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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
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4TH AND STATE
KANSAS CITY, KANSAS 66101

May 13, 1974

Major General R. P. Young
Commanding General
Fort Leonard Wood, Missouri 65473

Dear General Young:

Enclosed is the report on our review of the Fort Leonard Wood civilian payroll and leave systems. The review, made during the second and third quarters of fiscal year 1974, was part of a broad program of General Accounting Office reviews of selected civilian pay and allowance systems within the Department of Defense. We discussed our findings with responsible personnel in the course of our work, and at the conclusion of the review we briefed the Deputy Comptroller and representatives of the offices involved and invited their comments.

The officials believed that the installation of a new standardized Department of the Army payroll system at Fort Leonard Wood was imminent but a specific date for installation was not known. They said they would respond to our report in writing because they did not know what system changes would be required by the new system and what effect our findings would have on the system.

Our review was directed to evaluating the adequacy and effectiveness of the systems' internal controls and the adequacy of reviews performed by internal audit and internal review groups at Fort Leonard Wood. The review was designed to test and evaluate significant internal control features in both the manually operated and the automated parts of the system. We identified several areas of the system in which we believe internal controls should be strengthened.

Although any one internal control may serve a variety of purposes--such as safeguarding the system against errors, manipulation, fraud, or mismanagement--we have grouped, for reporting purposes, the controls in the Fort's system which, in our opinion, are in need of improvement into the following general categories.

- controls to reduce opportunities for fraudulent or other irregular acts,
- controls to insure accurate processing of payroll and leave data, and
- internal reviews.

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Our findings and recommendations are contained in Chapters 2, 3, and 4.

We shall appreciate your comments concerning the action taken or planned by you on each of the findings discussed in the report.

We wish to express our appreciation for the cooperation extended to our representatives by members of your staff during the review. This cooperation resulted in a productive working relationship which facilitated the review and permitted a free discussion of problems.

Copies of this letter and the enclosed report will be sent to the Army Audit Agency.

Sincerely yours,

K. L. Weary
Regional Manager

NEED FOR IMPROVEMENTS IN
THE CIVILIAN PAYROLL SYSTEM OF
FORT LEONARD WOOD, MISSOURI

Department of the Army

U. S. General Accounting Office
Kansas City Regional Office

May 1974

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CHAPTER 1

INTRODUCTION

Fort Leonard Wood is one of the larger Army training centers in the United States. It spreads over 71,000 acres in the south central Missouri Ozarks and is one of the major installations of the Training and Doctrine Command. In 1956 the Fort was designated a permanent installation. Since Fort Leonard Wood was established in 1940, it has had one primary mission-- to train soldiers.

Each year more than 94,000 men are trained--49,000 in basic combat skills and 45,000 in engineer and combat support specialities. In November 1973 there were 6,648 permanent party military personnel assigned to Fort Leonard Wood and 9,091 troop trainees.

For the pay period ended December 22, 1973, records showed there were 2,007 civilian employees paid from appropriated funds at Fort Leonard Wood, and the gross payroll amounted to \$721,355.

SYSTEM DESCRIPTION

The Fort Leonard Wood pay system was originally designed to operate on a UNIVAC 1005 computer. The UNIVAC 1005 system was dependent primarily on manual controls. Because of the limited amount of core storage available it was not possible to program extensive edits and controls into the computer system.

In the summer of 1971 the computer programs were transferred to an IBM S360/30 with the aid of a translator program furnished by the Department of Army Computer Systems Command. The conversion was completed in August 1971. No extensive changes were made to existing programs during the conversion phase because about the same time the Department of the Army started

work on a standard civilian pay system (STARCIPS) which Fort Leonard Wood officials understood was soon to be implemented at Fort Leonard Wood. However, on March 1, 1974, the date of our exit conference, no definitive date had been established for implementation of the new system.

Timekeepers who work in organizational components throughout the Fort have responsibility for insuring accurate preparation of employees' time and attendance reports. After certification by the timekeepers the time and attendance reports are submitted to the Civilian Pay Section (hereafter referred to as "the payroll office").

Salary payments to employees, as well as other payments related to payroll (health insurance premiums, charity contributions, etc.), are made by a Disbursing Officer in the Fort's Finance and Accounting Division.

