

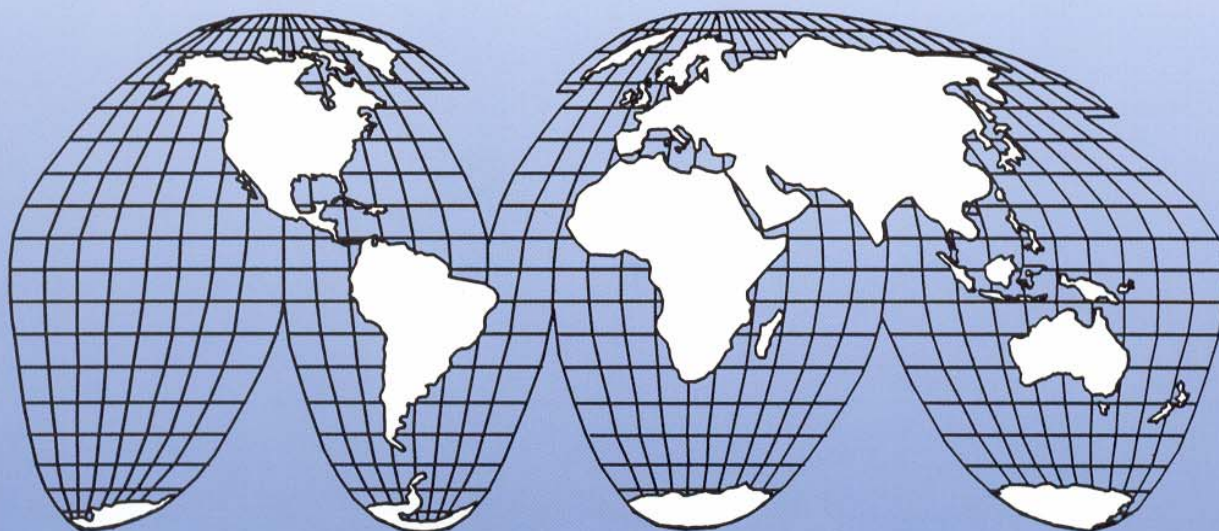
USAID

OFFICE OF INSPECTOR GENERAL

Audit of USAID's Fiscal Year 2004 Payroll Reconciliations

Audit Report No. 0-000-05-001-F

November 17, 2004



Washington, DC



November 18, 2004

MEMORANDUM

FOR: Deputy CFO, David D. Ostermeyer

FROM: IG/A/FA, Andrew Katsaros /s/

SUBJECT: Report on Audit of USAID's Fiscal Year 2004 Payroll Reconciliations
(Report No. 0-000-05-001-F)

This is our final report on the subject audit. We reviewed your comments to our draft report and included them as Appendix II to this report.

In summary, the report recommends that USAID (1) complete all outstanding fiscal year 2004 payroll reconciliations, (2) consolidate payroll desk procedures into a revised document that includes supervisory review standards and periodic tests of controls, (3) maintain procedural documentation related to employee salary advances, and (4) incorporate all existing payroll procedures into a revised document that is circulated to all employees involved in the payroll reconciliation process.

Based on our evaluation of your comments to our draft report and all supporting documentation provided, we consider that final action has occurred on Recommendation Nos. 1, 2, 3, and 4.

I want to express my sincere appreciation for the cooperation and courtesies extended to Office of Inspector staff during the audit.

