

Payroll Conversion

EXECUTIVE SUMMARY

We found that the Office of Administrative and Personnel Management (OAPM) effectively coordinated the Commission's conversion to the Department of the Interior's payroll system. Users generally felt that OAPM payroll staff were doing a good job, given resource constraints, and were responsive to their needs.

Commission employees, particularly supervisors and managers, have had some difficulties in learning to use the new system. In some cases, access controls have been compromised, as discussed below. We are making several recommendations to enhance access controls and customer service, including issuing guidance, providing training, and establishing a help desk and web page.

OAPM provided written comments (attached) on a draft of this report. Generally, OAPM concurred with our recommendations.

BACKGROUND

The Commission's prior payroll system, known as the Pay, Time, and Leave (PTL) system, was not year 2000 compliant, and imposed a substantial administrative burden on the Office of Information Technology. Consequently, the Commission converted to the Department of Interior's (DOI) Federal Personnel/Payroll System (FFPS) on June 20, 1999. Responsibility for payroll was transferred from the Office of the Comptroller (OC) to the Office of Administrative and Personnel Management.

Commission computers connect to the DOI system in Washington, D.C. FFPS headquarters are in Denver, Colorado. Firewalls protect both systems from unauthorized access, and the system maintains a log of any unauthorized access attempts.

The FFPS is used by several other agencies, including the Department of Education, the Federal Labor Relations Authority, the Federal Trade Commission, the Pension Benefit Guaranty Corporation, and the Social Security Administration. DOI currently charges \$160 a year for each W-2 form processed (*i.e.*, payroll/personnel services for one employee), which costs the Commission about \$522,000 annually.

FFPS is a mainframe-based, real-time personnel and payroll system. It incorporates all current Office of Personnel Management regulations. All personnel and time and attendance (T&A) transactions are processed and maintained in electronic form. Unlike the PTL system, which required managers to sign a paper document, requests for personnel actions and time and attendance entries are signed electronically.

FPPS controls transaction processing functionally. Each user has access only to a specific range of data (e.g., organization codes, action types, etc.), and specific commands needed to complete a transaction. System access is protected by passwords, and by users' access profiles.

For time and attendance, timekeepers enter hours worked and leave taken for each employee into the system. Then, they forward the data to the certifying official (generally, a manager or supervisor) for that official's review and certification. The data are then released to DOI for processing.

For personnel action requests, administrative contacts or clerical staff initiate an electronic form (analogous to paper form SF-52). Authorizing officials (managers or supervisors) review the requests, electronically sign them, and forward them to the Comptroller's Office for its review and concurrence. The Comptroller's Office then transmits the request to OAPM for final processing.

OBJECTIVES AND SCOPE

Our objective was to determine whether the conversion to DOI's system was effective, and whether Commission payroll controls were properly implemented (we did not assess controls administered by DOI). During the audit, we interviewed DOI and Commission staff, surveyed users by questionnaire, reviewed relevant documentation, and tested selected controls, including access controls. We conducted the audit between December 1999 and July 2000 in accordance with generally accepted government auditing procedures.

AUDIT RESULTS

We found that overall, the conversion to the DOI system was effective, and commend OAPM for its efforts. OAPM and OC coordinated a working group consisting of themselves and the Office of Information Technology (OIT). This group met with DOI and dealt with issues associated with the transition, which took over six months. To stay current on system developments, OAPM now participates in an FPPS users group with other agencies.

OAPM took several actions to acclimate users to the FPPS, although these actions have not yet been fully effective, as explained below. It provided training to users (although some users did not attend, especially managers) and a timekeeper's manual, which users say is helpful. It created a mailbox for users, and sent out numerous e-mails concerning the system. To reduce the administrative burden on timekeepers, it authorized not entering credit hours into the system (since credit hours do not affect leave balances, and a hard copy record of them is maintained). Most users who participated in our survey indicated that the payroll staff are responsive to their needs.

We found that access controls were not being properly implemented in some cases, because of some managers' reluctance to use the system, or unfamiliarity with it. The access controls help ensure the integrity of system data by limiting approval of transactions to authorized users (management). As explained below, we are recommending certain steps to enhance security and improve customer service.

AUTHORIZING PERSONNEL ACTIONS

The DOI system allows personnel actions to be initiated and signed on-line, including hiring and terminating employees, job or grade changes, and placement in a pay or non-pay status. The DOI system limits access to the system and separates duties to help prevent inadvertent errors or deliberate falsification of documents.