REVIEW APPROACH

Our review was concerned primarily with an evaluation of system operating procedures and internal controls related to the Fort's civilian pay and leave operations. It included a review of the system design; an evaluation of procedures and practices relating to the preparation, flow, and processing of pay and leave actions; an evaluation of internal controls in the manually operated and automated portions of the system; a limited amount of testing for specific types of pay and leave actions in calendar year 1973; and an evaluation of the adequacy and effectiveness of internal audit coverage.

In our examination of the automated portion of the system, we reviewed controls over preparation and input of payroll and leave data, computer processing of the data, detection and correction of erroneous data, and distribution and verification of data output. We made tests to determine

whether computer program edits and computation routines were operating accurately and providing essential controls to detect inaccurate, incomplete, or unreasonable data.

CHAPTER 2

NEED FOR IMPROVED SYSTEM CONTROLS TO REDUCE OPPORTUNITIES

FOR FRAUDULENT OR OTHER IRREGULAR ACTS

Control over computer operations in an automated payroll system is obtained by establishing safeguards throughout the system. Each safeguard independently strengthens the system and compliments others to provide security against major losses. Conversely, as the number of deficiencies in these safeguards increases, the probability of losses increases because safeguards in other parts of the system may be bypassed or rendered help-^{less} in detecting erroneous or irregular acts.

NEED TO ESTABLISH CONTROLS OVER COMPUTER PROGRAM CHANGES

The Fort has no control to preclude unauthorized changes to civilian pay system programs. An official in the payroll office told us that data processing personnel are contacted by telephone or informal note to make needed program changes.

The System Analyst/Programmer in the Management Information Systems Office (MISO) is responsible for making changes to computer programs. There are no written procedures for authorizing such changes and no written approval required for the changes. Test results are not reviewed by supervisory personnel before program revisions become effective.

Because computers operate on the basis of programmed instructions, control over program changes is one of the most important elements in insuring the effectiveness of internal controls over automatic data processing operations.

We believe all changes to computer programs should be documented and approved by persons responsible for the efficient operation of the system. In the absence of procedures for approving program changes, unauthorized changes could be made to the programs and concealed from responsible persons at the Fort.

Agency comments

We discussed this point with Fort officials at our exit conference. An official from the MISO indicated that they did not have time to review all program changes, and he did not think it was necessary to review them because the payroll office receives all output from the system and the payroll clerks would determine whether all changes were proper.

Payroll office personnel review output listings from the computer to ensure that program changes requested are made and working properly, but they are not in a position to detect all changes which could be made in the pay programs by a programmer. Many firms utilizing EDP equipment have experienced large defalcations in the area of payroll as a result of programmers building loopholes into the system and carrying out fraudulent schemes. A procedure which requires proper authorization and approval of all program changes and test results is one safeguard in a system of internal controls to provide security against unauthorized changes and major losses.

Recommendation

We recommend that the Commander require written approval of computer program changes and independent review of test results by responsible officials in the MISO.

LACK OF ADEQUATE SECURITY OVER
SYSTEM DOCUMENTATION AND FILES

Documentation of the civilian pay system was incorporated into a manual entitled Civilian Pay System Standard Mechanized Procedures Manual which was maintained on top of the System Analyst/Programmer's desk in MISO. Program listings and the source deck for pay programs were maintained in unlocked cabinets. Program changes are made by changing cards in the source deck. When the system documentation and the source deck are not properly safeguarded personnel with programming experience could use this data to make improper changes to pay programs. Therefore, we believe this data should be locked up to prevent unauthorized access to system documentation and reduce the potential for making unauthorized changes. One of the computer operators formerly worked in the position of the System Analyst/Programmer in charge of the civilian pay system programs. We believe it places additional emphasis on the need to secure system documentation and source deck.

Tape files were stored in two open rooms inside the computer room. Pay programs are stored on disks which are on-line with the computer. The librarian, who is responsible for the issuance and return of the tape files, is located in another room outside of the computer room. Although two to six computer operators are reportedly on duty during each work shift, the tape files should be placed under tighter physical control when the librarian is not in the computer room to prevent unauthorized access. Access to the computer, computer files, and programs should be restricted to designated employees because the computer could be utilized to manipulate

transactions and master files if unauthorized individuals are allowed access to the three components necessary to carry out such a manipulation.

Agency comments

A MISO official said he had been unable to obtain a safe or lockable filing cabinets, and he believed his employees were honest.

