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UNITED STATES GENERAL ACCOUNTING OFFICE  
REGIONAL OFFICE  
7014 FEDERAL BUILDING 1961 STOUT STREET  
DENVER, COLOPADO 80202

JUN 12 1974

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Colonel Emil Kluever  
Commander  
Tooele Army Depot  
Tooele, Utah 84074

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Dear Colonel Kluever

We have completed our review of the SPEEDEX Civilian Pay and Leave Accounting System at Tooele Army Depot. This review was part of a broad program of General Accounting Office reviews of selected civilian pay and allowance systems within the Department of Defense. To promote a mutual understanding of issues raised during our review, we discussed these matters with members of your staff in the course of our work. At the conclusion of the review, we briefed you and your staff on the results of our review and invited your comments.

Our approach to the review was geared to identify those controls which we believe were essential to satisfy minimum internal control standards. We did not attempt to determine the overall effect of controls not implemented. In making our review, we evaluated the adequacy and effectiveness of both the manually operated and automated controls of the system. In addition, we evaluated the effectiveness of internal audits conducted of the civilian payroll system during the 2 years prior to our review.

The following actions were taken or promised by your staff during our review to correct the identified deficiencies.

1. The Civilian Payroll Section agreed to maintain control over pay change documents processed from payroll to the Compter Management Division. The Payroll Section implemented a procedure to reconcile manual totals of document identifier codes to the computer product, Update Error Listing. A limited test of rejected transactions processed showed that input errors occurred in the system but none of the errors found had an effect on current payroll. The action taken and promised should be sufficient to ensure that all payroll changes are input into the system.

2. Civilian payroll personnel agreed to maintain the manual leave control registers and complete these registers in a timely

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manner. The payroll clerks changed the employee type code on the Master Employee Record (MER) from 9 to 5 for all youth opportunity workers to ensure that they accrue leave properly. The clerks also made credit adjustments to 18 youth opportunity employee leave records to correct errors detected in our review. These adjustments totaled to 4 hours sick leave and 93 hours annual leave credited.

3. Civilian payroll personnel implemented a procedure for controlling union dues deductions which will eliminate the costly manual adjustments made into the system each pay period. Civilian payroll agreed to screen the notice of Personnel Action (SF 50) to verify that the employee has authorized withholding dues for a union with jurisdiction over his work center.

4. The Computer Management Division agreed to implement the off-line procedure job stream GF 20 which identifies missing time cards and new hires for the payroll clerks. This procedure eliminates the unnecessary expenditure of approximately 197 man-hours per year in the Civilian Payroll Section.

5. Civilian payroll personnel agreed to manually readjust the correct effective date since last increase and absence without pay (AWOP) for all downgraded employees. This adjustment is necessary to ensure that an employee does not later receive a higher grade or step without making up legitimate AWOP time.

6. Civilian payroll personnel implemented a cross check which consists of verifying payroll source documents against the final Control and Changes Report. This cross check will reduce the opportunity for any one payroll clerk to commit fraud or other irregular acts.

7. The Finance and Accounting Division issued articles in the Depot "Daily Bulletin" as well as initiating two tentative form letters to division heads concerning supervisory errors in completing the time and attendance cards. The division also promised to monitor the error rate, schedule the particular supervisors responsible, and take corrective action.

8. The Civilian Personnel Division (CPD) agreed to establish a procedure for determining that all documents initiated by CPD which affect the MER in the civilian pay system have been properly processed. Without this control CPD has no assurance that the MER agrees with its records.

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9. The Computer Management Division implemented a procedure which requires all time and attendance cards to be verified. This includes a visual verification of those not keypunched under the exception system of payroll reporting. We believe that the action taken will strengthen the controls over the processing of time and attendance cards.

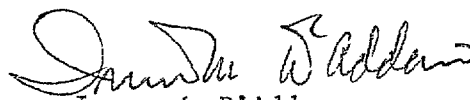
10. The Finance and Accounting Division intends to submit a proposal to change local regulations to establish a list of authorized time and attendance card carriers. This action, if properly implemented, will establish a systematic and controlled method of delivering cards from work centers to data processing and ensure that only authorized cards are received.

We would appreciate your comments concerning the matters discussed above and final actions taken by the Depot.

We wish to express our appreciation for the splendid cooperation extended to our representatives by members of your staff during our review.

This letter serves as a basis for clearing your accounts through calendar year 1973.

Sincerely yours,



Irwin M. D'Addario  
Regional Manager

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