COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
AUDITOR-CONTROLLER

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JAMES L. SCHNEIDERMAN
JUDI E. THOMAS

January 10, 2012

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **DEPARTMENT OF HEALTH SERVICES' OLIVE VIEW-UCLA MEDICAL CENTER PAYROLL/PERSONNEL REVIEW**

In 2007, based on issues noted in our review of payroll/personnel in one County department, your Board instructed the Auditor-Controller (A-C) to develop a risk-based plan to audit payroll/personnel operations in all County departments. In accordance with the developed plan, we completed a review of the Department of Health Services' (DHS) Olive View-UCLA Medical Center's (OVMC) compliance with County payroll and personnel policies, and their use of the Countywide Timekeeping and Payroll/Personnel System (CWTAPPS). Our review covered areas such as overtime controls, recording time and attendance, warrant distribution, and CWTAPPS reports and data access.

DHS Administration Human Resources (DHS HR) performs most payroll/personnel functions (e.g., entering data into CWTAPPS, monitoring leave accounting, processing terminations, etc.) for all DHS facilities. Each DHS facility, including OVMC, is responsible for certain payroll/personnel functions, such as monitoring overtime usage, approving time cards, etc.

In our payroll/personnel reviews of other DHS facilities, we have previously reported on the payroll/personnel functions performed centrally by DHS HR. With the exception of a few payroll functions performed centrally by DHS HR, this report focuses on the payroll/personnel functions performed by OVMC. The recommendations in this report are directed to OVMC management, unless specifically addressed to DHS HR.

Summary of Findings

We noted that DHS HR and OVMC monitor and recoup overpayments to employees. However, DHS HR and OVMC need to strengthen their controls over other areas of their payroll/personnel operations and use of CWTAPPS. The following are examples of areas for improvement:

- OVMC needs to ensure that overtime is properly approved and monitored, and that staff do not exceed the monthly overtime limit. We noted that 67 (42%) of the 158 time cards we reviewed did not have approvals for the overtime. We also noted that eight (20%) of 40 employees reviewed exceeded DHS' 96-hour per month overtime limit without the required approvals.

  In addition, we noted ten employees whose overtime earnings for calendar year 2009 were more than 50% of their annual base salary. While there is no County policy limiting overtime to a specific percentage of an employee's base salary, the County has used 50% as an informal guideline to monitor employee overtime. Finally, we noted that OVMC's actual overtime costs exceeded its budget by an average of $2.3 million (23%) during Fiscal Years 2006-07 through 2008-09.

  DHS' attached response indicates that they have taken corrective action by developing an overtime approval form that must be pre-approved. DHS also issued a bulletin to the Facility's management indicating that each hour of overtime must be justified and approved. By June 30, 2012, OVMC will implement an on-line overtime approval process that will allow managers to view overtime requests by division and pay period, to better control requested overtime and determine if monthly limits are exceeded. DHS is also working with the Chief Executive Office to determine appropriate staffing levels, and reduce overtime expenditures.

- OVMC needs to ensure that employees complete their time cards accurately, and that adjustments to the time cards are appropriately documented and approved. For 25 (16%) of the 158 time cards reviewed, the information posted to CWTAPPS did not agree with the time cards because of data entry errors. In addition, 45 (60%) of 75 time card corrections were not properly approved.

  DHS' attached response indicates that Payroll staff received training on how to process time card adjustments. In addition, in December 2011, OVMC issued a management bulletin reminding staff to report all adjustments on a Time Card Correction Form, which must be signed by the manager or supervisor.

- DHS HR needs to ensure that staff and supervisors document their review of CWTAPPS exception reports, exceptions are resolved timely, and reports are properly maintained. DHS HR could not provide complete reviewed versions of 11 (34%) of the 32 reports we requested. For the 21 completed reports provided,

nine (43%) were not signed/dated by the reviewer, and 14 (67%) were not signed/dated by the supervisor. As a result, we were unable to determine whether adjustments were made promptly and correctly. In addition, we noted that DHS HR did not review five (24%) of the reports timely.

DHS' attached response indicates that Payroll supervisors now annotate, initial, and date CWTAPPS reports to document their review. In addition, Payroll staff was counseled on the need to timely resolve and process exceptions. Also, in May 2011, DHS issued Payroll Processing Procedure No. 10-002, which requires that CWTAPPS and eCAPS reports be kept for at least five years.