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Summary of Results

The Office of Inspector General's (OIG) Financial Audits Division, Washington D.C. performed this audit to determine if USAID's monthly payroll reconciliations with the U.S. Department of Agriculture's (USDA's) National Finance Center (NFC) and the Department of Treasury are complete, and if established procedures are being followed. USAID's FY 2003 and 2004 payroll reconciliations with the NFC were incomplete and untimely. As of June 14, 2004, only the December 2003 monthly payroll reconciliation had been completed for FY 2004. Also, during FY 2003, the final pay period reconciliation was not completed before USAID submitted audited financial statements to the Office of Management and Budget (OMB). Because of the delay in completing the reconciliations, USAID was not able to confirm the payroll information recorded in its FY 2004 quarterly financial statements, as required by USAID's *Desktop Procedures – Payroll Obligation Tracking document*. The payroll reconciliations were incomplete and untimely because the Central Accounting and Reporting Division (CAR) did not have the employee resources needed to complete the reconciliations. This occurred because the employee responsible for completing the reconciliations became ill, and CAR did not have employees that were cross-trained to perform the reconciliations. Although the amounts do not have a material effect on USAID's overall financial statements, CAR should complete all outstanding FY 2004 payroll reconciliations and quarterly intergovernmental payroll reconciliations before the FY 04 financial statements are submitted to the OIG and OMB. Additionally, CAR should cross train employees to perform payroll reconciliations to ensure accurate and timely financial reporting (*see page 7*).

The Accounting Division of USAID's Office of Financial Management has documented procedures over the adjusted payroll information reported to the Cash Management and Payments Division (CMP). However, USAID does not have supervisory review and approval standards to ensure that all adjustment information reported to the CMP is accurate, complete, and authorized. The Accounting division does not consistently follow procedures to activate payroll disbursements by CMP. The Accounting Division processed a large volume of financial transactions, did not consistently follow the established procedures, and often overlooked some of the detailed procedures to ensure timely financial reporting for USAID. Additionally, periodic tests of controls were not conducted to ensure that established procedures were followed. Therefore, an audit trail is not available for internal or external review and monitoring. The existing procedures should be included in a revised document that describes all aspects of accounting for payroll expenses, including supervisory review and approval standards and periodic tests of controls (*see page 9*).

Procedures for monitoring employee salary advance activity were not effectively understood by Division managers involved in the payroll accounting process. This understanding is an essential component of GAO's Standards for Internal Control. The misunderstandings occurred when some of the responsibilities for reconciling, monitoring and accounting for employee salary advances were reassigned from a USAID contractor to several different FM divisions, amplified by turnover in USAID's Office of Financial Management (FM). As a result, USAID managers were unsure of who was providing the accounting support for monthly employee salary advances, and internal control over accounting for employee salary advances became ineffective. FM should maintain procedural documentation on its responsibilities, and those of the NFC, with respect to the establishment, monitoring, and repayment of employee salary advances (*see page 10*).

PricewaterhouseCoopers Consulting (PwC) (now part of International Business Machines Corporation/IBM) prepared USAID's *Payroll Disbursements Reconciliation Operating Procedures* in FY 2001. During FY 2004, USAID created the *Instructions for Reconciling the Monthly Payroll*. USAID also maintains a *Desktop Procedure – Payroll Obligation Tracking* document that clarifies the various Divisions' roles in the payroll obligation process. Based on OIG analysis, USAID's FY 2004 *Instructions for Reconciling the Monthly Payroll* and *Desktop Procedure – Payroll Obligation Tracking* are different from the IBM procedures and do not identify some specific procedures related to accounting for payroll expenses. This oversight occurred because of the recent reassignment of the reconciliation responsibilities from IBM contractors to USAID direct hire employees. FM should incorporate all IBM procedures with USAID guidance for completing the monthly payroll reconciliations (*see page 13*). Management comments are included in their entirety in Appendix II.

Background

Beginning in October 2000, the Department of Agriculture's NFC was responsible for processing USAID's payroll. Every two weeks, USAID downloaded the NFC's payroll information and posted it to the Agency's accounting system. At the end of every month, the NFC submitted to the U.S. Treasury a statement of transactions¹ for payroll on behalf of USAID. USAID personnel and a contractor then compared the payroll disbursements and collections that were posted to the Agency's accounting system to those reported in the statement of transactions.

¹ A statement of transactions (standard form 224) is used to communicate the appropriation data for agency collections and disbursements that were made in a given month.