Although most employees are basically honest, each system should have internal controls which safeguard the agency assets by segregation of functional responsibilities and physical controls which preclude any one individual from having or acquiring control over one area or activity of the organization. Placing the system documentation, source deck, and tape files under proper physical control will reduce the chance of manipulation, and although this will not completely eliminate the possibility of fraud, it will reduce the opportunity for irregular acts.

Recommendation

We recommend that the Commander require that pay system documentation and source deck be stored in a locked drawer or cabinet and that the tape file library be locked whenever the librarian is not in the computer room.

NEED FOR SUPERVISORY REVIEW
OF CONSOLE LOG PRINTOUTS

Supervisory review of computer console logs is not required at the Management Information Systems Office (MISO). Console logs were stored in a box in the library until destroyed and no one looked at them unless there was a problem during processing operations. Review of these logs could serve as a control over unauthorized use of pay system programs and operator intervention during pay processing and would serve as a deterrent to such actions.

Agency comments

A MISO official indicated he did not feel that supervisory review of console logs was necessary.

The console typewriter permits some form of manual entry into, and control over, the central processor. Control over operator intervention is a problem common to all computer facilities because generally programmed controls do not prevent the console operator from interrupting the data being processed and manually introducing information via the computer console. Review of the console logs by supervisory personnel could disclose improper intervention by a computer operator and would serve as a deterrent to improper intervention.

Recommendation

We recommend that the Commander establish a procedure which requires that MISO supervisory personnel outside the computer room review the console logs periodically to deter improper intervention by computer operators during payroll processing and to detect any unauthorized change to or use of pay programs.

NEED FOR ADDITIONAL CONTROL OVER PROCESSING OF TIME AND ATTENDANCE REPORTS

The payroll office is not maintaining adequate control over time and attendance (T&A) reports before they are sent to the Data Conversion Branch and MISO for processing of the civilian payroll. No control totals are run on hours worked and leave taken before the T&A reports are released for keypunching and computer processing. After MISO has converted the time and attendance data to machine language, the T&A reports and a computer

listing of the time and attendance data input to computer processing are returned to the payroll office. Totals are then run on the T&A's returned by MISO and the totals are compared to the computer output listing. Although this procedure detects errors in keypunched cards and verifies that there is a T&A report to support the data input to the computer, it does not provide the control needed to detect unauthorized alterations to T&A's during transfer or processing by data conversion and MISO personnel. Since payroll control register adjustments to normal hours, and leave control register adjustments for hours of leave taken are recorded from computer output listings created from the T&A's processed, this procedure also affects the validity and control provided by these registers.

We believe the payroll office should batch T&A reports and establish control totals on each batch before releasing them for conversion and processing of the payroll to preclude unauthorized alterations by personnel outside of the payroll office.

Agency comments

Agency officials acknowledged that the payroll office did not have positive control over the time and attendance data processed. They were not sure as to the amount of change required at the time of our meeting but indicated they would look into the matter and advise us as to action taken when they respond to our written report.

Recommendation

We recommend that the Commander establish positive control over the time and attendance data reported before releasing the T&A reports for data conversion and payroll processing.

NEED TO STRENGTHEN PROCEDURES
AND CONTROLS OVER PAYMENTS TO
EMPLOYEES IN A TRANSFER STATUS

Employees who are in the process of transferring from Fort Leonard Wood to another Government agency or Army post are retained on the payroll master file in an active pay status until the payroll office receives a Standard Form 50, Notification of Personnel Action, from the Civilian Personnel Division showing the employees' effective date of transfer. The Civilian Personnel Division is generally aware of the pending transfer from 15 to 30 days prior to processing the personnel action, but the payroll office generally does not receive advance knowledge and relies on the timekeepers to note the transfer of an employee on the time and attendance reports. Primary control over the prevention of unauthorized payment rests with the employee's supervisor or timekeeper, and if a time and attendance report is prepared and submitted before the Standard Form 50 is received by the payroll office, the employee will generally be paid. We observed one instance where an employee who worked in Granite City, Illinois, transferred to another Army post, and was improperly paid \$483.20. In this case a time and attendance report for 72 hours worked and 8 hours holiday pay was erroneously certified and submitted for the pay period ended November 24, 1973, although the employee had already transferred at the end of the prior pay period. Although the improper payment was detected in the next pay period and subsequently collected on January 14, 1974, control needs to be established in the payroll office to prevent improper payments.

