

Office of the Inspector General

Kenneth S. Apfel
Commissioner of Social Security

Acting Inspector General

The Social Security Administration's Internal Controls over Its Time and Attendance Payroll Records

The attached final report presents the results of our review of the Social Security Administration's (SSA) internal controls over its time and attendance payroll records (A-13-96-01001). The objective of this review was to evaluate employees' adherence to policies and procedures for documenting and recording time and attendance data for payroll purposes in SSA's Office of Disability and International Operations.

You may wish to comment on any further action taken or contemplated on our recommendations. If you choose to offer comments, please provide them within the next 60 days. If you wish to discuss the final report, please call me or have your staff contact Pamela J. Gardiner, Assistant Inspector General for Audit, at (410) 965-9700.

James G. Hulse, Jr.

Attachment

cc:

OIG/ES

Reading File

Subject File

SSA OIG/OA/CMARKOW ITZ mjs 7-1-98 96-01001-FNL

Report File

EXECUTIVE SUMMARY

OBJECTIVE

The objective of this review was to evaluate employees' adherence to policies and procedures for documenting and recording time and attendance data for payroll purposes in the Social Security Administration's (SSA) Office of Disability and International Operations (ODIO).

BACKGROUND

The nature and extent of time and attendance data must be such that management can rely on supervisors and other officials to correctly and completely account for employees' attendance and periods of absence. SSA timekeepers used the Department of Health and Human Services' (HHS) *Guide For Timekeepers* as their primary guide to time and attendance management. In addition, over the years, SSA management issued a number of memoranda to further clarify and manage employee and timekeeper actions.

For Fiscal Year (FY) 1997, ODIO paid more than \$174.4 million in salaries and leave benefits to 4,186 employees. We selected a random sample of 8 (from 171) timekeeping units for audit. Payroll costs for those units amounted to \$430,630 for the single pay period ended November 23, 1996.

Our audit was performed in accordance with generally accepted government auditing standards. We examined all time and attendance transactions for correctness and documentation for the units selected for review. We also conducted an unannounced visit to each unit to verify that each employee who signed-in for work was present and accounted for. In addition, we reconciled each employee's Mainframe Time and Attendance System (MTAS) record with available documentation and noted undocumented or inaccurately recorded time and attendance data. The field work was conducted from January through October 1997.

RESULTS OF REVIEW

We found that internal controls were not consistently enforced to ensure that all basic time and attendance procedures were followed. Because ODIO timekeepers were not maintaining required time and attendance documentation, they were

unable to supply us with the necessary documentation to support time and attendance data entries in MTAS. As a result, we estimated that the undocumented transactions would project to \$5.9 million in hours worked and leaves of absence recorded in MTAS. We also found that time and attendance data were not accurately entered into MTAS on a consistent basis. As a result, we projected that time and attendance data valued at \$1.9 million for FY 1997 had been inaccurately recorded in MTAS. While documentation showed that ODIO timekeepers had corrected MTAS errors/omissions estimated at \$809,000, no documentation was provided to identify the reasons for the remaining \$1.1 million in recording inaccuracies. Specific findings were:

■ **TIMEKEEPERS WERE NOT COMPLYING WITH TIME AND ATTENDANCE PROCEDURES**

Sign-In/Out Rosters Were Not Verified
Time and Leave Documentation Was Not Properly Maintained
Work and Leave Data Was Not Always Accurately Recorded on MTAS

■ **SUPERVISORS WERE NOT FULFILLING THEIR TIME AND ATTENDANCE RESPONSIBILITIES**

Sign-In/Out Rosters Were Not Verified
Applications for Leave (Form SF-71) Were Either Incomplete or Missing
Supervisors' Certification of MTAS Data Was Ineffective

■ **INSUFFICIENT MANAGEMENT OVERSIGHT**

CONCLUSION AND RECOMMENDATIONS

Based on our audit of eight ODIO timekeeping units, we found that internal controls were not being adhered to on a consistent basis. Documentation had not always been "retained as an official agency record available for review and inspection."¹ Also, the accuracy and completeness of MTAS was compromised because entries were either omitted, unsupported, or incorrectly categorized. Furthermore, supervisory reviews were not always performed and tests were not conducted periodically to ensure the accuracy of time and attendance data. As a result, management could not assure that basic time and attendance procedures were followed. Consistent adherence to internal controls requires completeness of data, accuracy in recording and maintaining such data, and ensuring appropriate authorizations and approvals. These measures are essential for ensuring the integrity of a time and attendance payroll system.

