



TEXAS HIGHER EDUCATION COORDINATING BOARD

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December 27, 2017

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Dr. Paredes:

We completed an inquiry regarding an administrative complaint in the Academic Quality and Workforce (AQW) Division. The complaint alleged that a member of AQW management was charging more time than actually spent working on the federal Perkins grant. The complainant further alleged that documentation requirements for time charged to the Perkins grant were inconsistent.

The complaint was substantiated, in that a Deputy Assistant Commissioner charged, for the 11 month period from September 2016 through July 2017, roughly one third of his salary or \$40,000 in error to the Perkins grant¹. The reason for the overcharge was that the Deputy Assistant Commissioner's "home code" in CAPPSSHR, the agency's time reporting system, was set to Perkins and not to AQW Administration like most of the staff in the division. CAPPSSHR is set up to charge all time entered to an employee's home code, unless separate entries are made and explicitly coded to an exception code. The Deputy Assistant Commissioner made separate entries during the eleven month period, but did not explicitly assign those entries to an exception code. Therefore, CAPPSSHR processed those entries as if they were made to the home code and thereby negated the Deputy Assistant Commissioner's attempt to segregate time charged to Perkins from time charged to AQW Administration. All of the Deputy Assistant Commissioner's timesheets for the eleven month period were approved by the Assistant Commissioner for AQW under the mistaken interpretation that the time he was approving was adequately separated between AQW and Perkins programs.

The overcharging to the Perkins program was first detected by the Assistant Commissioner for AQW. He asked for a special report to be run, showing the percentage and dollar amounts of time charged to the Perkins program. Aside from this ad hoc report requested by the AQW Division, there is no routine reporting from CAPPSSHR to program managers, summarizing time charged to their areas of responsibility.

Regarding documentation inconsistencies alleged in the complaint, differences were noted in the level of detail being entered on CAPPSSHR timesheets for time charged to the Perkins grant. For one month of timesheets reviewed in fiscal year 2017, five staff entered supplemental comments regarding the nature of work performed while four staff did not enter supplemental comments. 2 CFR Part 200.430 (i) Standards for Documentation of Personnel Expenses states, "(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed... (2) For records which meet the standards required in paragraph (i)(1) of this section, the non-Federal entity will not be required to provide additional support or documentation for the

¹ Accounting entries were made on August 31, 2017, to correct the error and accurately reflect time charged to the Perkins grant.

work performed, other than... (3) records indicating the total number of hours worked each day....”

The following recommendations are made, based on the issues noted above.

Recommendation 1

Review CAPPSSHR home code assignments across the agency to ensure all home codes are correct and understood. Provide enhanced reports on a routine basis to summarize hours and percentages charged to programs under a manager’s purview.

Management Response

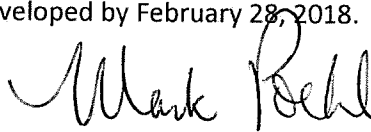
Management agrees with the recommendation. After the start of each fiscal year, Payroll will provide a report of all agency employees with their name and home program/PCA assignment to all Deputy Commissioners, General Counsel and Assistant Commissioners for their review. This will enhance visibility to management as to where their staff is actually being charged for payroll purposes and then submit an action in the Personnel Action and Logistics (PAL) system for any corrections needed. Payroll will provide monthly an exception report listing any employee who transferred some, or all, of their time to another program/PCA during the previous month. Initial reports were provided in November, 2017, and will continue thereafter.

Recommendation 2

Review CAPPSSHR time report training, and develop procedures to promote standardization and minimum documentation necessary to satisfy federal regulations.

Management Response

Management agrees with the recommendation. The AQW division has consulted with KPMG and Internal Audit regarding the reporting of time in CAPPSS, and an appropriate level of federal time documentation captured by CAPPSS. Based on their recommendation, the AQW division has standardized the reporting of time across the division in a fashion that will reflect consistent reporting, minimize the level of documentation required, and comply with all applicable laws and rules. This information will be shared across the agency, to ensure that federal time is documented in a standardized way. This training will be begin with an initial discussion at the Cross-Divisional meeting on January 17, 2018. Agency policy will be developed by February 28, 2018.



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