

## Payroll Services Newsletter Spring 2007

### State Auditor Payroll Exit Conference:

You may have recently read this has been the eighth year without an audit finding by the State Auditor's Office. This is a testament to the ongoing day-to-day efforts each of us practice to safeguard the assets while being good stewards of University resources. Although there were no audit findings, the State Auditors did document some practices which need attention in at least three colleges and I want to share those with you. Please review these items to ensure that they are not problematic to your areas since we can be certain that the auditors will be following up to make sure we have taken corrective action.

- **Daily Activity Report (DAR)** forms (or their substitute) should be **signed** and **dated** by both the employee and supervisor *but not before the last day worked in the payperiod*. The employee's signature is a validation that the hours worked or pieces completed on the DAR (or substitute) accurately and truthfully reflects the time worked. The supervisor's signature approves the DAR for payment. Time for temporary employment fluctuates and by definition cannot be preapproved. Consult BPPM 60.61 for additional procedures.
- **Daily Activity Report (DAR)** forms (or their substitutes) should not be approved and then given back to the temporary employee such as might happen if a student seeks a supervisor's signature on his or her DAR and then is required to carry the DAR to the departmental payroll person. This practice (although perhaps very convenient) sets up a potential fraud by allowing the individual to alter the time on the DAR. This has happened at least once to my knowledge. Supervisors need to work with the departmental payroll support staff to arrange the appropriate and timely collection of the DARs.

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- **Daily Activity Report (DAR)** forms (or their substitutes) should be approved before payment. The State Auditors noted that one college had DARs signed by a supervisor after PEARs (Payroll Expenditure Audit Reports) were certified (i.e. approved). DARs should normally be approved for payment before the time or pieces are entered into the Positive Pay section of DeptPay but, in the case of supervisor absence, the approval period may extend to before the PEARs are certified.

To view the audit report online:

<http://www.sao.wa.gov/Reports/AuditReports/AuditReportFiles/ar6587.pdf>

### Internal Audit of Payroll Services:

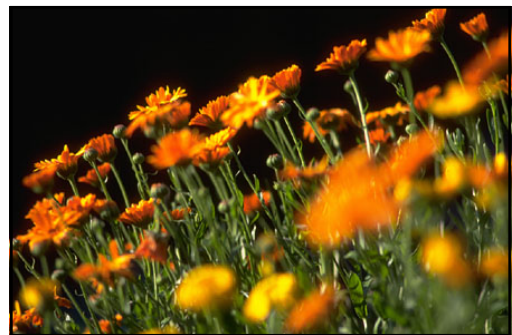
Payroll Services was audited by the staff of the Internal Auditor's Office for the period of 07/01/05 through 06/30/06 and the results were published in Audit Report 06-05 on December 11, 2006. There were no audit findings. The following is an excerpt from the email of Internal Audit Director, Heather Lopez, to University management which accompanied the final report:

"...functions reviewed as performed by Payroll Services, their unit payroll and the centralized functions that are their primary responsibility, get an A+. We had little doubt when beginning review, but no exceptions for 100% review is awesome."

The report did include some recommendations directed more towards Information Technology and the review of change management reports as well as the frequency that system access is reviewed. Recommendation was made to substitute WSU ID numbers for social security numbers for both the Positive Pay and PEAR sides (including downloads) of Departmental Payroll Processing and a project has been started to address this need.

### Departmental Payroll Processing (DEPTPAY) Changes:

The effort has been started to convert DEPTPAY from social security number to WSU ID number. This means the downloads for both Positive Pay and PEARs will be changing and this might have an impact on how you are currently downloading data in your department, primarily if you download to a spreadsheet or if you import the data to an existing program for additional processing. Please advise your technical support folks about this upcoming change. I do not have a "go live" date yet but will keep everyone informed of the progress of this change.



In addition to the above, the **Business Policies and Procedure Manual** will be updated as well as the online screen HELP and the Download HELP documents.



### Speaking of Social Security Numbers:



Spring is the time for renewal and cleanout! Do you have Positive Pay and/or PEAR downloads on your harddrive or shared drives going back 10 years when DEPTPAY first debuted? If so, isn't it time to clean house and purge some of those old files? Ask yourself if you really need to retain it. If you need it and social security numbers are present, then at a minimum you should password protect your files. The same can be said for hardcopy reports. If needed for a valid business reason and they contain social security numbers then lock them up at night. If, during the course of the day, you write down a social security number on a scratch piece of paper and no longer need it,

don't toss it into the recycling bin. Shred it. It's personal information. Through awareness we can prevent identity theft.

### Medical Premium Changes:

Please remind employees covered by PEBB medical plans that it's in their best interest to contact the staff in Human Resource Services as soon as they have a family change such as a new birth, adoption, over age dependents or divorce so that their insurance records can be updated and their insurance premiums can be adjusted. These kinds of changes, when not completed timely, cause Payroll to withhold multiple premiums from their paychecks which may be a hardship for some. The same can be said for new hires who do not make timely elections for coverage.

### Leave Without Pay (LWOP):

WSU employees who are appointed as faculty, administrative / professional or civil service are on what is known as an Exception Pay basis. This means that pay continues from one paycycle to the next unless someone takes action to stop the pay. Leave without pay is considered an exception to pay. Leave without pay is a result of insufficient leave balances and is required to be recorded on either a time report or leave report. The Payroll Document Schedule has a date each paycycle that indicates when LWOP time and leave reports are to be submitted to HRS for that period. If the cutoff is missed, then still submit the time or leave report to HRS and a reduction in pay will be processed from the next available paycycle. All three sections on time and leave reports in the BPPM state that time and leave reports with leave without pay are to be submitted in accordance with the Payroll Document Schedule and that means LWOP can be submitted twice a month. This is a reminder as to what the proper procedure is. Paying salaries that are not earned is a gift of public funds and against the State of Washington constitution and a violation of the state ethics law.

This newsletter is provided to the 396 DEPTPAY Users who support the payroll process at Washington State University. Direct questions or comments about this newsletter to Alice Smethurst, Payroll Director, at [alice@wsu.edu](mailto:alice@wsu.edu) or 335-1277.