Payroll Certification Pilot

FDP Update

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UCR Campus Update

- Project Status
  - Since April 2011, over 1,700 Payroll Certifications have been completed
  - 100% compliance (98% within 30 days of issuance)
  - Estimated that over 13,000 Effort Reports would have been generated for same period
  - 18-month internal audit report issued; no major concerns reported
  - Majority of PIs have reviewed on-line PRC Overview

A Difference of Opinion

- PI comment in Sept 2011: "You were asking me to certify a total of $0.00. There must be a better way to do this."

- Same PI in August 2013: "Thanks for making this process so easy. It surely beats killing thousands of…trees and…signing for hours…All-in-all a great step forward."

UCR – Audit Status

Data Request:

- In February 2013, audit requests officially commenced including sample data covering one quarter of both NSF and HHS: 30 days to respond

- In May 3013, 3.25 years of data requested limited to HHS awards (includes one year of effort reporting):

  – All GL transactions

  – All Payroll Details

  – Reconciliations (Quarterly Reports to GL, GL to Payroll)

  – Five workdays to respond

UCR Audit Status (cont.)

- On-site audit originally scheduled for June 3, 2013; delayed
- Entrance Conference on August 13, 2013
- Actual on-site start date: September 3, 2013
  - Between 3-6 HHS OIG auditors
  - Planned for 4 weeks
- Scope expanded:
  - IT Security (separate OIG IT audit team; 2 weeks on-site)
  - Fixed Priced Awards

Data Analytics

- NSF performed analytics
- 5 strata/180 payroll transactions selected:
  - Charges to Expired Awards (30)
  - Excess Salary (30)
  - High Risk Adjustments (30)
  - Administrative (30)
  - Low Risk (60)

Selections

- Documentation to support 100% of individual for year in question
  - Personnel actions
  - Payroll details across all funding sources
  - Time records if applicable
  - Effort Reports/Payroll Certifications
  - Job Descriptions
  - Teaching assignments
  - Travel expenditures across all funding sources

Selections (*cont.*)

- For the Award
  - Copy of terms and conditions
  - Detailed budget for the award, listing personnel
- For Cost Transfers
  - Support for cost transfers transactions including reason/justification
- A minimum of 18 interviews of employees and/or PIs

Selections (cont.)

- Department interviews conducted to understand general controls over:
  - Budget Development
  - Payroll Transactions
  - Monthly Reviews
  - Payroll Certifications

UC Irvine Campus Update

- Rich Andrews retired
- Bent Nielsen is now UCI's Controller and payroll certification contact
- Same data requested covering 3.25 years, HHS only
- Data recently submitted to NSF; analytics pending
- HHS OIG on-site fieldwork contingent upon completion of analytics
- IT security audit pending

Next Steps

- Finalize fieldwork

- HHS will issue separate reports to UCR and UCI

- HHS will prepare a summary of issues for OMB

- Due to delays with audit, UC requested an extension of pilot through December 31, 2014

QUESTIONS?