implement a checklist or dual-review procedures to prevent discrepancies when a PO is modified.</p>	<p>Action Plan: To prevent discrepancies, the department has implemented a "SharePoint PO Tracker" as the single system of record. PO Analysts must update this tracker daily, flagging risks such as "unused Pos" or payment delays. Any PO modification must be logged in the tracker's "Notes log and communication record" and validated by the Analyst before processing.</p> <p>Implementation Date: Implemented (Tracker live as of January 5, 2026)</p> <p>Owner: Procurement Division</p>

#	Category	IAD's Recommendation	VIDE's Corrective Action Plan
6	Service Verification	Improve Service Verification: Mandate signed confirmation from end users or department heads for services rendered.	<p>Action Plan: The January 5, 2026, directive mandates that Program Managers must submit a "Payment Certification Packet" to the central inbox. This packet must include the "Service Acceptance Form" for all service contracts. The Payment Certification Unit is strictly authorized to "return incomplete packets within 24 hours" if this verification form is missing, ensuring no payments are made without end-user confirmation.</p> <p>Implementation Date: Implemented (January 5, 2026)</p> <p>Owner: Procurement Division (Payment Certification Unit)</p>
7	System Controls	Strengthen Periodic User Access Reviews: Formalize proactive measures to ensure system access is restricted. For example: Distribute terminated employee listings to DOF bi-weekly and request confirmation that user access was revoked.	<p>Action Plan: Activity Center Leads are now required to submit separation lists to the Office of Fiscal & Administrative Services. The Office will compile and transmit this list to the Department of Finance (DOF) bi-weekly to ensure timely removal of user access.</p> <p>As a mandatory control, the Program Manager, Fiscal, will request a quarterly report of all active Munis procurement users. This list will be sent to HR for cross-referencing, and any discrepancies will result in an immediate formal ticket to DOF Helpdesk to revoke access.</p> <p>Implementation Date: Bi-Weekly reporting begins immediately; First Quarterly Review: February 28, 2026</p> <p>Owner: Office of Fiscal & Administrative Services</p>
8	Policy Dissemination	Post Procurement Procedures on VIDE Website: Ensure staff and vendors can easily access the DPP manual online.	Action Plan: To ensure immediate transparency and accessibility, the Department has posted the current Department of Property and Procurement (DPP)

#	Category	IAD's Recommendation	VIDE's Corrective Action Plan
			<p>Procurement Manual (Revision No. 2, dated February 7, 2025) on the VIDE website. It is publicly available under the "Procurement Policies" section for all staff and vendors.</p> <p>Implementation Date: Completed</p> <p>Owner: Procurement Division</p>
9	Policy Dissemination	<p>Distribute DPP Manual Updates to All Departments Immediately: Ensure timely distribution of updates to all departments to maintain consistent procurement practices.</p>	<p>Action Plan: To ensure consistent policy application, the Procurement Division has electronically distributed the updated DPP Procurement Manual (Revision No. 2) to all Program Managers and Activity Center leads. In addition to the direct email distribution, the manual is permanently hosted on the VIDE website for ongoing reference by all staff.</p> <p>Implementation Date: Completed (December 31, 2025)</p> <p>Owner: Procurement Division</p>

#	Category	IAD's Recommendation	VIDE's Corrective Action Plan
10	Centralization of Procurement Authority for local PO	<p>Local purchases are currently managed by individual programs. This process must be transferred entirely to the Procurement Division to ensure proper control and compliance is standardized.</p> <ul style="list-style-type: none"> • Draft Policy: Finalize the SOPP for all local purchases, defining thresholds, documentation, and the full role of Procurement. • Communicate & Train: Issue a formal memorandum to all divisions announcing the change, followed by mandatory staff training on the new SOPP. • Enforce: Set a firm cutoff date for full adherence to the new SOPP and establish a compliance monitoring system. 	<p>Action Plan: Effective January 5, 2026, VIDE implemented the "Procurement Office Roles & Responsibilities" framework. This policy formally centralizes all Local Purchase Order management under the Procurement Division.</p> <p>A team of four (4) centralized Purchase Order Analysts now manages the full lifecycle of both Federal and Local POs. "Analyst 3" is specifically designated to manage Local POs, ensuring they undergo the same compliance checks as federal funds. The Procurement Office is now the "single point of coordination" for all PO monitoring, ending decentralized processing by Program Managers.</p> <p>Implementation Date: Completed (Policy Memorandum issued January 5, 2026)</p> <p>Owner: Procurement Division</p>

Conclusion:

Summary of Audit Results

The audit of VIDE Procurement procedures determined that, overall, the department operates within a robust framework that complies with both federal and territorial regulations. Most federally funded transactions were well documented and closely followed established procurement policies, underscoring strong internal controls and a high level of accountability.