During the FY 2003 GMRA audit,² the Financial Audits Division noted that USAID's payroll reconciliation with the NFC and Treasury was not complete. This occurred because the Agency recorded the differences identified without obtaining documentation to support the nature and cause of the differences, thus forcing the general ledger to agree with the net disbursements reported in the statement of transactions. In conducting our audit, we reviewed all areas applicable to USAID's accounting for payroll expenses, including the overall payroll reconciliation, obligation, and disbursement processes.

**Audit
Objective**

The audit was conducted to answer the following question:

Are USAID's monthly payroll reconciliations with the USDA's National Finance Center and Department of Treasury complete, and are established procedures being followed?

Appendix I contains a discussion of the audit's scope and methodology.

Audit Findings

Summary: USAID's monthly reconciliations with the NFC and Treasury were not complete or timely. Payroll accounting procedures need improvement and should be incorporated into a revised document describing all aspects of the payroll accounting process, including supervisory review and approval standards and periodic tests of controls. Opportunities for improved compliance with GAO internal control standards and procedures for monitoring employee salary advance activity were noted. USAID's instructions for reconciling the monthly payroll should include additional guidance.

Fiscal Year 2003 and 2004 Payroll Reconciliations Were Incomplete

USAID's FY 2003 and 2004 payroll reconciliations with the USDA's NFC were incomplete and untimely. As of June 14, 2004, only one monthly payroll reconciliation had been completed for fiscal year 2004. Also, during FY 2003, the final pay period reconciliation was not completed before USAID submitted financial statements to the OIG and OMB. These were incomplete and untimely because CAR did not have the employee resources needed to complete the reconciliations. This occurred because an employee responsible for completing the reconciliations became ill, and CAR did not have employees that were

² FY 2003 Government Management Reform Act Audit, Audit Report No. 0-000-04-001-C, November 14, 2003

cross-trained to perform the reconciliations. Payroll expense information was therefore reported in the Agency's year-end and quarterly financial statements without verification. The absence of monthly reconciliations has prevented USAID from recording monthly payroll disbursements, and management was provided with inaccurate payroll expense information. The absence of timely and complete payroll reconciliations also increases the potential for incorrect accounting entries, misuse of Agency funds, the posting of inaccurate intragovernmental transactions, and undetected errors or misstatements.

The Government Management Reform Act (GMRA) of 1994 mandates that the Federal Government publish consolidated audited financial statements. USAID has incorporated the GMRA into ADS 594.3.1, *Preparation of USAID's Annual Financial Statements*, which states: "The Office of Financial Management (M/FM) must submit complete cumulative interim financial statements to the USAID Office of Inspector General (OIG) within four weeks at the close of each quarter during the fiscal year. M/FM must also submit USAID's final annual financial statements to the OIG by October 31 at the close of USAID's fiscal year."

Federal entities are also required to perform quarterly intragovernmental reconciliations beginning in FY 2003 per OMB Bulletin No. 01-09, Form and Content of Agency Financial Statements, dated September 25, 2001. Fundamentally, publishing the consolidated financial statements free from material misstatement requires that Federal entities incorporate sufficient internal controls over financial reporting with respect to intragovernmental transactions.

Monthly payroll reconciliations are required to detect irregular and non-recurring payroll expenses provided by NFC to USAID. The absence of timely and complete payroll reconciliations increases the potential for incorrect accounting entries, misuse of Agency funds, the posting of inaccurate intragovernmental transactions, and undetected errors or misstatements. Without these reconciliations, USAID can not adequately investigate irregularities reported by NFC. As a result of the OIG audit, an additional seven months of outstanding payroll reconciliations were completed by September 8, 2004. The OIG noted no discrepancies with these reconciliations that were completed subsequent to June 14, 2004. The OIG review of these additional items was limited to the reconciliation process and did not include a review of the associated accounting entries.