Recommendation

We recommend that the Commander require that the Civilian Personnel Division advise the payroll office of pending employee transfers as soon as information becomes available and the payroll office establish controls which provide for identification and special review of these time and attendance reports. We suggest that consideration be given to the feasibility of flagging the employee's computer record to identify employees in a transfer status.

Proposed agency action

Agency officials agreed and indicated procedures would be implemented to provide the payroll office with the required information.

CHAPTER 3

OTHER NEEDED IMPROVEMENTS IN SYSTEM CONTROLS TO INSURE

ACCURATE PROCESSING OF PAYROLL AND LEAVE DATA

INADEQUATE SYSTEM DOCUMENTATION

The Fort's civilian payroll system documentation is inadequate. The program flow charts, descriptions of program functions, and diagrams showing the sequence of program operations have not been kept up to date by MISO.

The documentation package covering design of the system as it originally operated on the UNIVAC 1005 computer was available, but the documentation was not updated at the time of conversion to IBM 360/30 equipment in August 1971. Changes since conversion have also not been adequately documented.

A MISO official said they had not maintained the documentation because they had expected a standardized Department of the Army pay system to be implemented shortly after the pay system was converted to the IBM 360/30 equipment in 1971. He now believes the new system will be implemented in the near future because correspondence indicates the system has been developed and will be tested in March 1974. He also commented that they would rather re-design the civilian pay system to utilize the capabilities of the IBM 360/30 computer than update documentation on the present system. However, he did not think either course was necessary due to the expected implementation of the standard system.

We believe it is necessary to maintain complete, comprehensive, and up-to-date documentation because it enables programmers other than the original designer(s) to understand the system objectives, concepts, and

outputs, and make changes. It also provides management, and internal and external auditors a basis for understanding and examining the system and ensuring that policies are being adhered to and controls are functioning properly.

Agency comments

Officials agreed that documentation had not been kept up to date, but indicated it was not practical to update it at this time because of the imminent implementation of the standard pay system.

Recommendation

We recommend that the Commander require the MISO to update the civilian pay system documentation unless the Department of the Army standardized pay system is to be implemented at Fort Leonard Wood within the next 6 months.

NEED FOR PERIODIC RECONCILIATIONS
OF PERSONNEL RECORDS WITH THE
PAYROLL MASTER FILE

Personnel documents to be processed by the payroll office are hand delivered by employees from the personnel office or picked up by employees from the payroll office. The personnel office has not established a system of reconciliation or control which assures that all documents forwarded for processing are considered, no unauthorized alterations have been made, and the results of the processing are accurate. The personnel office does not receive any output from MISO or the payroll office for use in making a reconciliation or establishing control. An official in the Civilian Personnel Division said they did not feel it was the personnel office's responsibility to check the accuracy and completeness of payroll processing.

We compared data recorded on the payroll master file lists with like data on the Civilian Personnel Information System listing. Data on the personnel listing was input by personnel office employees from source documents maintained in the personnel office. Our test, which included about 1,000 employees at Fort Leonard Wood, indicated that all documents had been received in the payroll office and, with one minor exception, processed correctly.

Although our test did not disclose any significant discrepancies we believe that periodic reconciliations of personnel records with the payroll master file, if effectively carried out on a regular basis, would help to insure accurate payroll processing of personnel entitlements because the performance of these reconciliations help to coordinate pay, leave, and allowance operations with personnel functions. This coordination, as pointed out in the GAO Manual (6 GAO 4), is one of the principal objectives of an effective payroll system.

Agency comments

An official from the Civilian Personnel Division said they were confident that no problems existed in this area, but consideration would be given to some system that would establish this confidence.

Recommendation

We recommend that the Commander require the Civilian Personnel Division to insure that the Fort's personnel records are reconciled with the payroll master file at least quarterly.

NEED FOR IMPROVED TIMELINESS IN
DELIVERING PERSONNEL DOCUMENTS
TO THE CIVILIAN PAYROLL OFFICE

The GAO Manual (6 GAO 4) points out that one of the objectives of an effective payroll system is the prompt payment in the proper amount of all persons entitled to be paid. In order to accomplish this objective personnel documents affecting pay must be furnished promptly to the payroll office.