¹ Revisions to Title 6 on Pay, Leave, and Allowances (GAO/AIMD-96-001c), March 1996, Chapter 3.3 B.

We recommend that ODIO implement the following corrective actions which require that:

- Timekeepers are instructed on the importance of attesting to the accuracy of time and attendance data when approving and signing such documents.
- Timekeepers adhere to time and attendance policies and procedures by signing and attesting to the validity of each sign-in/sign-out roster.
- Timekeepers retain and maintain proper time and attendance and leave documentation to support all time and attendance and leave data in accordance with SSA retention requirements.
- Supervisors verify recorded MTAS information to source documents prior to certification.
- Supervisors investigate the remaining 39 MTAS discrepancies and provide appropriate corrections to employees' MTAS records.
- Timekeepers and supervisors review daily and overtime sign-in/sign-out rosters and signify that they are in agreement with the information contained thereon by signing each roster in the space provided.
- Supervisors obtain, sign, and verify Forms SF-71 for completeness and accuracy.

We also recommend that SSA management:

- Provide for MTAS guidance which would instruct timekeepers and supervisors of the need to conduct adequate reviews of time and attendance data prior to verifying and certifying payroll data being entered in MTAS.
- Require timekeepers to use the appropriate MTAS correction procedures for making adjusting corrections to time and attendance records.
- Resume ODIO integrity reviews of time and attendance practices and record-keeping in order to provide management an assessment of compliance with internal control procedures. The frequency of such reviews would be dependent on progress made by timekeepers in improving the accuracy and completeness in recording time and attendance data, as well as maintaining related supporting documentation.

We also identified several other areas of concern. While each item in and of itself is not significant, we believe they should be addressed. These items are identified in the "Other Matters" section.

SSA COMMENTS

SSA concurred with the Office of the Inspector General's (OIG) findings and recommendations. However, SSA did want to note that for the period the audit was conducted, the buildings occupied by ODIO (currently known as Office of Central Operations) were undergoing extensive renovation requiring frequent movement of files and equipment. These circumstances, along with the shifting of personnel to and from training classes and assignments outside their normal work area, resulted in the misplacement of some payroll documentation.

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INTRODUCTION

OBJECTIVE

The objective of this review was to evaluate employees' adherence to policies and procedures for documenting and recording time and attendance data for payroll purposes in SSA's ODIO.

BACKGROUND

The nature and extent of time and attendance data must be such that management can rely on supervisors and other officials to correctly and completely account for employees' attendance and periods of absence. To assure accuracy and achieve a high level of reliability in SSA's time and attendance data, and in accordance with the General Accounting Office's (GAO) guidelines, all time and attendance reports and supporting documents must be reviewed and approved by timekeepers and supervisors. Approvals should be based on personal observation, work output, timekeeper verification, checking data against other independent resources, reliance on other controls, or a combination of these methods. Approvals should also be based on other necessary tests to verify that recorded attendance and periods of absences are reasonable and allowable and to the best of the timekeepers' and supervisors' knowledge are true, correct, and accurate in accordance with applicable laws, regulations, policies, and guidelines.

The following policies and procedures provide guidance on time and attendance matters for SSA timekeepers and supervisors:

- *II S Timekeeping Manual for Timekeepers/Supervisors*
- *SSA ODIO's Time and Attendance Guide*
- *SSA MTAS Training Manual*
- *SSA MTAS User Manual*
- *II S Guide For Timekeepers*
- *GAO Policy and Procedures Manual for Guidance of Federal Agencies*
- *GAO Revisions to Title 6 on Pay, Leave, and Allowances*

Additionally, SSA's Office of Human Resources, in a series of internal memoranda, expressed the importance of: (1) the need for signatures of both the manager and timekeeper on sign-in/out forms; (2) timekeepers' comparison of earnings and leave statements of all employees against administrative time and leave records so

that errors can be corrected immediately; and (3) the importance of having adequate documentation.