USAID's monthly payroll reconciliations are required to develop the source document supporting a monthly payroll disbursement entry. Because the monthly reconciliations were not completed and these

source documents were not available, IBM entered accrued payroll expense information, on USAID's behalf, so that the FY 2003 yearend and FY 2004 1st and 2nd quarter financial statements would be timely. As of May 31, 2004, payroll disbursement information from December 2003 was still not entered into USAID's accounting records. As a result, USAID's official accounting records do not accurately reflect payroll expense or disbursement information and management does not have accurate payroll expense or disbursement data available in its official accounting records. Although the amounts would not be material to the overall financial statements, the potential for inaccurate interim and yearend financial reporting is increased.

Recommendation No. 1: We recommend that the Central Accounting and Reporting Division complete all fiscal year 2004 outstanding payroll reconciliations before the fiscal year 2004 financial statements are presented to the Office of Inspector General and the Office of Management and Budget. Additionally, Central Accounting and Reporting should cross-train employees to perform payroll reconciliations to ensure accurate and timely financial reporting.

Payroll Accounting Procedures Need Improvement

Summary: USAID's Office of Financial Management has documented procedures over monthly adjusted payroll obligation information reported to CMP, and these procedures are contained in CAR's *Desktop Procedure – Payroll Obligation Tracking* document. However, the Accounting Division does not consistently follow the procedures to activate the payroll disbursement by CMP, and the procedures do not contain supervisory review and approval standards to ensure that all adjustment information reported to CMP is accurate, complete, and authorized. The Accounting Division processed a large volume of financial transactions and did not consistently follow established procedures. Often, Accounting overlooked some of the detailed procedures to ensure timely financial reporting for USAID. Additionally, periodic tests of controls were not conducted to ensure that established procedures were followed. As a result of the procedures not being followed, an audit trail is not always available for internal or external review and monitoring. The likelihood of inaccurate, incomplete or unauthorized postings is increased without supervisory review and approval standards and periodic tests of controls.

ADS 596.3.1, *Establishing Management Controls*, states that USAID managers and staff must develop and implement appropriate, cost effective management controls for results-oriented management, which reasonably ensure that revenues and expenditures are properly recorded and accounted for, and that assets are safeguarded against waste, loss, unauthorized use or misappropriation. During its review of CAR's *Desktop Procedure – Payroll Obligation Tracking* document, the OIG noted that supervisory review procedures were not included and that this affected the overall internal control environment related to accounting for payroll at USAID.

The *Desktop Procedures*, prepared by CAR, identified the different roles of the CAR, Accounting, and CMP Divisions. The OIG noted that the Accounting Division did not consistently require email notification to CMP to activate the disbursement process, as required by the *Desktop Procedures*. This email represents an audit trail that would identify the date that payroll disbursement information would be available for posting to the accounting system, and would provide assurance that the CMP entered payroll information into the accounting system timely.

Recommendation No. 2.: We recommend that the Accounting and Central Accounting and Reporting Divisions of USAID's Office of Financial Management incorporate the *Desktop Procedure – Payroll Obligation Tracking* into a revised document describing all aspects of the payroll accounting process, including supervisory review and approval standards and periodic tests of controls to ensure that established procedures are consistently followed.

Opportunities for Improved Compliance with GAO Internal Control Standards and for Monitoring Employee Salary Advance Activity

Summary: Procedures for monitoring employee salary advance activity were not effectively understood by Division managers involved in the payroll accounting process. This understanding is an essential component of GAO's Standards for Internal Control. The misunderstandings occurred when some of the responsibilities for reconciling, monitoring and accounting for employee salary advances were reassigned from a USAID contractor to several different FM divisions, amplified by turnover in USAID's Office of Financial Management. As a result, USAID managers were unsure of who was providing the accounting support for monthly employee salary advances, and internal control over accounting for employee salary advances was not effective.