An initiator (generally, a clerical or administrative employee) enters the data concerning the action into FPPS. An approving official (the office head or other management official designated by the office head) reviews and signs the action. The electronic signature replaces the manual signature on the prior paper form, the SF-52. The fact that the signature is electronic should not make a substantive difference; *i.e.*, if only managers are authorized to sign a paper SF-52, then only managers should be authorized to sign an electronic equivalent.

Our testing identified six offices or divisions which had not properly implemented the above controls. These offices or divisions allowed a program support specialist (or assistant, in one case) between grade levels 8 and 13 to sign personnel actions, rather than managers. In addition, five of the six allowed the same program support specialist to both initiate and sign personnel actions. Of the 504 personnel actions the Commission processed under FPPS, 25% (127) were entered and approved by one program support specialist.

To ensure that FPPS processes only properly authorized personnel actions, OAPM needs to provide guidance to offices and divisions, and follow-up to ensure that the guidance has been implemented.

Recommendation A

OAPM should issue guidance to office heads and divisions on the proper authorization of personnel actions as discussed above. It should confirm that all offices and divisions have properly authorized access to the DOI personnel system.

SEPARATING FPPS USERS

We reviewed a listing of authorized FPPS users. Fifty persons on the listing (out of a total of 825 users) were former employees who should not have access to the system.

Recommendation B

OAPM should develop procedures to ensure that separating employees are promptly deleted from FPPS access (*e.g.*, by periodically comparing a listing of separating employees to an FPPS user listing).

SHARING OF PASSWORDS

Two administrative contacts told us that they use their supervisor's password to perform functions not assigned to them, such as certifying T&A entries (including their own) and approving personnel actions. The supervisors, who were senior managers, apparently wished to avoid administrative inconvenience. However, by sharing passwords, the supervisors have circumvented FPPS controls.

OAPM stated that it has taken corrective action in these two cases. However, the administrative staff involved stated that they believe sharing of FPPS passwords is a common practice.

Recommendation C

OIT in consultation with OAPM should remind all FPPS users that sharing passwords is not allowed, and a serious violation of good security practices. OAPM should describe to senior management how FPPS's administrative burden can be minimized while maintaining its controls (*e.g.*, an office head can delegate approval and certifying functions to another manager in that office, rather than the office head or administrative staff exercising these functions).

TRAINING OF USERS

Only 194 Commission employees out of 894 users attended training in FPPS, according to OAPM's records. Only three office heads attended the training. The lack of training may account for some of the difficulties users are having with the system.

DOI also offers computer-based training. This training leads the new user through FPPS functions. Some training in the FPPS system (whether classroom or computer-based) should be required before users receive their access codes.

Recommendation D

OAPM should ensure that all users have appropriate classroom or computer-based training. It should consider providing office heads with a brief overview of FPPS and their responsibilities. OAPM should coordinate with the Office of Information Technology on security awareness training.

VIEWING LEAVE BALANCES

Each pay period, OAPM sends a memorandum to timekeepers on T&A errors. Many errors relate to insufficient leave balances, which could have been prevented if timekeepers knew the balances.

Timekeepers generally told us that they did not know how to obtain leave balances from FPPS. Some indicated that they still keep manual records, which wastes time. Under the FPPS tracking and utilities functions, timekeepers are authorized to view and print a report of leave balances.

Recommendation E

OAPM should tell timekeepers how to view leave balances and to print a leave balance report.

IMPROVING CUSTOMER SERVICE

To help evaluate the effectiveness of the payroll office, we asked users to rate it on a scale of one to five (1= Unsatisfactory, 2= Fair, 3= Good, 4= Very Good, and 5= Excellent). Of the 56 users who rated the office, 38 (68%) rated the office as good or better, with an average rating of 3.3

We also asked users to suggest improvements to the office. They suggested that the payroll office have staff available to answer the phone (rather than rely on voice mail); shorten the response time for questions; and check the FPPS mailbox more often.

OAPM stated that the office had been short-staffed and unable to respond to users as quickly as desired. This problem has now been corrected. OAPM plans to set up a help desk for users and establish a performance goal of responding to users within 72 hours.

Recommendation F

OAPM should implement its plans to improve customer service.

WEB PAGE

The DOI web page provides user manuals, personnel codes, and general information about FPPS. Most respondents to our questionnaire said that they were unaware of the site. This information could help users avoid some processing problems.

OAPM has issued several e-mails and other guidance on the FPPS. This material could be made readily available to users through a payroll site on the Intranet, linked to the DOI site.

Recommendation G

OAPM should set up an FPPS web site on the Intranet that links to DOI 's web site.