Details of these and other areas where DHS HR and OVMC can improve their operations, and recommendations for corrective action are included in the attached report.

Our review also identified several possible overpayments, underpayments, and incorrect benefit balances. County policies do not specify when employees are required to repay overpayments because the facts of each overpayment are unique. DHS HR and OVMC should research the individual cases in this report and work with the Department of Human Resources, A-C's Countywide Payroll Division, and County Counsel to recover any confirmed overpayments, correct underpayments, and/or adjust leave benefit balances.

Review of Report

We discussed our report with DHS HR and OVMC management. DHS' attached response (Attachment II) indicates agreement with our findings and recommendations, and that they have either implemented or have started implementing most of the recommendations.

We thank DHS HR and OVMC management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Robert Campbell at (213) 253-0101.

WLW:JLS:RGC:MWM

Attachments

c: William T Fujioka, Chief Executive Officer
Mitchell H. Katz, M.D., Director, Department of Health Services
Carolyn Rhee, Chief Executive Officer, OVMC
Lisa M. Garrett, Director, Department of Human Resources
Andrea Sheridan Ordin, County Counsel
Department Heads
Audit Committee
Public Information Office

DEPARTMENT OF HEALTH SERVICES
OLIVE VIEW-UCLA MEDICAL CENTER
PAYROLL/PERSONNEL REVIEW

Background

The Department of Health Services' (DHS) Olive View-UCLA Medical Center (OVMC) has approximately 2,600 employees. DHS Administration Human Resources (DHS HR) performs most payroll/personnel functions, including entering data into the Countywide Timekeeping and Payroll/Personnel System (CWTAPPS), monitoring leave, and processing terminations for all DHS facilities. Each facility, including OVMC, is responsible for other payroll functions, such as monitoring overtime usage, approving time cards, etc.

OVMC employees use the County's online eHR Time Collection application (Time Collection) to input and electronically submit their time for supervisory approval. Under the new process, OVMC managers at various pay locations review the electronic time records for accuracy, and approve them before the time records are interfaced with CWTAPPS for processing. DHS HR uses CWTAPPS to process personnel actions, such as hires/terminations, and maintain personnel data, including hire dates, social security numbers, and County job history. CWTAPPS also maintains employee leave balances and industrial accident information.

Scope

We reviewed OVMC's compliance with County payroll and personnel processing policies, including the County Fiscal Manual (CFM). Our review included interviews with staff, and tests of overtime usage and controls, employee time records, warrant distribution, and CWTAPPS reports and data access. With the exception of some payroll/personnel functions performed centrally by DHS HR, this report focuses on the payroll/personnel functions performed by OVMC.

COMMENTS AND RECOMMENDATIONS

Payroll Exceptions

Our review disclosed a number of errors, such as incorrect time cards, CWTAPPS input errors, and misapplication of County payroll rules and regulations. Some of these errors may have resulted in possible overpayments, underpayments, and incorrect leave balances.

County policies do not specify when employees are required to repay overpayments because the facts of each overpayment are unique. DHS HR and OVMC management should research the individual cases noted in this report, and work with the Department of Human Resources (DHR), Auditor-Controller's (A-C) Countywide Payroll Division, and County Counsel to recover overpayments, correct underpayments, and/or adjust employee leave balances.

Recommendation

1. **DHS HR and OVMC management research the exceptions identified in this report, and work with DHR, A-C's Countywide Payroll Division, and County Counsel to recover overpayments, correct underpayments, and/or adjust employee leave benefit balances.**

Overtime

Overtime Controls

We reviewed OVMC's overtime records, and tested a sample of 40 OVMC employees who worked overtime, and noted the following:

- **Overtime approval** – OVMC policy requires non-emergency overtime to be pre-approved by OVMC Administration. Emergency overtime may be approved after it is worked. We reviewed emergency and non-emergency overtime reported on 158 time cards, along with corresponding overtime authorizations, and noted that 67 (42%) of the 158 time cards with overtime did not have the required approvals.