As, required by the Federal Managers' Financial Integrity Act of 1982 (FMFIA), the GAO issues standards for internal control in government.³ These standards provide the overall framework for establishing and maintaining internal control and for identifying and addressing major performance and management challenges and areas at greatest risk of fraud, waste, abuse, and mismanagement.⁴ An integral component of an organization's management provides reasonable assurance that the following objectives are being achieved: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.⁵ GAO has five standards for Internal Control:⁶

- Control Environment – Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.
- Risk Assessment – Internal control should provide for an assessment of the risks the agency faces from both external and internal sources.
- Control Activities – Internal control activities help ensure that management's directives are carried out. The control activities should be effective and efficient in accomplishing the agency's control objectives.
- Information and Communications – Information should be recorded and communicated to management and others within the entity who need it and in a form and within a time frame that enables them to carry out their internal control and other responsibilities.
- Monitoring – Internal control monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved.

³ GAO – Standards for Internal Control in the Federal Government (GAO/AIMD-00-21.3.1), page 1. This Standard has been updated (effective beginning with fiscal year 2000) to reflect use of information technology in government operations, human capital, and updated guidance as provided by the public sector. (GAO/AIMD-00-21.3.1), page 2.

⁴ GAO – Standards for Internal Control in the Federal Government (GAO/AMID-00-21.3.1), page 1.

⁵ GAO – Standards for Internal Control in the Federal Government (GAO/AMID-00-21.3.1), page 4-20.

⁶ GAO – Standards for Internal Control in the Federal Government (GAO/AMID-00-21.3.1), page 7.

These standards define the minimum level of quality acceptable for internal control in government and provide the basis against which internal control is to be evaluated⁷. These standards also apply to all aspects of an agency's operations: programmatic, financial and compliance⁸. In implementing these standards, management is responsible for developing the detailed policies, procedures, and practices to fit their agency's operations and to ensure that they are built into an integral part of operations⁹.

During the audit, the OIG noted that managers from the Accounting, CAR, and Payroll Divisions did not consider their collective roles with respect to USAID employee salary advances, and were unsure of who was actually recording, reconciling, and monitoring employee salary advance activity. As a result of the OIG's work and FM's internal communication, these same managers were able to resolve and clarify issues with respect to accounting for payroll expenses, financial reporting policies, procedures, and responsibilities, during the course of the audit.

Several factors combined to affect communication between the Accounting, CAR, and Payroll Divisions, in understanding accounting for and reconciling employee salary advance activity. In FY 2003, payroll reconciliation responsibilities were reassigned from USAID's contractor (IBM) to USAID direct hire employees, and representatives of several FM components were unsure of how this affected accounting for employee salary advances. Employee salary advances are actually only a small part of the overall payroll reconciliation process, with a balance of approximately \$400,000 as of June 30, 2004, compared to monthly payroll activity of approximately \$20 million. Also, a key Accounting Division employee responsible for preparing payroll obligations, recording post-reconciliation adjustments, and monitoring employee salary advances for the Payroll Division, resigned during FY 2004. Additional employee turnover required USAID/FM to reassess its top financial management priorities and USAID's efforts to establish new payroll reconciliation procedures took longer than expected to be completed and implemented. As a result, the procedures for monitoring employee salary advance activity were not effectively understood by all FM components involved in the process.

Overall, USAID does comply with GAO's Internal Control Standards with respect to payroll accounting and managers have communicated the

⁷ GAO - Standards for Internal Control in the Federal Government (GAO/AMID-00-21.3.1), page 7.

⁸ GAO - Standards for Internal Control in the Federal Government (GAO/AMID-00-21.3.1), page 7.

⁹ GAO - Standards for Internal Control in the Federal Government (GAO/AMID-00-21.3.1), page 7.

importance of effective controls to all employees. The completed payroll reconciliation was reviewed and approved upon completion, and progress on reconciliations is consistently monitored and reported to USAID senior management through a monthly Payroll Status Update. USAID management also monitors payroll reports from the NFC and USAID contractors reconcile employee advances every quarter.

Recommendation No. 3: We recommend that USAID's Office of Financial Management maintain procedural documentation on its responsibilities and those of the U.S. Department of Agriculture's National Finance Center, with respect to the establishment, monitoring and repayment of employee salary advances. The procedural responsibilities should be disseminated to appropriate staff.