Review of 99 personnel documents (70 affected pay) which were processed by the payroll office during the pay period ended December 22, 1973, disclosed that the documents were not received from the Civilian Personnel Division on a timely basis. Twenty of the documents or about 20 percent were received 8 to 17 days after the date of certification by the certifying officer. In most instances the actions affecting pay were delivered to the payroll office within a 3-4 day period before or after the effective date of the action, and the delay did not result in a significant number of adjustments to employees pay.

Civilian Personnel Division officials informed us that delivery of the documents was delayed due to the time required in separating documents for distribution, recording actions on a suspense file, and filing. They had recognized the problem and assigned an additional employee on January 15, 1974 to assist in the distribution process. Subsequent tests of 86 personnel documents processed by the payroll office in the pay period ended February 2, 1974 showed that five of the 86 documents or about 6 percent were received 8-11 days after date of certification by the certifying officer.

Recommendation

Although the delay in processing personnel documents has been significantly reduced, we recommend that the Commander require that Civilian Personnel Division officials continue to monitor the distribution of documents and take action necessary to assure that documents are delivered to the payroll office in a timely manner.

IMPROPER REDUCTION OF LEAVE CREDITS
FOR EXCESS LEAVE WITHOUT PAY

During our review of the leave balance printout for the pay period ended December 22, 1973, we noted that 10 full-time employees in the 6-hour category had their leave credits reduced because they accumulated the number of hours in a nonpay status equal to their base pay hours for a pay period. The reduction to annual leave credits in each case, was 10 hours rather than 6 because the employees accumulated 80 hours in a nonpay status in the last pay period of the leave year when they earned 10 hours annual leave.

Payroll office personnel said this action was taken in accordance with a directive issued several years ago (this directive cannot be located and its source is unknown), and Federal Personnel Manual (FPM) Supplement 990.1, Book III, Section 630.208 which states:

***When the number of hours in a nonpay status in a full-time employee's leave year equals the number of base-pay hours in a pay period, the agency shall reduce his credits for leave by an amount equal to the amount of leave the employee earns during a pay period. ***

They apparently interpreted the FPM provision to mean that the reduction of leave should be based on the amount of leave earned during the pay

period (which in this case was 10 hours) rather than a pay period (which would have been 6 hours). However, Federal Personnel Manual, Chapter 630, paragraph 2-3.d., which follows is also applicable to leave reductions and indicates a 6-hour reduction would have been proper rather than 10 hours:

FPM, Chapter 630, Paragraph 2-3.d.:

***When a full-time employee's absence in a nonpay status totals the hours for one pay period, his sick leave credit is reduced by one-half day and his annual leave credit is reduced by either one-half, three-fourths, or a full day depending on his leave-earning category. ***

We believe the above two citations to the Federal Personnel Manual are consistent and call for a leave reduction of 6 rather than 10 hours for those employees who accrue 80 hours in a nonpay status during the last pay period of a calendar year.

Recommendation

We recommend that employees who earn 10 hours annual leave during the last pay period of the year and also accrue 80 hours in a nonpay status during that pay period receive a leave reduction of 6 rather than 10 hours.

We also recommend that the employees who earned 10 hours annual leave during the pay period ended December 22, 1973 whose leave was reduced 10 hours receive a leave credit of 4 hours.

NEED FOR IMPROVEMENT IN
PREPARATION AND REVIEW OF
TIME AND ATTENDANCE REPORTS

The GAO Manual (6 GAO 16.2) states that time and attendance reports shall provide affirmative evidence that each employee is entitled to his normal pay or to a greater or lesser amount.

We selected 25 T&A reports to test the preparation and review by timekeepers and civilian pay personnel, the availability of proper authorizations, and the accuracy of input to the computer. All T&A's included premium hours worked and/or leave, and were categorized by the payroll office as category 4 type cards.

In total we found three, or 12 percent, of the T&A's in error as shown below:

