Monitoring Payroll at the Management Level

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Section Responsible For Updating: Payroll Director

Background

Monitoring is an important payroll control that aids in identifying losses, errors, or irregularities at the management level rather than the transactional level. Wolverine Access financial reports provide an important monitoring tool for the review of annual compensation across all forms of pay, the use and level of overtime, and the volume of hours worked by temporary staff.

Business Objects Reports

Below are three required predefined reports for Department Managers to monitor payroll activity via the Payroll Data Warehouse. **These reports should be reviewed, at a minimum, on a quarterly basis.**

1) PY01 Pay Overtime Analysis for Dept or Dept Grp and Fiscal Year

   This report enables managers to analyze the reasonableness of overtime payments for departments by fiscal year and employee. Input parameters for overtime hours may be determined and set so the report will only display data for employees that were paid total hours that exceed annual department standards.

2) PY01 Pay Salary and Benefits for a Project Grant/Employee/Fund-Dept-Program

   These reports enable managers to analyze the reasonableness of salaries, wages and benefits by fund, department ID, program, project grant, and employee. Department managers or designees should periodically review individual employee compensation levels for accuracy and appropriateness.

3) PY01 Pay Temporary Payroll Analysis for Dept or Dept Grp

   This report enables managers to analyze the reasonableness of payments for temporary staff by fiscal year and over five fiscal years. Input parameters limit the time period selected for the department ID(s).

M-Reports

A complete list of reports that should be reviewed, at a minimum, for each business process for various levels of financial oversight is available as part of the Fiscal Responsibilities SPG 500.01 and can be found at:
https://spg.umich.edu/sites/default/files/policies/Key%20Reports%20for%20Financial%20Business%20Processes.pdf

The following M-reports should be utilized for monitoring payroll activity.

1) <u>Pay Estimates Compared to Actual Pay</u> (Payroll/Management Reports)
   This report displays the variance between what was expected to pay, based on data in the HR system, compared to what was actually paid to the employee for the various earnings codes. This report can be run by fund, department ID/department group, program, and project grant. There is a separate tab which only shows the current month of actual pay per employee ID and the previous month's actual pay. There is also a variance column which shows the variance between the months. This report will not display results beyond the current month.

2) <u>Payroll Funding Dept/Appointing Dept Mismatch</u> (Payroll/Management Reports)

   This report identifies situations when either an employee is appointed to one department and funded by another, or is funded by one department while being appointed to another. This report can give false positives depending how each school/college/department appoints their personnel. So if all funding lines for your employees are in one department, but they are appointed to different departments within your school/college/department, this report may not be useful.

3) <u>Total Picture Effort by Principal Investigator</u> (Financials/Management Reports)

   This report displays DBE updates processed by person and by project grant for a project director, and enables research administrators to view all effort for a given time period.

4) <u>Payroll Yearly Trend</u> (Payroll/Management Reports)

   This report displays the salary data for the current fiscal year by pay types (department employee compensation, faculty pay, staff pay, overtime pay, temporary pay, other pay, and retroactive pay). This report enables managers to view all payroll activity by month for a 13-month rolling trend by fund, department ID/department group, program, and project grant. Users can drill down to the Employee Compensation by Admin Department level, in order to drill to detail at the employee level.

5) <u>Payroll Five Year Trend</u> (Payroll/Management Reports)

   This report displays the salary data for the current fiscal year, fiscal year-to-date, and the previous four fiscal years by pay types (department employee compensation, faculty pay, staff pay, overtime pay, temporary pay, other pay, and retroactive pay). This report enables managers to view all payroll activity for yearly trending by fund, department ID/department group, program, and project grant. Users can view data on a fiscal-year-to-date or full fiscal year basis. Users can drill down to the Employee Compensation by Admin Department level, in order to drill to detail at the employee level.

<u>Additional Information</u>

Other predefined financial reports and ad hoc reporting techniques may also be used to provide transaction analysis, comparisons between budget and actual payroll, comparisons between

payroll data from year to year, and are essential in discovering financial trends that may be used for decision-making and for detecting errors and irregularities.

A complete list of reporting tools is available at the following Information and Technology Services (ITS) website: https://its.umich.edu/disc/reporting-tools.