THE UNIVERSITY of MISSISSIPPI
OFFICE OF INTERNAL AUDIT

December 2019 Newsletter

The Audit Perspective

In This Issue

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Internal Audit reviews overtime and compensatory time reporting for compliance with UM policies each payroll period. Payroll is notified of the issues we identify and assists departments with correcting the issues. We have included some examples below in an effort to assist employees and supervisors in calculating overtime correctly.

Overtime and Compensatory Time Reporting

The Fair Labor Standards Act (FLSA) – Compensatory Leave – Overtime Policy requires overtime be paid to qualifying employees for any hours worked over 40 in a standard workweek at a rate of 1.5 times the employee's regular hourly rate of pay. The University's standard workweek begins **Monday at 12:01 a.m. and runs through midnight on Sunday**. Only regular hours, holiday time, as defined by the Official Holidays Policy, and time actually worked on a holiday counts toward the 40 required hours. **As part of the payroll review and approval process, the department head or supervisor is responsible for verifying the accuracy of employee timesheets each pay period.**

Please read the Payroll Memo regarding online time recording and FLSA overtime guidelines, which contains examples on how to correctly record overtime. Timesheet examples may also be found on the Office of Human Resources website under the Payroll tab.

Common Payroll Errors

The following issues represent the most common payroll errors we identify:

- ***Overtime is reported by the day instead of after 40 working hours.***
  - ***Example*** – Overtime applies only to working hours over 40 within a workweek; not the hours beyond one 8-hour work day.
- ***Miscalculations during a week that includes a holiday.***
  - ***Example*** – Regular hours, holiday time, and time actually worked on a holiday counts towards the 40 required hours prior to claiming overtime.

- ***Miscalculations by including vacation (VACA), 1st day illness (1DAY), major medical leave (SICK), or bereavement (BRVM) to reach 40 hours. These categories are not to be included in the calculation to reach 40 hours.*** Non-working hours such as major medical leave, 1st day illness, vacation, bereavement, administration/jury duty, and military time do not contribute to the 40-hour workweek for calculating overtime.

Did you know?
Due to the University's semi-monthly payroll periods, it may be necessary to refer to hours worked in a prior pay period to review the entire workweek in order to verify overtime/compensatory time is calculated correctly.

Training with Internal Audit

Account Reconciliation
The Office of Internal Audit offers training on account reconciliation. A session is currently scheduled for March 5th, 2020 from 11:00am – 12:00pm at the Law School, Room 1115. In this class, employees will learn how to perform monthly account reconciliations for revenue and expenditures (including payroll) in order to be compliant with the Responsibilities of Signatory Officers Policy. This class is designed for signatory officers as well as other employees who have been delegated the responsibility for reconciling departmental accounts. To register for upcoming sessions, go to our website.

In the News

10 Ways Over $500K in Mass. State Property Went Missing or Got Lost
www.nbcboston.com – Written by Jim Haddadin. Published 12/2/2019

New and Updated Policies

The UM Policy Directory is a central location for accessing University policies, and is a great source of information for employees to explore. The directory can be searched in many ways, such as by: administrative division, responsible office, people affected, keyword, last modified date, and free-form. We prefer to use the free-form search because it allows the user to search on broader topics. Since our last newsletter, the policies below have been added or updated.

New Policy

- Naming Guidelines – This policy establishes guidelines by the University of Mississippi Naming Committee to ensure gifts with associated naming rights are managed in a consistent manner. The policy outlines the types of gifts that may carry naming rights and includes guidelines on required minimum-monetary amounts, name approval process, duration, donor recognition, and other terms.

Updated Policies

- Distinguished Professor Title – Working with the nominee, the nominator must prepare an award application and include documentation as outlined in the policy. Application or nominations for the Distinguished Professor award are due to the Provost Office by February 1. The number of faculty members that may be appointed as new Distinguished Professors was updated to two in a given academic year.

- Emeritus Status – Emeritus status must be requested by the faculty member or administrative personnel through their department chair or unit administrator at the time of retirement. Emeritus status will no longer be automatically conferred. The request for emeritus status should be requested on the separating Form 3 and then goes through an approval process. Faculty members and administrative personnel must be in good standing and not be under investigation or considered for disciplinary action in order to be considered for emeritus status. Emeritus status may be revoked at the discretion of the Provost in consideration with stipulations outlined in the policy. See policy for more updates.

- Extra Pay for Extra Work – The policy update replaces the section where a staff member teaching a course during the traditional 8 a.m. to 5 p.m. was required to have personal leave automatically deducted for the time spent teaching. Now, the policy provides several options (with approval from their supervisor) in regards to time reporting.

- Hybrid Entity Policy & Glossary – Payment Card Industry (PCI) and Systems Owners were added to the Definitions and Glossary section of the policy.

- Involuntary Withdrawal – Updates and clarifications were made regarding the appeal process when the Behavioral Intervention Team (BIT) decides to involuntarily withdraw a student. A BIT Appellate Consideration Board process and Basis for Appeal section were added to the policy.

Self-Assessment

Self-assessment is a valuable tool to help identify internal control deficiencies and assist in departmental management and audit preparation. The self-assessment consists of a series of “yes” or “no” questions. “Yes” indicates adequate controls in an area, while “no” indicates control deficiencies. Additional control related information is provided below each question to aid in resolving control deficiencies. Links to relevant policies are also included for each section. The self-assessment can be accessed here. For questions not addressed in the self-assessment, please feel free to contact us at 662-915-7017 or auditing@olemiss.edu.