1. An employee on night differential with a tour of duty from 10:45 p.m. to 7:00 a.m. had an established lunch hour of 6:15 a.m. to 6:30 a.m. However, the T&A report showed the established lunch period to be from 4:30 a.m. to 5:00 a.m. With this lunch period the employee would have been entitled to $6\frac{3}{4}$ hours night differential daily, but the T&A report showed $7\frac{1}{2}$ hours daily for night differential which was paid. Payroll office personnel changed the established lunch period on the T&A report to 6:15 a.m. to 6:30 a.m. to agree with their schedule of established lunch periods after we brought this card to their attention.
2. When an employee works on a job for which hazard pay is authorized the reverse side of his T&A report must include specific certification as to the category and duration of the work performed. An employee's T&A report included a certification on hazard work on the back, but the front of the report indicated he did not work at all on the day it was certified he worked on a hazardous job. The payroll office determined that the employee had not worked and was not entitled to hazard pay after we brought the report to their attention.
3. An employee's T&A report showed he worked overtime and was on annual leave during the same period of time. When the T&A was received the time the overtime was worked was not shown and the payroll clerk questioned the timekeeper about it. The time furnished by the timekeeper was incorrect and indicated the employee worked overtime during the period he was on annual leave, but was entered on the T&A by the payroll clerk. After we brought the report to the attention of payroll office personnel the timekeeper was again contacted and stated the time worked on overtime was after the employee's tour of duty.

Although the deficiencies noted were clerical errors by the timekeepers, payroll accuracy is dependent upon the accurate preparation of time cards and timekeepers should be apprised of the areas where improvement is needed. In this regard the need for proper certification of time and attendance reports (see example of erroneous certification on page 10 of this report) should also be brought to the attention of the timekeepers.

Recommendation

We recommend that the Commander take action to assure that the importance of accuracy in the preparation of T&A's is emphasized to timekeepers and the payroll office places particular emphasis on review of category 4 type T&A's.

Proposed agency action

Agency officials stated they would send a letter to timekeepers emphasizing the importance of accuracy in preparation of T&A's. They also indicated the payroll processing clerks would be encouraged to review T&A's more closely.

NEED FOR ADDITIONAL CONTROL
OVER EMPLOYEES WHOSE EFFECTIVE
DATE OF APPOINTMENT IS NOT THE
FIRST DAY OF A PAY PERIOD

The Comptroller General has held that pay may not be paid to an employee prior to the effective date of his appointment, and an appointment may not be made retroactively effective to cover services rendered.

During our review we found that an employee entered on duty on Wednesday, December 26, 1973, the effective date of his appointment, and was paid for 16 hours holiday leave for December 24-25, 1973. After we

brought this matter to the attention of payroll office officials they researched the payroll records for calendar year 1973 and found two more similar overpayments. The total overpayment for the three employees was \$135.52.

Agency officials stated that a control exists to flag for special review all employees who enter on duty on other than the first day of a pay period who are not entitled to a leave accrual. However, the three employees above were not flagged because they were entitled to a leave accrual, even though they entered on duty during a pay period. FPM, Chapter 630, Subchapter 2-3(a) states that employees are entitled to leave accrual on the basis of being employed for a full pay period, exclusive of holidays and nonwork days.

Recommendation

We recommend that a control be established to flag for special review of Time and Attendance Reports all employees who enter on duty on other than the first day of a pay period who are not entitled to be paid for holidays immediately preceding their entry on duty.

Proposed agency action

Agency officials agreed that overpayments had been made and stated that they would initiate action to collect the overpayments. They also stated they would immediately expand their present controls to include all employees entering on duty on other than the first day of the pay period, regardless of whether the employee is entitled to a leave accrual.

CHAPTER 4

NEEDED IMPROVEMENTS IN INTERNAL REVIEW ACTIVITIES

NEED FOR PERIODIC REVIEW OF CIVILIAN PAY SYSTEM BY THE LOCAL INTERNAL REVIEW OFFICE

The Fort Leonard Wood Internal Review Office has not performed a review of the civilian pay system since 1969. The last audit of the civilian pay system by the Army Audit Agency was in July-August 1971.

GAO Manual (6 GAO 12) points out that each agency must have adequate internal auditing to provide assurance that all payments as to pay, leave, and allowance matters, are made in compliance with applicable laws, regulations, and decisions, and that leave privileges are properly administered. The manual also points out that GAO examinations of agency financial transactions are not in any way to be considered as a substitute for effective internal auditing.

The Army Audit Agency (AAA) last report covered a 1971 audit. The Chief of the Internal Review Office said his office has not performed any reviews in the civilian pay area since 1969 because of the AAA and GAO reviews made during this time. He said his office has been working in the non-appropriated fund area.

Although the Army Audit Agency and GAO periodically perform reviews of the civilian pay system, we believe the Fort's Internal Review Office should be actively involved in reviewing civilian pay to provide effective control over funds for which the agency is responsible.

Recommendation

We recommend that the Commander require that the Internal Review Office perform periodic reviews of both the automated and manual portions of the civilian pay system.