



The Audit Perspective

In This Issue

...

Page 1

- [Responsibilities of Signatory Officers Policy](#)

Page 2

- [Account Reconciliation Procedures](#)

Page 3

- [SAP Training](#)

Page 4

- [Instructions for Running Monthly Reconciliation Reports](#)

Page 5

- [Policy Directory](#)

Page 6

- [Self-Assessment](#)

Responsibilities of Signatory Officers Policy

Signatory officers are those that have been delegated authority to approve financial transactions. The names of signatory officers should be on record with the Accounting Office. Anytime there is a change in signatories, the Accounting Office should be notified. According to the [Responsibilities of Signatory Officers policy](#),

“Each authorized signer is responsible for reviewing on a regular basis all account activity including payroll transaction details for accuracy, completeness, and compliance with University of Mississippi policies and procedures, as well as any applicable external agency requirements. The authorized signer should maintain documentation of each review, any noted exceptions, and resolution of exceptions.

The approval of a transaction is attestation or certification to the processing department (e.g. Payroll, Accounting Office or Procurement) that:

- a. The transaction has a valid business purpose within the context of the cost center’s purpose, which for a sponsored research center, includes compliance with grant restrictions or other provisions;*
- b. The supporting documentation (preferably original) is sufficient for subsequent audit review, which includes compliance with tax reporting and withholding requirements such as reporting to the IRS of non-employee compensation;*
- c. The information provided is accurate to the best of his or her knowledge, including adequate disclosure of any potential conflicts of interest; and*
- d. The payment is for products/services already received except for items approved by Procurement for payment in advance.”*



Account Reconciliation Procedures

Signatory officers are ultimately responsible for all activity on accounts for which they have signatory authority. Reviewing account activity/reconciling is a vital part of ensuring accurate and appropriate expenditures and revenues.



Reconciliations are a comparison of transaction documentation (i.e. cash reports, GL transfers, invoices, timesheets, etc.) to SAP. The below procedures are recommended for reconciling departmental accounts:

1. **Account activity must be reconciled at least monthly to ensure transactions are appropriate and accurate.** In order to obtain the information needed for monthly reconciliations, run the following reports from SAP:
 - a. **Budget, expenditures, and available budget (i.e. budget to actual).** In addition to ensuring the completeness, accuracy, and appropriateness of revenues and expenditures being reported (see b. below), the reconciliation process should also include a comparison of actual revenues and expenditures to budgeted revenues and expenditures to ensure that overspending does not occur. Detailed instructions on how to run this report are included [below](#).
 - b. **Revenue and expenditure line item detail.** To ensure the completeness, accuracy, and appropriateness (i.e. in compliance with policies and any external agency requirements) of revenues and expenditures being reported, revenue and expenditure detail must be reviewed. Specifically:
 - i. Each expenditure should be reconciled to purchase documentation (i.e. receipts/invoices included with procurement card purchases, Request for Payments, GL documents/transfers, purchase requisitions, etc.) to ensure all expenditures are correct.
 - ii. Each revenue item should be reconciled to deposit documentation (i.e. cash reports, credit card transactions, GL documents/transfers, etc.) to ensure all deposits have posted to your account.
 - iii. Notes regarding exceptions, resolutions, follow-up requirements, etc. may be made on the reconciliation.

Detailed instructions on how to run this report are included [below](#).

- c. **Detailed payroll expenditures.** Because the detailed revenue and expenditure report (see b. above) only includes *totals* for payroll entries and does not include specific employee names and totals by employee, you must also review detailed payroll expenditures that are charged to your account to ensure accuracy. Detailed instructions on how to run this report are included [below](#).

Note 1: All reports above should be run the 10th of the following month or later to ensure all account activity for the previous month is posted.

Note 2: The duties for reconciling accounts may be delegated to another employee by the signatory officer; however, if that responsibility has been delegated, the signatory officer must review the reconciliation, and the review should be documented (i.e. initials and date). The employee performing the reconciliation should also initial and date as preparer. See #2 below.

Note 3: The oversight and control value of account reconciliation is greatly enhanced when performed by an employee who is independent of the processing of cash receipts/revenue and expenditure transactions. Therefore, it is recommended the duties of account reconciliation be separated, if possible, from the duties of processing cash receipts/revenues and expenditures.

2. **Reports must be reviewed and approved by the signatory officer at least monthly to ensure transactions are appropriate and accurate.**

All reviews must be documented to provide evidence account transactions have been reviewed for completeness, accuracy, and appropriateness (i.e. in compliance with policies and any external agency requirements) in a timely manner, and discrepancies have been detected, reported, and corrected. Documentation of reviews should be in the form of initials and date, and may be retained electronically (i.e. initials and date at the top of the spreadsheet or scan hard copy with initials and date) or via hard copy.