USAID's Instructions for Reconciling the Monthly Payroll Should Include Additional Guidance

Summary: USAID's current procedures for reconciling the monthly payroll did not include some of the information contained in the original IBM document because of the recent reassignment of the reconciliation responsibility from IBM contractors to USAID direct hire employees. Written policies and procedures are essential in maintaining an effective internal control environment and in ensuring that financial information is accurate and reliable. Failure to document all of the necessary reconciliation procedures and responsibilities could result in the distribution of procedures that are not accurate or complete. For FY 2003 and 2004, it contributed to USAID's inability to perform many of its payroll reconciliations. If reliable written procedures are not available, employee turnover, retirements, or reassignments could continue to affect the Agency's ability to complete the monthly reconciliations.

PricewaterhouseCoopers Consulting (now part of IBM) prepared USAID's Fiscal Year 2001 *Payroll Disbursements Reconciliation Operating Procedures*. During Fiscal Year 2004, USAID created the *Instructions for Reconciling the Monthly Payroll*. USAID also maintains a *Desktop Procedure - Payroll Obligation Tracking* document that clarifies the various Divisions' roles in the payroll obligation process. A comparison of IBM's operating procedures and USAID's monthly payroll instructions disclosed that overall, USAID's instructions did not address or provide guidance for the following areas:

- Analyzing and resolving Phoenix General Ledger and Treasury (SF 6653) differences
- Preparer sign-off and routing

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- Reconciliation review and approval
 - Identification and Recording Employee Salary Advances and Collections of Employee Salary Advances
 - Reconciling outstanding balance of Employee Salary Advances
 - Analyzing and resolving Phoenix General Ledger and NFC Status of Debtor Report differences
 - Identification and recording of employee indebtedness Other Than Salary Advances (Administrative Debt)
 - Reconciling outstanding balance of Employee Administrative Indebtedness

Based on OIG's analysis, the IBM procedures address all of the necessary actions required by USAID in completing its periodic payroll reconciliations.

Recommendation No. 4: We recommend that USAID's Office of Financial Management incorporate all procedures in *International Business Machines' Payroll Disbursements Reconciliation Operating Procedures* into USAID's *Instructions for Reconciling Monthly Payroll*, and circulate the completed document to employees involved in the payroll reconciliation process.

Evaluation of Management Comments

We have received USAID's management comments to the findings and recommendations included in our draft report. USAID management agreed with each of the four recommendations included in the report. We have evaluated USAID management comments on the recommendations and have reached management decisions on all four recommendations. The following is a brief summary of USAID's management comments on each of the four recommendations included in this report and our evaluation of those comments.

Recommendation No. 1

USAID management agreed with Recommendation No. 1. Central Accounting and Reporting has completed all 2004 payroll reconciliations.

Recommendation No. 2

USAID management agreed with Recommendation No. 2. FM has prepared a consolidated *Payroll Disbursements Reconciliation and Accounting Procedures* document describing all aspects of the payroll accounting process.

Recommendation No. 3

USAID management agreed with Recommendation No. 3. FM has incorporated procedural documentation into its revised *Payroll Disbursements Reconciliation and Accounting Procedures*.

Recommendation No. 4

USAID management agreed with Recommendation No. 4. FM has incorporated the *IBM Payroll Disbursements Reconciliation Operating Procedures* into its revised *Payroll Disbursements Reconciliation and Accounting Procedures*.

We reviewed and assessed the comments, actions taken, and documents prepared by USAID and consider final action to be complete on all four recommendations.

**Scope and
Methodology**

The audit was designed to answer the following audit objective: Is USAID's monthly payroll reconciliation with the NFC and Treasury complete, and are established procedures being followed? The Office of Inspector General/Washington D.C. conducted this audit in accordance with U.S. generally accepted government auditing standards.

