

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, D.C. 20460 NOV 0 6 2017

OFFICE OF THE CHIEF FINANCIAL OFFICER

MEMORANDUM

SUBJECT: Response to Office of Inspector General Audit Project No. 17-P-0410, "Management Alert: Controls Failed to Prevent Employee From Receiving Payment in Excess of Statutory Limit," dated September 17, 2017
FROM: David A. Bloom, Acting Chief Financial Officer

Office of the Chief Financial Officer

TO: Arthur A. Elkins Jr., Inspector General Office of the Inspector General

Thank you for the opportunity to respond to the issues and recommendations in the subject management alert. The following is a summary of the agency's overall position along with its position on each of the report recommendations.

AGENCY'S OVERALL POSITION

The agency agrees with the recommendations and believes that all the recommendations have been addressed and the audit can be closed as of the date of the report.

AGENCY'S RESPONSE TO AUDIT RECOMMENDATIONS

No.	Recommendation	Agency Explanation/Response	Date Completed
1	Design and implement new controls to prevent the reoccurrence of unauthorized payments that will put an employee above the annual statutory pay cap.	There is no need to design or implement new controls in PeoplePlus. The manual adjustment process circumvented the system controls over biweekly limits contributed to FPPS allowing an overpayment; however in February 2017, the time and attendance system was modified to eliminate manual overrides.	September 27, 2017
2	Determine whether similar unauthorized payments above the annual statutory pay cap have been made to other EPA employees.	Analysis was conducted and two additional employees received pay in excess of the statutory limit. The debts have been established.	September 27, 2017

3	Recover any overpayments	The EPA's payroll provider, Interior	September 27,
	above the annual statutory pay	Business Center, has determined the	2017
	cap.	validity of the debt based on the salary	
		payment received in excess of the	
		annual pay limitation. The guidelines	
		were followed in accordance with the	
		Office of Personnel Management's	
		policy on limitation of premium	
		pay. Debts were created for all three	
		employees, where they were billed, and	
		are currently moving through the	
		collection process.	

CONTACT INFORMATION

If you have any questions regarding this response, please contact the OCFO's Audit Follow-up Coordinator, Bob Trent, at (202) 566-0983.

cc: Howard Osborne Jeanne M. Conklin Meshell Jones-Peeler Quentin Jones Richard Gray Robert Hill Sherri' L. Anthony Eva Ripollone Bobbie P. Trent Jr. Alexandra Sullivan Susan Lindenblad