Identified Areas for Improvement

Despite these positive findings, several areas were identified that need improvement. In particular, the audit revealed inconsistencies in documentation, challenges in system access management, gaps in vendor oversight, and uneven application of internal controls—especially concerning transactions funded locally. Specific issues included incomplete procurement records, outdated user access within the Tyler Munis system, and a lack of regular periodic reviews. These deficiencies present opportunities to bolster transparency, operational efficiency, and readiness for future audits.

Recommended Actions

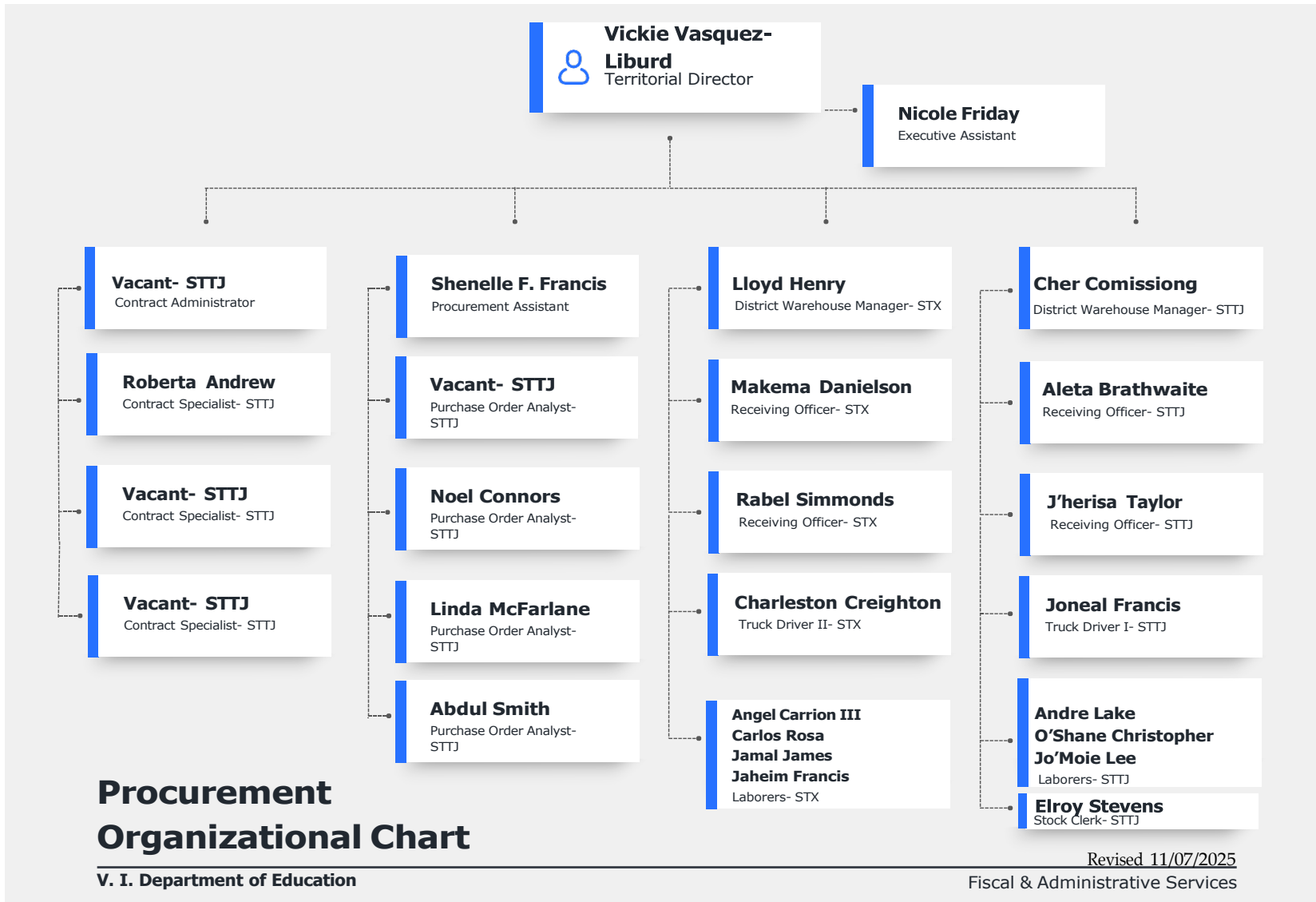
To address these gaps, IAD recommends implementing standardized documentation practices across all procurement activities. Periodic reviews of system access and vendor relationships should be introduced to ensure ongoing compliance and security. Enhanced supervisory oversight and focused staff training are also advised to strengthen internal controls and improve overall audit readiness.