The audit fieldwork was conducted between April 12 and September 8, 2004, in Washington, D.C. Our initial audit scope included reviewing USAID's FY 2003 and FY 2004 payroll reconciliations and related supporting documentation. Because of delays with completing the outstanding reconciliations, the FY 2003 and 2004 reconciliations were incomplete, untimely, and not available for review during audit fieldwork. Therefore, we limited our scope to the one payroll reconciliation that was completed during audit fieldwork. In planning and performing the audit, we obtained an understanding of controls related to USAID's accounting for payroll expenses, including the overall payroll reconciliation, obligation, and disbursement processes. There were no prior audit findings available for review.

Methodology

In planning and performing the audit, we obtained an understanding of applicable federal laws and regulations, USAID's policies, procedures, and directives for reconciling payroll transactions. We did not develop materiality thresholds for the audit objective.

To answer the audit objective, we reviewed the one payroll reconciliation that had been completed during audit fieldwork. Our review included an examination of all related supporting documentation. Additionally, we interviewed USAID employees and IBM contractors to obtain an understanding of the payroll reconciliation and disbursement processes and evaluated internal controls that management established to process and record payroll expenses. We also reviewed USAID's FY 2004 *Instructions for Reconciling the Monthly Payroll, Desktop Procedures – Payroll Obligation Tracking*, and IBM's FY 2001 *Payroll Disbursements Reconciliation Operating Procedures*.

**Management
Comments**

November 1, 2004

MEMORANDUM

TO: Director, IG/A/FA, Andrew Katsaros

FROM: Deputy CFO, David Ostermeyer /s/

SUBJECT: Management Response to Draft Independent Auditor's Report on Audit of USAID Payroll Reconciliations (Report No. 0-000-05-001-F)

Thank you for the opportunity to respond to the draft audit report. The report contains four recommendations to improve USAID's payroll reconciliation procedures. Management concurs with all of the proposed recommendations and has implemented corrective actions. Documentation supporting our corrective actions is available for your immediate review. Management respectfully requests that the four audit recommendations be closed upon the issuance of the audit report.

Following are our management decisions and corrective actions regarding the proposed audit recommendations:

Recommendation No. 1: We recommend that the Central Accounting and Reporting Division complete all fiscal year 2004 outstanding payroll reconciliations before the fiscal year 2004 financial statements are presented to the Office of Inspector General and the Office of Management and Budget.

Management agrees with the recommendation. Central Accounting and Reporting Division has completed all 2004 payroll reconciliations, as recommended.

Recommendation No. 2.: We recommend that the Accounting and Central Accounting and Reporting Divisions of USAID’s Office of Financial Management incorporate the Desktop Procedure – Payroll Obligation Tracking into a revised document describing all aspects of the payroll accounting process, including supervisory review and approval standards and periodic tests of controls.

Management agrees with the recommendation. FM has incorporated the Desktop Procedure – Payroll Obligation Tracking into a revised document entitled “Payroll Disbursements Reconciliation and Accounting Procedures” that describes all aspects of the payroll accounting process, including supervisory review and approval standards and periodic tests of controls.

Recommendation No. 3: We recommend that USAID’s Office of Financial Management maintain procedural documentation on its responsibilities, and those of the U.S. Department of Agriculture’s National Finance Center, with respect to the establishment, monitoring, and repayment of employee salary advances.

Management agrees with the recommendation. FM has incorporated the recommended procedural documentation into the revised “Payroll Disbursements Reconciliation and Accounting Procedures”.

Recommendation No. 4: We recommend that USAID Office of Financial Management incorporate all procedures in International Business Machines’ Payroll Disbursements Reconciliation Operating Procedures into USAID’s Instructions for Reconciling Monthly Payroll, and circulate the completed document to employees involved in the payroll reconciliation process.

Management agrees with the recommendation. FM has incorporated all procedures in International Business Machines’ Payroll Disbursements Reconciliation Operating Procedures into a revised document entitled “Payroll Disbursements Reconciliation and Accounting Procedures”, and circulated the completed document to employees involved in the payroll reconciliation process.