- **Overtime limit** – DHS policy limits overtime to 96 hours per month, unless approved in writing by the appropriate manager, the DHS Director, and the Board of Supervisors. Eight (20%) of the 40 employees we reviewed exceeded the 96-hour limit without the required approvals.

- **Excessive Overtime** – CFM Section 3.1.9 indicates that department management should routinely monitor/examine workload and overtime reports to determine the appropriateness of overtime worked, especially for employees working excessive overtime. While there is no County policy limiting overtime to a specific percentage of an employee's base salary, the County has used 50% of base salary as an informal monitoring guideline. We noted ten OVMC employees whose overtime earnings for calendar year 2009 exceeded 50% of their annual base salary. In addition, two of these employees consistently worked the highest number of overtime hours of any OVMC staff in each of the last three years.

Recommendations

OVMC management:

2. **Ensure all overtime is properly approved.**

3. **Monitor to ensure employees and supervisors comply with the Department's overtime limit policy, and employees do not exceed the limit without the required authorizations.**

4. **Consider developing and implementing additional policies and controls to monitor and limit excessive overtime.**

Overtime Budget

We compared OVMC's budgeted and actual overtime for Fiscal Years 2006-07 through 2008-09, and noted that OVMC exceeded its overtime budget by an average of $2.3 million per year (23%).

Fiscal Year	Budget	Actual	Over	% Over
2008-09	$ 10,028,000	$ 11,743,161	$ 1,715,161	17%
2007-08	$ 10,028,000	$ 13,154,072	$ 3,126,072	31%
2006-07	$ 9,111,000	$ 11,079,189	$ 1,968,189	22%
Averages:	**$ 9,722,333**	**$ 11,992,141**	**$ 2,269,807**	**23%**

OVMC management indicated that the overage was due to existing staff having to work additional hours because of difficulties filling vacant positions.

However, the overtime in excess of budget indicates that OVMC needs to closely monitor and reevaluate its overtime budget. OVMC management should work with the Chief Executive Office (CEO) to reevaluate OVMC's overtime budget.

Recommendation

5. **OVMC management work with the CEO to reevaluate OVMC's overtime budget.**

Time and Attendance

Time Card Processing

CFM Section 3.1.6 requires that someone independent of payroll/personnel functions verify that employees are bona fide by tracing their names to personnel records. In addition, CFM Section 3.1.7 requires time sheet adjustments to be immediately reported to the Payroll Section on a Time sheet Correction Form, signed by the employee's supervisor attesting to the change(s).

DHS HR indicated that they do not complete employee verifications, as required. In addition, we compared a sample of 158 time cards to CWTAPPS, supporting documents (e.g., overtime authorization forms, etc.), and to any subsequent adjustments and noted the following:

- Twenty-five (16%) time cards did not agree with the information posted to CWTAPPS due to data entry errors. For example, one time card showed four hours worked, but CWTAPPS showed eight hours.

- Forty-five (60%) of 75 time cards with corrections did not have the appropriate Time Card Correction Form, showing the supervisors approved the adjustments.

In January 2010, OVMC employees started using the eHR Time Collection application to input and submit employees' time electronically. Data entry errors may be reduced with the implementation of eHR. However, it appears that some of the discrepancies resulted in incorrect payments and benefit balances. As indicated in the first recommendation of this report, DHS HR and OVMC should determine whether there were any over/under payments to these employees, and adjust the employees' pay and benefit balances accordingly.

Recommendations

DHS HR and OVMC management:

6. **Require staff independent of payroll/personnel functions to verify that employees are bona fide by tracing their names to personnel records.**

7. **Ensure all time card adjustments are reported on a Time Card Correction Form signed by the employee's supervisor attesting to the changes.**

Payroll Distribution and Supplemental Warrants

CFM Section 3.1.12 indicates that Payroll staff should never directly handle warrants and notices of direct deposit. In addition, CFM Section 3.2.3 indicates that an employee independent of the payroll/personnel functions should subsequently verify that written approval exists for each warrant listed on the supplemental warrant register. We noted that DHS HR Payroll staff receive, sort, and distribute payroll warrants and notices of direct deposit, and review the supplemental warrant registers.