Conclusion

In conclusion, while VIDE has laid a solid foundation for effective procurement and system management, adopting the recommended enhancements will help maintain and improve accountability, efficiency, and compliance with federal and territorial requirements. Prioritizing the implementation of standardized procedures, reinforcing supervisory oversight, fostering better cross-departmental collaboration, and investing in targeted staff training will collectively increase transparency, ensure consistent compliance with all regulations, and further enhance the department's readiness for future audits.

The Internal Audit Division appreciates the cooperation of the Procurement, Finance, and Program staff during this audit.

Appendix A- Procurement Organizational Chart



Source:
Document provided by Territorial Director of Procurement

Appendix B- Procurement Roles and Functions

Title	Function
Director of Procurement	Educate contract administration team of local and federal procurement laws; onboard and train procurement’s administrative team; update internal procurement procedure(s); report-update and manage contract log; analyze key performance indicators (warehouse receiving, contract execution timeline, and justification letter approval); lead procurement/contract negotiations; conduct final review and approval of justification letters conduct final review and approval of service related invoice; conduct weekly meetings with administrative team and warehouse management team; conduct final review of completed contract package and transmit to DPP; report-compile procurement documents needed all investigations and audits; update procurement’s standard operating procedures for ratification; recommends contract award to commissioner.
Executive Assistant	Coordinate the collection and submission of signed documents for processing; monitor procurement mailbox and ensure timely routing of documents to the appropriate personnel; assist with receiving and routing materials or services post-delivery in coordination with the requesting unit; monitor payment certification mailbox and ensure timely routing of document to the appropriate personnel.
Contractor Administrator	Review of IFB and RFP; review contractual documents; contract drafting (proposed amendment and renewal options); administrative support to contract specialist; preparation of executive correspondences and memorandums; notify programs of contract timelines; manage contract log; compile contractual package for transmission to DPP; review and analyze (local and federal) procurement laws and codes to facilitate the contractual process; collaborate with DPP for the transmission and approval of contracts over \$250K.
Contract Specialist	Justification review; review service related invoices; vendor engagement; review the contractual documents and arrange them for the contract administrator to facilitate the drafting of the contract; examine contractual documents available on official local government websites to verify their accuracy and /or to locate updated documents (such as for SAM and Certificate of Good Standing); deliver assistance to suppliers and program managers by responding to inquiries, supplying information, and ensuring proper follow-up and /resolution; arrange meetings via Teams and participate in meetings; serve on the evaluation committee when required-post award meeting; distribute contract and /or agreements to the programs and vendors; offer administrative assistance to the Director of Procurement as needed; update contract log; update procurement drive and SharePoint to include all relevant documents for vendors and programs; redirect contracts and transmittal letters through adobe for signature; engage in training sessions and classes to improve skills and knowledge pertinent to the role of a contract specialist.