3. **Reconciliation documentation must be retained for a minimum of 3 fiscal years; the period may be longer if required by an external funding agency.**

Note: For questions regarding document retention periods, please refer to the [Records Retention Policy](#); however, you may also find a listing of [commonly asked about retention periods](#) on our website.



SAP Training

SAP training courses are offered to teach you how to run and download the reports you will need for monthly reconciliation. We **STRONGLY** recommend those involved in the reconciliation process attend the following training sessions:

1. SAP Payroll Detail Reports
2. SAP Reports II- Budgets and Line Items

To register for SAP training classes mentioned above, click [here](#).

Note: For those without SAP access, a new method for obtaining budget, revenue, and expenditure information (Tableau Budget Report) will be rolled out soon. Shortly after, Analytics and SAP to Excel (STEP) budget reports will be retired. Look for announcements in the near future.

Instructions for Running Monthly Reconciliation Reports

Below are detailed instructions on running SAP reports needed for monthly reconciliation:



1. Budget, Expenditures, and Available Budget (i.e. Budget to Actual)

For an overview of your budget, which includes your current budget, commitments, actuals, and available budget use one of the following options:

- a. For accounts beginning with 35, 36, 38, 402, 61 or 702, use transaction code ZGM_REPORTS. This transaction code will give you the same information as the Y_DEV_28000111 (see ii below), but for the new grant accounts. To access the quick reference guide for this and other Grants Management transactions and for additional information on Grants Management, click [here](#).
- OR**
- b. For all accounts ***other*** than those beginning with 35, 36, 38, 402, 61 or 702, use transaction code Y_DEV_28000111.
 - i. You must first know your fund and fund center to run the report. You can obtain this by using SAP transaction code ZPC_ASSIGN. For detailed instructions on the ZPC_ASSIGN transaction code, click [here](#).
 - ii. Using the information obtained in i. above, run the Y_DEV_28000111 report. For detailed instructions on how to run transaction code Y_DEV_28000111, click [here](#).

Tip: If you drill down on the current budget amount for a particular category, it will indicate how much of your available budget is from carry forward.

2. Revenue and Expenditure Line Item Detail

To download revenue and expenditure line item detail needed to reconcile each revenue and expenditure item to your account:

- a. Use transaction code KE5Z.
- b. Enter a profit center and a period.

- c. Export the line item detail to excel and add a notes column to keep up with anything that needs follow-up.

You can use this transaction code for all accounts (including new grant accounts). Detailed instructions for running transaction KE5Z in SAP can be found [here](#).

3. Detailed Payroll Expenditures

To download detailed payroll expenditures charged to your account:

- a. Use transaction code ZPAYREPORTS_ALV.
- b. Enter a specific employee number or a profit center. Date ranges can also be used.
- c. Export the line item detail to excel and add a notes column to keep up with anything that needs follow-up.



Detailed instructions for running transaction ZPAYREPORTS_ALV in SAP can be found [here](#).

Policy Directory

University policies can be found on the Ole Miss website in the Policy Directory. Choose the “Directories” tab at the bottom right side of the Ole Miss home page then choose “Policy Directory”, or click [here](#). Below are some tips when searching for policies:

- Administrative Division- allows user to filter policies by responsible administrative division.
- Responsible Office- allows user to filter policies by responsible office.
- People Affected- allows user to filter policies by group of people affected (i.e. alumni, contractors, faculty, staff, students, vendors, visitors).
- Keyword- allows user to filter policies by a keyword (can only choose from a list of keywords).
- Free-form- allows user to search policies based on any keyword.
- Last Modified Date- allows user to view policies that have been updated recently.
- Policy History- once you pull up a policy, you can click the history link in order to view effective dates and prior versions of the policy.

Self-Assessment

Self-assessment is a valuable tool to help identify internal control deficiencies and assist in departmental management and audit preparation. The self-assessment consists of a series of “yes” or “no” questions. “Yes” indicates adequate controls in an area, while “no” indicates control deficiencies. Additional control related information is provided below each question to aid in resolving control deficiencies. Links to relevant policies are also included for each section.



The self-assessment can be accessed [here](#). For questions not addressed in the self-assessment, please feel free to contact us at 662-915-7017 or auditing@olemiss.edu.

Thanks

We hope you find the information in our newsletters useful. If you have any suggestions, questions, or feedback, please contact us at 662-915-7017 or auditing@olemiss.edu. Feel free to share our newsletters with those in your department you feel would benefit. You can also visit our [website](#) for more helpful information.