Recommendation

8. **DHS HR ensure staff with no payroll/personnel responsibilities receive, sort, and distribute payroll warrants and notices of direct deposit, and verify written approval for each warrant on the supplemental warrant registers.**

Data Access

Profiles

Profiles determine which CWTAPPS screens a user can access and the specific actions (e.g., inquire, add, update, delete, etc.) they can take. CFM Section 3.1.5 requires departments to restrict profiles to the scope of the employees' job responsibilities.

We noted one (17%) of the six CWTAPPS users reviewed had not accessed the System for over four years. This is an indication that this employee does not need CWTAPPS access.

Recommendation

9. **DHS HR and OVMC periodically review employees' CWTAPPS access, and restrict access based on the employees' job duties or when access is no longer needed.**

Processing Centers

CFM Section 3.1.5 states that CWTAPPS processing centers should be set up so that Payroll and Personnel staff do not have access to their own payroll/personnel information. DHS HR can group employees into CWTAPPS processing centers by pay location, division, etc. We noted that three (50%) of the six CWTAPPS users can change their own payroll/personnel information.

Recommendation

10. **DHS HR use processing centers so that OVMC staff do not have access to their own payroll/personnel information on CWTAPPS.**

Security Policy

CFM Section 8.6.3 requires that all employees with access to County computer data sign an acknowledgement that they have read and understand the Department's security policy. DHS HR and OVMC did not have signed acknowledgements for any of the six users.

Recommendation

11. **DHS HR and OVMC management ensure that all employees with access to County computer data sign the Department's security policy.**

CWTAPPS Reports

CWTAPPS automatically generates reports to assist managers in monitoring payroll/personnel operations. CFM Section 3.1.0 requires Payroll staff to investigate exceptions on the following eight reports, and immediately process any necessary adjustments.

- Time Card Error Reports
- Leave Benefit Negative Balance Report
- Time Card Leave Defaulting Report
- Leave Final Pay Exception Report
- Overtime Activity Report
- Change in Overtime History Exception Report
- Excessive Comp Earned/Regular Hours Exception Report
- Premium Overtime Transaction Exception Report

DHS HR Payroll staff should annotate the reports to document the disposition of each entry, and sign and date the report. The payroll supervisor should also review the reports each pay period to ensure that adjustments are made promptly and correctly, and sign and date them to document the review. In addition, CFM Section 3.1.3 requires departments to keep supporting documents for at least five years for audit purposes.

Of the 32 reports we requested, 11 (34%) were either missing or incomplete. DHS HR Payroll staff indicated that seven of the reports were discarded because they do not keep reports that have no exceptions. The remaining four reports were missing pages. As a result, we could not verify whether all exceptions were reviewed and approved by the Payroll Supervisor.

For the 21 complete reports provided, nine (43%) were not signed and dated by the reviewer, and 14 (67%) were not signed and dated by the supervisor. As a result, we were unable to determine whether adjustments were made promptly and correctly. In addition, we noted that DHS HR Payroll did not review five (24%) of the reports timely.

Recommendations

DHS HR:

12. Ensure Payroll staff and supervisors document their review of CWTAPPS reports and ensure exceptions are resolved timely.

13. Keep the required CWTAPPS reports for at least five years.

Health Services
LOS ANGELES COUNTY

Los Angeles County Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

John F. Schunhoff, Ph.D.
Chief Deputy Director

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

www.dhs.lacounty.gov

December 7, 2011

TO: Wendy L. Watanabe
Auditor-Controller

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **RESPONSE TO AUDITOR-CONTROLLER'S PAYROLL/PERSONNEL REVIEW AT OLIVE VIEW–UCLA MEDICAL CENTER**

Attached is the Department of Health Services' response to the recommendations made in the Auditor-Controller's report of its review of Payroll/Personnel at Olive View-UCLA Medical Center. We concur with and have taken or initiated corrective actions to address the recommendations contained in the report.

If you have any questions or require additional information, please let me know or you may contact Tobi L. Moree at (213) 240-7901.

MHK:tlm:eg

Attachment

c: John F. Schunhoff, Ph.D.
Gregory Polk
Carolyn Rhee

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
RESPONSE TO AUDITOR-CONTROLLER PAYROLL/PERSONNEL REVIEW
OLIVE VIEW–UCLA MEDICAL CENTER (OV-UCLA MC)

AUDITOR-CONTROLLER RECOMMENDATION #1

Department of Health Services Human Resources (DHS HR) and OV-UCLA MC management research the exceptions identified in this report, and work with DHR, A-C Countywide Payroll Division and County Counsel to recover overpayments, correct underpayments, and/or adjust employee leave balances.