Title	Function
Procurement Assistant	Ensure all posted materials meet accessibility and formatting standards; coordinate with Public Relations or the Communications Department for technical support or updates, as needed; review and process Requests for Quotes (RFQs), Invitations for Bids (IFBs), and Requests for Proposals (RFPs); track deadlines for procurement cycles and contract renewals (local supply contracts); ensure all procurement actions follow local and federal procurement guidelines (e.g., GVI procurement code, VIC); identify discrepancies and escalate potential non-compliant purchases to a supervisor; enter and update requisitions and purchase orders in the financial/procurement system (e.g., Munis); maintain accurate data logs (e.g., JL tracker, vendor quote logs, bid openings); generate reports on procurement activity, as requested by management; coordinate the collection and submission of signed documents for processing; monitor procurement mailbox and ensure timely routing of documents to the appropriate personnel; assist with receiving and routing materials or services post-delivery in coordination with the requesting unit; support planning and execution of procurement workshops and trainings; stay updated on procurement policies and changes relevant to education-related purchases; support special procurement projects and emergency procurement efforts; payment certification support, ionic review 3 way match; respond to vendor inquiries regarding payment status; report any irregularities or non-compliant payment requests to the procurement officer or supervisor,.
Purchase Order Analyst	Manage/track federal purchase orders from conversion to liquidation; upload newly converted POs to the data management Smartsheet completing required fields; email converted Pos to team members; contract vendors to confirm PO receipt, fulfillment ability, and anticipated fulfillment date; request/resend converted PO to vendors not in receipt; liaison between the programs and the vendors for goods; monitor/track the fulfillment of goods/services; request invoices for goods/services received; upload invoices for goods to the accounts payable Smartsheet and monitor payments; follow up with programs to ensure timely submittal of invoices and supporting documents to payment certification; follow up with accounts payable regarding delayed payments; email check run to team members; process PO modification and cancellations; send cancellation notices to the vendors; update PO Smartsheet to reflect the open PO report; update accounts payable Smartsheet by removing paid invoices; provide vendor maintenance forms to current and potential vendors; manage vendor profiles local and federal; prepare late liquidation packet when necessary; contact warehouse regarding receiving discrepancies.
Warehouse Manager	Oversee the day to day operations of the warehouse; supervise all warehouse personnel (receiving officer, storekeeper, truck driver, laborer); prepare and submit weekly receiving report; report discrepancies and damaged items to vendors; submit creation packages and delivery confirmations to FAMD; prepare justification letter and enter requisitions to replenish warehouse stock and other related items; submit invoices to business office for

Title	Function
	payment;; coordinate the request for pickup and transferring of items within the department and schedule pick up of items for the department.
Receiving Officer	Completes electronic filing of PO receiving docs, accepts mail and various shipments; logs shipments into logbook for records and accountability; verifies shipment/delivery contents for receiving in the ERP; communicates with supervisor regarding discrepancies; emails vendors regarding discrepancies and/or damaged items; tagging of fixed asset and creating supporting documents; coordinates deliveries with driver and record deliveries; responds to emails.
Truck Driver	Accepts and delivers shipments assigned to specified locations; assists laborers if needed with loading and offloading of shipments.
Laborer	Performs loading and offloading of deliveries; keeps warehouse and grounds clean of debris; assist receiving officers with accepting shipments, offloading of containers.
Store Clerk	Prepare warehouse supply orders to be delivered to the schools and offices; conduct warehouse supply inventory; loading and unloading boxes from delivery trucks at the warehouse.

Source: Document provided by the Territorial Director of Procurement

Appendix C – Department of Property and Procurement Policy Framework

DPP governs procurement activities across the Government of the Virgin Islands. VIDE’s internal procedures must align with DPP’s overarching regulations and approval processes.

a. Legal and Procedural Authority

The DPP derives its authority from **Title 31, Chapter 23** of the *Virgin Islands Code* and the **DPP Procurement Manual (2022 Revision)**. These documents outline statutory procedures for competitive bidding, contract management, and procurement oversight for all government entities.

In addition, **Title 17, Chapter 5, Section 60(d)** of the *Virgin Islands Code* grants the **Virgin Islands Department of Education (VIDE)** independent authority to purchase or contract for all supplies, materials, equipment, and contractual services **if the cost of the purchase or contract does not exceed \$250,000.00.**

This provision authorizes VIDE to independently execute procurements within the \$250,000 threshold while maintaining compliance with DPP policy requirements. All procurements exceeding this limit must be coordinated through the Department of Property and Procurement for approval and contract execution.

b. Contracting and Oversight Procedures

The DPP Procurement Manual establishes procedures for competitive solicitation, contract drafting, and legal review. All contracts exceeding the simplified acquisition threshold are subject to DPP's review, ensuring compliance with procurement statutes and fiscal accountability standards.

Procurement officers are responsible for securing multiple quotations or bids in accordance with DPP requirements and for maintaining supporting documentation such as bid evaluations, justifications for sole-source purchases, and signed contracts.

c. Coordination with VIDE SOPPs

The Virgin Islands Department of Education's (VIDE) internal Standard Operating Policies and Procedures (SOPPs) are intended to govern requisition routing, documentation, and internal approval processes, while the Department of Property and Procurement (DPP) establishes the external compliance framework for procurement authorization and execution. However, at the time of the audit, VIDE's internal SOPPs were undergoing revision and therefore could not be cross-referenced with DPP's Procurement Manual. Continued coordination between the two entities is essential to ensure alignment in threshold limits, documentation standards, and vendor selection procedures.