Volume No. 1 - Policies & Procedures	TOPIC NO.	50820 – Cardinal
Section No. 50800—Payroll Certification	TOPIC	POST-CERTIFICATION ACTIVITIES
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Overview

Introduction

The certifier should perform a post-certification audit of the payroll following processing. A variety of reports are received after payroll certification that can facilitate the post-certification review and help the reviewer verify:

- no unauthorized changes were made to the payroll after certification and before processing,

- all transactions processed as intended,

- there are no extraordinarily large or small payments to employees.

Any differences should be identified and accounted for through this process. If exceptions are found, and there is no supporting documentation, agencies should take appropriate action to correct the inappropriate payment and review agency processing procedures to prevent future occurrences.

CIPPS/PMIS Compare

In addition to your review, DOA performs a comparison of CIPPS records and PMIS records each pay period. If exceptions are found, erroneous payments are discovered, or salaries exceed classification limits, your agency will have to provide a written explanation to DOA. Changes to employee records affecting payroll should be processed through the Personnel Management Information System (PMIS) before payroll is certified. Untimely updates to either CIPPS and/or PMIS and insufficient responses to this audit can result in unauthorized or incorrect payroll disbursements and/or being reported in the *Comptroller's Report on Statewide Financial Management and Compliance*.

Post-Certification Review

Post-Certification Reports

A variety of reports are automatically received following certification and processing of payroll. The following reports should minimally be included in the post-certification review; however, your agency may include others in this process, as appropriate.

Report	Description	Required Review
Payroll and Deduction Register (Final) Report 10	An essential control report that lists the payment for each employee and includes the total disbursement for the payroll.	Under normal circumstances, the Final Report 10 should mirror the Pre-Calc Report 10 used in the pre-certification process. **All differences between the Pre-Calc and Final Report 10 should be investigated and documented.**
Check Issued Register Report 15	Lists each check, with the employee number, check number, the name of the payee and the amount of net pay.	Scan for unusual amounts or payees.
Direct Deposit Transmission Report 26	Lists each employee with an active deduction established for direct deposit to checking or savings, and the amount of the transfer.	Scan for unusual amounts or payees.
Composite Tax Report Report 33	Provides the total gross amount paid, the taxable amounts and taxes withheld for each tax category.	Ensure no taxes were withheld in inapplicable categories (i.e. FUTA, DI).
Gross Pay Limit Exceeded Report 59	Lists employees, if any, whose gross wages, including all types of pays, exceed the limit established at the agency level. (The default value is double the base salary.)	Verify that payments are proper and correct. Take corrective action as needed.

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Post-Certification Review, Continued

Post-Certification Reports (continued)

Report	Description	Required Review
Recycled Pending Transactions, Report 2007.	Lists all transactions on CIPPS Pending File.	Review for Batch File Maintenance (BFMs) input if necessary.
Third Party Check Register Report U003	Lists each **agency third party check**, as well as the amount of the federal and non-Virginia tax deposits being electronically transferred.	Scan report for unusual amounts or payees.
General Ledger Default Report U029	Lists, by employee, all errors and/or default coding used during the GLI process. Errors can include coding that is missing, less than 100% per Pay type, greater than 100%, etc.	Update the HMBU1 screen as appropriate before the next payroll and perform journal entries as needed for the current payroll.
Gross Pay Differences Report Report U118	Shows the amount authorized during certification for payment, the amount actually paid, and any differences. Using PAT to compare the "Pre" Certification Report 10 to the "Post" Certification Report 10 will provide a list of the differences between the two that are listed on the U118.	Send an explanation of differences if greater than one dollar to DOA, by close of business the day after certification. Large variances and unexplained variances will be reported in the ***Comptroller's Report on Statewide Financial Management and Compliance.*** .

Payroll Audit Tool (PAT)   The Payroll Audit Tool (PAT) is a web-based application that facilitates the review and comparison of key payroll and leave information. Post-Certification reports are particularly useful after the final pay processes. There is only one report in this category, the Report 10 Comparison, which provides a listing of the employees with a difference in gross or net pay. This report is very useful in identifying gross pay differences after certification. See CAPP Topic 70735, Cipps Payroll Audit Tool, for more information.

Post-Certification Review, Continued

CIPPS to Cardinal Reconciliation

In addition to performing the post-certification review of CIPPS reports, an audit of expenditures that were recorded in Cardinal should be performed. A careful audit ensures that all expenditures were charged to the correct programmatic codes, and reveals any discrepancies or errors in either CIPPS or Cardinal in regards to payroll. The reports that are used in this process are identified in the following chart. **Note: The CIPPS reports will continue to use CARS language until CIPPS is replaced.**

Report	Description	Required Review
Report U022 - Detail Payroll Expenditures Report	Shows how each employee's payroll and benefits are posted and charged to the agency.	Ensure that expenditures are appropriate and correctly charged against agency budget.
Report U023 - Summary of Payroll Expenditures	Provides totals that should mirror the charges to Cardinal through payroll processing.	Verify that charges were posted appropriately to Cardinal.
Report U029 - CIPPS GLI Default Report	This report identifies if there were errors encountered or if the default programmatic coding was used during the Interface.	May identify reconciliation problems in the CIPPS to Cardinal reconciliation requiring journal entries.
Report U033 – Detail Payroll Expenditures by Funding	Shows how each employee's payroll and benefits are posted and charged to the agency Agency can compare to Cardinal Report RGL0614, Budget to Actual - Cost Center by Account.	Ensure that expenditures are appropriate and correctly charged against agency budget.
Cardinal GL Journal Inquiry by Chart of Accounts Query	By account, the amounts charged for gross payroll and agency paid fringe benefits. Reporting Tools > Query > Query Viewer > V_GL_JRNL_INQ_BY_COA	Ensure that all payroll expenditures are accurately and timely posted to Cardinal.
Cardinal Report RGL0614	Shows Budget to Actual - Cost Center by Account.	Ensure that expenditures are appropriate and correctly charged against agency budget.

Internal Control

Internal Control
Agencies must have policies and procedures governing the post-certification process. Steps should be taken to ensure that unauthorized personnel do not breach the certification security.

Records Retention

Time Period
The Payroll and Deduction Register, Report 10, must be retained for four (4) years after the close of the calendar year or until the year is audited by the Auditor of Public Accounts, whichever comes later. All certification packages should be retained until the year has been audited by the Auditor of Public Accounts. All other reports should be retained for 60 days. Agency policy and procedures determine the retention of the related agency source documents/records. Please see CAPP – Cardinal Topic No. 21005, Records Retention and Disposition.

Contacts

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Subject Cross References

References CAPP - Cardinal Topic No. 21005, *Records Retention and Disposition*
CAPP Topic No. 70735*, CIPPS Payroll Audit Tool (PAT)*

CARS to Cardinal Transition

Cardinal Transition CIPPS interfaces to both CARS and Cardinal. No additional action needs to be taken by agencies in order to record CIPPS entries. After CARS has been decommissioned, agencies will no longer use NSSA to establish programmatic data in CIPPS. Instructions on how to load this information to CIPPS will be distributed at a later time.