ODIO is responsible for processing applications for Social Security (title II) disability benefits. More than 4,000 administrative and support staff, including 171 timekeepers, work in ODIO and are located in several locations in and around Baltimore, Maryland.

For FY 1997, ODIO paid more than \$174.4 million in salaries and leave benefits to 4,186 employees. In the 8 timekeeping units selected for audit, we found that ODIO payroll costs amounted to \$430,630 (for a total of 268 employees) for the single pay period ended November 23, 1996.

SCOPE AND METHODOLOGY

To achieve our objective, we: (1) interviewed SSA Headquarters' human resources personnel as well as ODIO timekeepers and their managers to determine whether they were following the procedures specified in applicable regulations and guidelines; (2) selected the pay period for November 10 through 23, 1996 and, on a simple statistically random selection basis, selected eight timekeeper units for which we reviewed the various time and attendance and leave documents (e.g., Forms SSA-29, *Serial Overtime or Holiday Work Attendance Roster*; Forms SSA-30, *Serial Time and Attendance Rosters*; Forms SF-71, *Application For Leave*; etc.); (3) compared the information reported on the reviewed documentation to each employee's MTAS record to determine whether time and attendance and leave data were reported and recorded correctly on a consistent basis; and (4) made unannounced visits to each of the eight selected timekeeping units to verify that employees were present if they had signed in on that day's Form SSA-30.

Our audit was performed in accordance with generally accepted government auditing standards. The field work was conducted from January through October 1997.

RESULTS OF REVIEW

We found that internal controls were not consistently enforced to ensure that all basic time and attendance procedures were followed. Because ODIO timekeepers were not maintaining required time and attendance documentation, they were unable to supply us with the necessary documentation to support time and attendance data entries in MTAS. As a result, we estimated that the undocumented transactions would project to \$5.9 million (see Appendix A-1) in hours worked and leaves of absence recorded in MTAS. We also found that time and attendance data were not accurately entered into MTAS on a consistent basis. As a result, we projected that time and attendance data valued at \$1.9 million (see Appendix A-2) for FY 1997 had been inaccurately recorded in MTAS. While documentation showed that ODIO timekeepers had corrected MTAS errors/omissions estimated at \$809,000 (see Appendix A-3), no documentation was provided to identify the reasons for the remaining \$1.1 million in recording inaccuracies. We determined that improvements were needed in: (1) timekeeper compliance with time and attendance policies and procedures; (2) supervisory review of timekeeper performance; and (3) management oversight.

TIMEKEEPERS WERE NOT COMPLYING WITH TIME AND ATTENDANCE POLICIES AND PROCEDURES

Timekeepers were not complying with time and attendance policies and procedures which required them to verify and attest by signature all sign-in/sign-out rosters every day for their units. In addition, timekeepers were required to retain such documentation for no less than 3 years, and record the data into MTAS completely and accurately.

Sign-In/Out Rosters Were Not Verified

Timekeepers were required to sign and enter their timekeeper number on the preprinted signature line located at the bottom of the sign-in/sign-out rosters² in order to verify the time and attendance data. Verifications are confirmations, usually by timekeepers, that recorded information is true, correct, and accurate to the best of their knowledge. Verification enables timekeepers to check or test that recorded work-time is reasonable and allowable.

² Division of Management Support Director's memorandum, section 6, effective April 3, 1994.

We reviewed 440 sign-in/sign-out rosters which were required to be certified by timekeepers. The timekeepers did not sign 119 (27 percent) of the rosters. For example, in 3 of the 8 timekeeper units, timekeepers had not signed 102 of 210 (49 percent) rosters.

Because of changes in ODIO timekeeper personnel, we were unable to interview all timekeepers regarding their failure to comply with time and attendance policies and procedures. Furthermore, because of the time lapse between the pay period audited and our interviews, as well as the volume of time and attendance transactions timekeepers processed, the timekeepers we did interview were typically unable to recall specific events or reasons for failure to comply.