DHS Response:

We agree. DHS HR is completing its research of identified exceptions and will work with DHR, A-C Countywide Payroll Division and County Counsel as necessary to recover confirmed overpayments, correct underpayments, and/or adjust employee leave balances. By December 31, 2011, letters will be sent to identified employees to recover confirmed overpayments, and supplemental warrants will be issued and benefit balances adjusted as necessary.

AUDITOR-CONTROLLER RECOMMENDATION #2

OV-UCLA MC management ensure all overtime is properly approved.

DHS Response:

We agree and have implemented this recommendation. OV-UCLA MC management developed overtime approval forms, which were issued at the May 2009 Management Staff meeting. Management Bulletin No. 804, Overtime, was sent to the facility's management staff on November 22, 2010, instructing that each hour of overtime requires justification and approval. Additionally, OV-UCLA MC administration is working to strengthen its overtime approvals with the implementation of an on-line overtime approval process that will allow managers to view overtime requests by division and pay period and thus provide enhanced control over the overtime hours requested and authorized. Full implementation of the on-line overtime approval process is expected by June 30, 2012.

AUDITOR-CONTROLLER RECOMMENDATION #3

OV-UCLA MC management monitor to ensure employees and supervisors comply with the Department's overtime limit policy, and employees do not exceed the limit without the required authorizations.

DHS Response:

We agree and have implemented this recommendation. In May 2009, OV-UCLA MC management developed and issued the "Request for Planned Overtime Utilization" form, which must be submitted 30 days in advance of each pay period and approved prior to staff working overtime. Management Bulletin No. 804, Overtime, was sent to the facility's management staff on November 22, 2010, and indicates that each hour of overtime must include justification and be approved.

AUDITOR-CONTROLLER RECOMMENDATION #4

OV-UCLA MC management consider developing and implementing additional policies and controls to monitor and limit excessive overtime.

DHS Response:

We agree. In May 2009, OV-UCLA MC management developed and issued the "Request for Planned Overtime Utilization" form, which must be submitted 30 days in advance of each pay period and approved prior to staff working overtime. On November 22, 2010, OV-UCLA MC executive management released Management Bulletin No. 804, which requires that each hour of overtime include justification and be approved in advance. Additionally, in January 2011, OV-UCLA MC began implementing an on-line overtime approval process that will allow administrative liaisons to view the completed overtime requests for each division by pay period. This will allow management to better control requested overtime and determine if a department has exceeded its monthly overtime allocation. Full implementation of the on-line overtime approval process is expected by June 30, 2012.

AUDITOR-CONTROLLER RECOMMENDATION #5

OV-UCLA MC management work with the Chief Executive Office (CEO) to re-evaluate OV-UCLA MC's overtime budget.

DHS Response:

We agree and have implemented this recommendation. OV-UCLA MC reduced overtime expenditures by $2.9 million during Fiscal Year 2009-2010 and by $1.8 million for Fiscal Year 2010-2011. OV-UCLA MC management is in communication with and continues to work with the CEO with respect to OV-UCLA MC's annual overtime budget and the number of sufficient ordinance items to provide service and reduce the dependency upon overtime with existing staff.

AUDITOR-CONTROLLER RECOMMENDATION #6

DHS HR and OV-UCLA MC management require staff, independent of payroll/personnel functions, to verify that employees are bona fide by tracing their names to personnel records.

DHS Response:

We agree. By March 31, 2012, a DHS staff, independent of payroll/personnel functions, will be designated and trained to verify that employees are bona fide by tracing their names to personnel records.

AUDITOR-CONTROLLER RECOMMENDATION #7

DHS HR and OV-UCLA MC management ensure all time card adjustments are reported on a Time Card Correction Form signed by the employee's supervisor attesting to the changes.

