



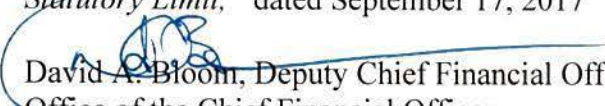
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 17 2018

OFFICE OF THE
CHIEF FINANCIAL OFFICER

MEMORANDUM

SUBJECT: Action Plan for 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, Deputy Chief Financial Officer
Office of the Chief Financial Officer

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

Thank you for your review and response to our corrective action plan. Per your memorandum of December 6, 2017, we have revised the Agency Explanation/Response to address your request for additional documentation. The following is a summary of the agency's overall position along with its response 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.	<p>There is no need to design or implement new controls in PeoplePlus, the agency's time and attendance system. The manual adjustment override process in PeoplePlus circumvented the payroll provider's Federal Personnel/Payroll System controls over biweekly limits which allowed an overpayment. In response to a request to lift the biweekly pay cap retroactively for certain employees, manual timecards were submitted to the payroll provider. However, in February 2017, PeoplePlus was modified to eliminate manual overrides. The internal control added to permit only an electronic update of the PeoplePlus timecard to FFPS allows that system to perform the automatic checks to ensure it processes biweekly pay as intended.</p> <p>The responsibility of ensuring employees do not exceed the biweekly and annual pay caps lies with the payroll provider. The payroll provider's FPPS system is set up to check each pay period to ensure employees do not exceed either cap and performs the necessary cut backs to ensure that, without the appropriate request, the biweekly and annual caps are not exceeded.</p> <p>The new added control to eliminate manual overrides in PeoplePlus, combined with the FFPS' existing controls, will ensure FPPS performs as structured to avoid exceeding pay caps inappropriately.</p>	September 27, 2017
2	Determine whether similar unauthorized payments above the annual statutory pay cap have been made to other EPA employees.	Agency staff ran a report from the payroll provider's datamart to identify additional staff in comparable positions in 2016 that exceeded the annual pay cap (Attachment A). As previously reported, two additional employees were found to have received pay that exceeded the statutory pay cap. The cause was due to the manual adjustment process in PeoplePlus that circumvented the established FPPS controls. No other employees meeting similar criteria were identified.	September 27, 2017

3	Recover any overpayments above the annual statutory pay cap.	The debt was established for the referenced employee. Subsequently, the employee requested a waiver of the debt from the OGC. Pursuant to 31 U.S.C. §§ 3711 et seq. and 40 C.F.R. § 13.32, the OGC denied the waiver request but terminated the debt on the grounds it would be costly and time-consuming for the agency to pursue, not yielding any recoverable amount. Because the 2016 pay occurred in 2017, the employee hit the biweekly pay cap in 2017 and therefore effectively did not exceed the annual pay cap in either 2016 or 2017. Using the OGC decision as a basis, OCFO terminated the lesser debts for the other two employees. As a result, there are no longer any debts to recover from any of the three employees.	November 30, 2017
---	--	---	-------------------

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.

Attachment

- cc: Howard Osborne
 Jeanne M. Conklin
 Meshell Jones-Peeler
 Quentin Jones
 Richard Gray
 Robert Hill
 Sherri L. Anthony
 Eva Ripollone
 Bobbie P. Trent Jr.
 Bob Shields