Time and Leave Documentation Was Not Properly Maintained

Because employees are paid, accrue leave, and charged leave on an hourly basis, a complete and accurate record of the hours an employee works or uses leave must be retained as an official agency record available for review or inspection for a period of no less than 3 years.³ However, for the payroll period audited, we identified 130 instances where no supporting documentation could be located for 836½ hours of recorded leave or attendance. The chart below explains the instances of time and attendance for which documentation was unavailable:

Table 1: SUPPORTING DOCUMENTATION UNAVAILABLE

<i>TYPE</i>	<i>FREQUENCY</i>	<i>HOURS</i>	<i>AVERAGE PAY RATE</i>	<i>ESTIMATED VALUE</i>
Regular	65	513½	\$16.97	\$8,714
Overtime	16	55½	\$25.45	\$1,412
Annual Leave	24	155¾	\$16.97	\$2,643
Sick Leave	10	80	\$16.97	\$1,358
Miscellaneous Leave	15	31¾	\$16.97	\$ 539
TOTALS	130	836½		\$14,666

³ HHS' *Timekeeping Manual for Timekeepers/Supervisors* (August 1993) pages 1-14.

Although the timekeepers we interviewed generally could not recall specific instances of why certain documentation was unavailable, they did state that difficulty existed in obtaining sign-in/sign-out forms for employees in training or detailed to another unit. Even though timekeepers would obtain the employees' time and attendance information, they did not always follow up on obtaining supporting documentation. As a result, the overall integrity of time and attendance payroll records was compromised.

Work and Leave Data Were Not Always Recorded Accurately on MTAS

The primary objective of a time and attendance system is to ensure that the hours worked, hours in pay status, and hours absent are accurately recorded and are reliable to compute pay, leave, and allowances. To achieve this objective, management is required to have in place internal control systems that provide reasonable assurance that time and attendance data are "... completely and accurately recorded and retained"⁴

Our audit revealed 67 discrepancies, representing 19 4¼ hours, where time and attendance data were omitted or inaccurately recorded.

We found:

- 19 instances of leave, totaling 65½ hours, used by employees had not been recorded;
- 9 instances where employees' accounts had been credited with a total of 10½ hours leave that had not been earned;
- 15 instances where employees had been charged with using leave, totaling 48½ hours, when existing documentation disclosed that the employees had worked;
- 15 instances, totaling 18¼ hours, where employees had accrued leave and/or overtime that had not been recorded to their MTAS accounts; and
- 9 instances, totaling 52 hours, where time or leave data had been recorded to MTAS in the wrong category; i.e., sick leave as annual leave, etc.

In an effort to acknowledge SSA's actions in identifying and correcting inaccurate and/or omitted time and attendance data, we examined MTAS records for the

⁴ In accordance with *Revisions to Title 6 on Pay, Leave, and Allowances* (GAO/AIMD-96-001C), March 1996, Chapter 3.3.

4 pay periods subsequent to the pay period used in our sample to determine if any of the 67 discrepancies had been corrected. We found that only 12 (17.9 percent) of the 67 discrepancies had been corrected. We also contacted the managers responsible for the 8 timekeeping units being audited in regard to the remaining 55 discrepancies. According to the managers, 4 discrepancies were identified and substantiated as compensating adjustments for prior pay period reporting inaccuracies. This practice was not in accordance with MTAS guidance which required use of a retroactive adjustment, amendment, or leave correction action. Furthermore, the MTAS training manual required the adjustment to be annotated on the employees MTAS record, thereby identifying the correction adjustment. Averting internal controls to expedite payroll information introduces the risk of unauthorized transactions being entered into the time and attendance payroll system.

None of the managers refuted the discrepancies and, prior to conclusion of our review, managers indicated that 12 of the 51 discrepancies had either been corrected or their correction was forthcoming. No other information was provided concerning the remaining 39 discrepancies.

Although timekeepers interviewed could not determine the reason the above discrepancies occurred, we were informed by timekeepers and management that some timekeepers believed that offsetting an error for a previous pay period by creating a counter-balancing entry in a later pay period was an acceptable practice.

SUPERVISORS WERE NOT FULFILLING THEIR TIME AND ATTENDANCE RESPONSIBILITIES

The primary objective of time and attendance systems is to ensure that the employees' hours in pay status or absence of service, are reported accurately and completely. More specifically, GAO's *Policy and Procedures Manual for Guidance of Federal Agencies* states ". . . supervisors are accountable for . . . the work time and absence of employees for whom they are responsible . . ." Furthermore, supervisors are charged with the responsibilities of: (1) getting leave supporting documents from employees; (2) reviewing timekeeper performance regularly; and (3) certifying that the timekeeper is proficient in performance of timekeeping duties.⁵

Sign-In/Out Rosters Were Not Verified

⁵ HHS Guide For Timekeepers, pages 2-10 and 2-11.

