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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE

9226 FEDERAL BUILDING, SIXTH AND ARCH STREETS
PHILADELPHIA, PENNSYLVANIA 19106

July 24, 1974

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Colonel James M. Bishop
Commanding Officer
Jefferson Proving Ground
Madison, Indiana 47250



Dear Colonel Bishop:

We have completed our review of the Test, Evaluation, Analysis and Management Uniformity Plan (TEAM-UP) system for processing civilian payroll and leave allowances at the Jefferson Proving Ground (JPG). This review was part of an overall review of civilian pay activities at Department of Defense installations. The review covered the period August 3, 1969 through May 18, 1974.

Our examination of payroll transactions and personnel actions was directed toward an evaluation of the adequacy and effectiveness of the TEAM-UP civilian pay and leave system, including internal controls. We reviewed the TEAM-UP system design and documentation at the Test and Evaluation Command (TECOM) prior to the start of our review at JPG.

We found weaknesses in the design of the TEAM-UP payroll and leave system which we will report to TECOM. We discussed some of these weaknesses with JPG officials. However, the changes or corrective actions required are the responsibility of TECOM.

The internal control weaknesses which are the responsibility of JPG are discussed below. These matters were discussed with JPG officials both during the review and at the exit conference.

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1. The Civilian Personnel Division does not have control over the source documents forwarded to the payroll activity. Accordingly, the Division does not have adequate assurance that only authorized changes are made to the pay records. Control over these documents is needed to insure the accuracy of changes entered into the mechanized system. This control is prescribed by the GAO Policy and Procedures Manual for Guidance of Federal Agencies (6 GAO 15.2).

Under TEAM-UP, new Time and Attendance Reports are distributed to timekeepers each pay period by the Civilian Pay Branch. This procedure presents an added problem since civilian personnel documents are not being controlled.

We are recommending to TECOM that a control over change actions be added to the system. However, until such time as this system change is made, we recommend you use the Master Update Report to verify changes and that an organization other than the Civilian Pay Branch be responsible for the distribution of new Time and Attendance Reports.

2. The key punching of Time and Attendance Reports is not being mechanically verified by key punch operators. The importance of input control cannot be stressed too strongly as no data processing system can produce accurate results if the basic data upon which it works is incomplete or inaccurate. We recommend that you require the mechanical verification of all Time and Attendance Reports.

3. TEAM-UP Standard Operating Procedures for Time and Attendance/Labor Distribution Reporting require supervisors to monitor the attendance of their employees and inform the timekeepers as to the proper entries to be made on the Time and Attendance Reports. However, the supervisors are not required to review any Time and Attendance Reports except for the timekeepers. We believe greater control would result if supervisors were required to review all Time and Attendance Reports for completeness and accuracy and were required to initial the cards as evidence of such review. This separation of duties is prescribed in the GAO Policy and Procedures Manual for Guidance of Federal Agencies (6 GAO 9(5)).

4. Payroll Control Registers (DD Form 589), Leave Control Registers (DA Form 2597), and the U.S. Savings Bond Control (DD Form 716) are not being maintained as required by AR 37-105 and TEAM-UP Standard Operating Procedures. In a mechanized pay system, manual control records are essential to insure the accuracy of pay and leave transactions. JPG should maintain all three of these control documents.

5. The Civilian Pay Branch is not, in all cases, verifying that Sunday and night differential charges are supported by approved work schedules. The importance of this verification is highlighted by the fact that under TEAM-UP the master employee records do not contain employee shift codes; consequently, employees are paid in accordance with whatever shift code is entered on the Time and Attendance Report. The Civilian Pay Branch was notified of this matter and corrective action was promised.

6. The Federal Personnel Manual provides that general schedule employees regularly assigned to work between the hours of 6:00 p.m. and 6:00 a.m. should be paid night differential for periods of leave which total less than 3 hours during the pay period. We examined one pay block which has general schedule employees regularly assigned to night work and found that during the one pay period examined, one incorrectly coded leave charge was made. Corrective action was promised by the Civilian Pay Branch.

7. Examination of employees who charged military leave during 1973 disclosed several instances of missing documentation. JPG regulations provide that the Civilian Pay Branch is to receive a copy of military orders prior to an employee's going on leave and evidence of performance upon his return. Of seven cases of leave examined, orders were missing in one instance and evidence of performance was missing in two instances. The TEAM-UP system also has a mechanized control which limits military leave charges to 15 days annually. However, for the control to function properly the Civilian Pay Branch must take action to charge employees with military leave for non-work days occurring during the periods of leave. Of five cases examined where manual input would have been appropriate, action as such had only been taken in three instances. The Civilian Pay Branch must take action to insure that all required documentation is received and properly

approved, and that all non-work days occurring during periods of leave are entered into the mechanized system. A central file for military leave documentation is not being maintained. We recommend, for control purposes, that such a file be established and maintained in the Civilian Pay Branch.

8. Examination of employees who charged court leave during 1973 disclosed several instances of missing documentation. JPG regulations specify that the Civilian Pay Branch is to receive a copy of the court order or summons prior to an employee's going on leave and a copy of a certificate of attendance upon his return. Of seven cases of court leave examined, five court orders and three certificates of attendance were not on file. Also, we found that the Civilian Pay Branch is notifying the Teller in the Disbursing Section of persons charging court leave so that court fees can be collected. There is no procedure for these sections to coordinate to insure that all collections are made. To improve court leave controls we recommend that a central file be established within the Civilian Pay Branch for the maintenance of court documentation and a procedure be adopted so that jury fee collections made by the Teller are reported to the Civilian Pay Branch.

9. JPG wage board employees receiving "retained" pay are not being granted wage rate increases as required by the new Federal Wage System which became effective in November 1972. We were advised of this matter by the JPG Civilian Personnel Division, and were informed that JPG just recently detected its error. The Civilian Personnel Division was unable to provide us with an estimate of the total dollar effect of this error. However, we were informed that action is currently being taken to correct the situation.

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We would appreciate receiving your comments on the status of corrective action taken or planned on the matters contained in this report. In accordance with the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, Title 3, Chapter 5, the payroll records covering all periods through May 13, 1974, may be transferred to the Federal Records Center.

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