DHS Response:

We agree and have implemented this recommendation. On January 14, 2010, Payroll Staff received in-service training that included a discussion of the importance of ensuring that time card/timesheet adjustments are reported on a Time Card Correction Form signed by the employee's supervisor attesting to the changes. On December 6, 2011, OV-UCLA MC Management Bulletin No.837, DHS Policy on Time Reporting, was emailed to remind management staff of the requirement to report all adjustments to time collection documents on the Time Card Correction Form, which must be signed by the manager or supervisor.

AUDITOR-CONTROLLER RECOMMENDATION #8

DHS HR ensure staff with no payroll/personnel responsibilities receive, sort and distribute payroll warrants and notices of direct deposit, and verify written approval for each warrant on the supplemental registers.

DHS Response:

We agree. DHS is exploring options for implementing the recommendation that Payroll/Personnel should have no involvement in the receipt, sorting, distribution, or other handling of payroll warrants and notices of direct deposit. The Department-wide elimination of paper pay statements effective with the May 30, 2011 payday has dramatically decreased the number of payroll warrants and notices of direct deposit that must be retrieved (received), sorted and distributed. DHS continues to work to identify a solution that will fully address this recommendation. DHS HR is working to hire an individual by March 31, 2012, who will verify that written approval exists for each

warrant on the supplemental registers. This employee will not have any payroll/personnel responsibilities.

AUDITOR-CONTROLLER RECOMMENDATION #9

DHS HR and OV-UCLA MC periodically review employees' CWTAPPS access, and restrict access based on the employees' job duties or when access is no longer needed.

DHS Response:

We agree and have implemented this recommendation. Annually, at the beginning of each fiscal year, DHS HR generates a CWTAPPS Profile Roster. Access for each employee listed on the CWTAPPS Profile Roster is reviewed to ensure CWTAPPS access is based on the employee's current job duties. CWTAPPS access is updated and/or deleted for employees who were found to have changed their job duties and need reduced/terminated access. As of July 2011, there are five remaining OV-UCLA MC employees with CWTAPPS access, which is appropriate based on their job duties. OV-UCLA MC will notify DHS HR when changes are needed to employees' CWTAPPS access.

AUDITOR-CONTROLLER RECOMMENDATION #10

DHS HR use processing centers so that OV-UCLA MC staff do not have access to their own payroll/personnel information on CWTAPPS.

DHS Response:

We agree and have implemented this recommendation. Annually, at the beginning of each fiscal year, DHS HR generates a CWTAPPS Profile Roster. Access for each employee listed on the CWTAPPS Profile Roster is reviewed to ensure CWTAPPS access is based on the employee's current job duties. Where CWTAPPS access includes the ability to access payroll/personnel information, the employee's access is further reviewed to ensure the employee does not have access to their own processing center. As of July 2011, none of the remaining five CWTAPPS users can access or change their own payroll/personnel information.

AUDITOR-CONTROLLER RECOMMENDATION #11

DHS HR and OV-UCLA MC management ensure that all employees with access to County computer data sign the Department's security policy.

DHS Response:

We agree and have implemented this recommendation. As part of the annual performance evaluation process, every DHS employee is required to initial an Agreement of Understanding acknowledging that the employee has read and will comply with DHS Policy No. 935.20, Acceptable Use Policy of County Information Technology Resources, and other relevant DHS policies. All five remaining CWTAPPS users have also signed the DHS Policy No. 935.20 acknowledgement form on December 1, 2011.

AUDITOR-CONTROLLER RECOMMENDATION #12

DHS HR ensure Payroll staff and supervisors document their review of CWTAPPS reports and ensure exceptions are resolved timely.

DHS Response:

We agree and have implemented this recommendation. Payroll Supervisors are aware of their responsibilities on documenting review of CWTAPPS reports and now annotate, initial and date reports indicating their review. On January 14, 2010, Payroll staff was instructed about the necessity for timely resolution and processing of exceptions.

AUDITOR-CONTROLLER RECOMMENDATION #13

DHS HR keep the required CWTAPPS reports for at least five years.

DHS Response:

We agree and have implemented this recommendation. On May 11, 2010, DHS Payroll Processing Procedure No. 10-002, CWTAPPS and eCAPS File Retention, was issued to DHS Payroll staff. DHS Payroll Processing Procedure No. 10-002 outlined the requirement that each Payroll Clerk was responsible for maintaining all CWTAPPS final and all eCAPS reports for at least five years.