Managers/Supervisors are responsible for verifying that time and attendance data are true, correct, and accurate to the best of their knowledge, as well as to ensure that the timekeepers are performing their time and attendance duties proficiently. By signing the time and attendance forms where required, managers/supervisors also affirm that the recorded time and attendance data are reasonable and allowable.⁶ In the course of our audit, we reviewed 591 sign-in/sign-out rosters which were required to be certified by managers/supervisors. Our review disclosed that the managers/supervisors did not sign 96 (16 percent) of the rosters. Of the 96 rosters, 69 were not signed by either a manager/supervisor or timekeeper.

Additionally, one of the managers allowed a timekeeper to sign-in and sign-out on the same roster the timekeeper was verifying, even though timekeepers are prohibited from verifying their own time.⁷

Applications for Leave Were Either Incomplete or Missing

Except for emergencies, all leave is to be requested in advance in writing to the employee's supervisor. The Form SF-71 was designed to satisfy this requirement. Supervisors are to review Forms SF-71 for completeness and accuracy and, if the request is approved, sign the form in the appropriate place.⁸ Our audit revealed that in 51 (10 percent) of 525 situations requiring Forms SF-71, none could be located. The missing Forms SF-71 represented more than 267 hours of leave used. Of the 474 Forms SF-71 present, 57 (12 percent) were incomplete, representing more than 267 hours of leave.

Supervisors' Certification of MTAS Data Was Ineffective

The supervisory certification process is a crucial internal control that affords an opportunity to identify errors and correct time and attendance entries before they are entered into MTAS. Managers/supervisors are charged with the responsibility of reviewing and certifying time and attendance entries prior to submission for payment through MTAS and the payroll system. MTAS instructions also advise the certifier to leave the certify/deny field empty if he/she is not certain as to whether to certify or deny. This enables the certifier to return to the record for certification after investigation. As discussed earlier, we identified 67 instances representing more than 19 4¾ hours of work and leave that had been incorrectly

⁶ Section 6 of the March 29, 1994 memorandum from the Director of the Division of Management Support, Office of Operations, effective April 3, 1994.

⁷ Memorandum, issued June 25, 1991, by the Acting Deputy Commissioner for Human Resources to all SSA supervisors and timekeepers.

⁸ HHS' *Timekeeping Manual for Timekeepers/Supervisors* (August 1993) pages 4-6.

recorded to MTAS by timekeepers. Proper certification by the supervisor would have resulted in identifying the errors committed by the timekeepers.

Because of changes in ODIO management personnel, we were unable to interview all managers who were responsible for verifying Forms SSA-29 and Forms SSA-30, obtaining completed Forms SF 71 or ensuring time and attendance data were completely and accurately entered into MTAS. Also, as a result of time lapsed between the pay period audited and our interviews, as well as the volume of time and attendance transactions timekeepers processed, all managers were not able to provide an explanation as to why certain events occurred or reasons for failure to comply.

INSUFFICIENT MANAGEMENT OVERSIGHT

GAO's *Standards for Internal Controls in the Federal Government* states:

" . . . The ultimate responsibility for good internal controls rests with management . . . , therefore, . . . internal controls are management controls. Good internal controls are essential to achieving the proper conduct of Government business with full accountability for the resources made available"

Prior to 1996, SSA's ODIO Integrity and Security Branch (ISB), conducted routine audits of ODIO timekeepers. However, due to other priorities, ISB has been unable to continue to perform such audits. We believe these reviews should be resumed to ensure that managers/supervisors and timekeepers are adhering to established internal controls designed to maintain the integrity and accuracy of time and attendance data.

