



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON REGIONAL OFFICE
FIFTH FLOOR
803 WEST BROAD STREET
FALLS CHURCH, VIRGINIA 22046

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MAR 28 1975

Colonel Edward B. Finch, Jr.
Comptroller
U.S. Army Military District of Washington
Department of the Army
Building 48
Fort Leslie J. McNair
Washington, D.C. 20319

D. 244

Dear Colonel Finch:

This letter supplements our report of February 27, 1975, on certain matters noted in our review of the civilian payroll system of the U.S. Army Military District of Washington (MDW). Another point we would like to bring to your attention is a need for computer program modifications to show a correct organizational history of employees' earnings.

Automated payroll history records, kept by MDW to show employees' earnings by pay periods and employing organizations, do not always identify salary payments with organizations in which they were earned and do not always correctly show the organizations for which employees are working. As a result, these records are misleading and of questionable value as a useful and reliable source of information. Also, because the history records do not provide a clear data trail, supporting documentation for payments cannot be readily traced and located.

When an employee transfers from one organization to another, the old organization code on his history record is replaced by his new organization code and all earnings are shown as being earned under the new organization. As a result, earnings are shown under the wrong organizations. For example, we were told by a payroll office official that, in making retroactive salary payments for the period October 1, 1972, through January 6, 1973, MDW charged all of each employee's earnings to the last organization listed on his pay history record. As a result, some organizations may have benefited at the expense of others in bearing salary costs when an employee worked for two or more organizations during the period.

We noted also that, because of a system design weakness, the computer program for updating pay history records does not identify the losing organization when an employee, active in two or more organizations,

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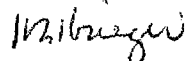
transfers from one of these organizations to another one. For example, a consultant, active in organizations A and B, transferred from organization B to organization C. Because the record-updating procedure does not identify the losing organization, MDW transferred to organization C the employee's earnings from organization A instead of those from organization B. Thus, the history records indicated the employee was still active in organization B and there was no record of his earnings for organization A, in which he was still active.

We were told by officials in the automatic data processing support group that the purpose of consolidating employees' earnings under their latest organizations is to reduce the volume of records kept for each employee. They agreed, however, that this procedure does not always result in showing true histories of employees' earnings and may cause problems in locating source documents. The support group officials said they had not realized the existence of the system design weakness which can cause the wrong pay history records to be updated, as in the situation mentioned above.

We suggest that, to provide true histories of employees' earnings and a clear data trail, you require responsible MDW officials to modify the computer program for generating and updating pay history records to identify the employing organization for each salary payment and the losing organizations in transfers between organizations. Your comments on this matter will be appreciated.

We are sending a copy of this letter to the District Manager, East Central District, U.S. Army Audit Agency Agency.

Sincerely yours,



H. L. Krieger
Regional Manager



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Mr. M. R. Di Fulgo
District Manager
East Central District
U.S. Army Audit Agency
Department of the Army
6701 Elkridge Landing Road
Linthicum Heights, Maryland 21090

Dear Mr. Di Fulgo:

Enclosed for your information is a copy of our letter to the Comptroller, U.S. Army Military District of Washington, on a need for computer program modifications to show a correct organizational history of employees' earnings. The enclosed letter supplements our February 27 report to the Comptroller on certain needed improvements and opportunities for cost savings in the operation of the District's civilian payroll system, a copy of which we previously furnished you.

Sincerely yours,

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H. L. Krieger
Regional Manager

Enclosure



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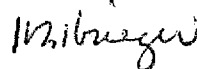
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