CONCLUSIONS AND RECOMMENDATIONS

We found that internal controls were not being adhered to on a consistent basis. Documentation had not always been "retained as an official agency record available for review and inspection."⁹ Also, the accuracy and completeness of MTAS was compromised because entries were either omitted, unsupported, or incorrectly categorized. Furthermore, supervisory reviews were not always performed and tests had not been conducted periodically to ensure the accuracy of time and attendance data. As a result, management could not be assured that basic time and attendance procedures were being followed. Consistent adherence to internal controls requires completeness of data, accuracy in recording and maintaining such data, and ensuring appropriate authorizations and approvals. These measures are essential for ensuring the integrity of a time and attendance payroll system. As a result, we recommend that ODIO management ensure that:

1. Timekeepers are instructed on the importance of attesting to the accuracy of time and attendance data when approving and signing such documents.
2. Timekeepers adhere to time and attendance policies and procedures by signing and attesting to the validity of each sign-in/sign-out roster.
3. Timekeepers retain and maintain proper time and attendance and leave documentation to support all time and attendance and leave data in accordance with SSA retention requirements.
4. Supervisors verify recorded MTAS information to source documents prior to certification.
5. Supervisors investigate the remaining 39 MTAS discrepancies and provide appropriate corrections to employees' MTAS records.
6. Timekeepers and supervisors review daily and overtime sign-in/sign-out rosters and signify that they are in agreement with the information contained thereon by signing each roster in the space provided.
7. Supervisors obtain, sign, and verify Forms SF-71 for completeness and accuracy.

⁹ Revisions to Title 6 on Pay, Leave, and Allowances (GAO/AIMD-96-001c), March 1996, Chapter 3.3 B.

We also recommend that SSA management:

8. Provide for MTAS guidance which would instruct timekeepers and supervisors of the need to conduct adequate reviews of time and attendance data prior to verifying and certifying payroll data being entered in MTAS.
9. Require timekeepers to use the appropriate MTAS correction procedures for making adjusting corrections to time and attendance records.
10. Resume ODIO integrity reviews of time and attendance practices and record-keeping in order to provide management an assessment of compliance with internal control procedures. The frequency of such reviews would be dependent on progress made by timekeepers in improving the accuracy and completeness in recording time and attendance data, as well as maintaining related supporting documentation.

SSA COMMENTS

SSA concurred with OIG's findings and recommendations. However, SSA did want to note that for the period the audit was conducted, the buildings occupied by ODIO (currently known as Office of Central Operations) were undergoing extensive renovation requiring frequent movement of files and equipment. These circumstances, along with the shifting of personnel to and from training classes and assignments outside their normal work area, resulted in the misplacement of some payroll documentation.

OTHER MATTERS

We also identified several other areas of concern. While each item in and of itself is not significant, we believe they should be addressed.

1. Of 2,651 individual sign-out occurrences examined, in 88 (3.3 percent) occurrences the employees did not sign-in or sign-out in chronological order.
2. Employees were not properly recording the type of leave used or, when leave was used in conjunction with lunch period, annotating time of absence on a consistent basis on the Serial Time and Attendance Roster (Forms SSA-30).
3. Of 358 instances where employees were partially absent from work, 13 (4 percent) instances were not properly recorded under the appropriate leave column.
4. In 14 of the 358 instances of leave used, the employee did not record the time of absence on the Form SSA-30.
5. Of 131 instances where employees used leave or flextime in conjunction with their lunch period, the employees failed to properly annotate their lunch period in the comments portion of the Form SSA-30 in 27 (21 percent) instances.
6. Employees working overtime failed to record their grade and/or step on the *Serial Overtime or Holiday Work Attendance Roster* (Form SSA-9) in 264 (42 percent) instances out of a possible 636 instances of overtime.
7. MOD managers/supervisors were not consistently requiring employees working credit hours to complete a credit hour work request form to secure supervisory approval before working credit hours. Of 316 instances requiring requests to work credit hours, only 125 (40 percent) credit hour approval forms were available. Furthermore, 40 of the 191 (21 percent) forms available had not been properly or adequately completed.
8. SSA's ODIO timekeepers were not consistently completing the heading of required data identifying the timekeeping unit and hours of operation. Of 575 SSA time and attendance forms (Forms SSA-29 and Forms SSA-30) examined, 97 (17 percent) did not contain required heading data.

9. Of 591 *Serial Time and Attendance Rosters* (Forms SSA-30) and *Serial Overtime or Holiday Work Attendance Rosters* (Forms SSA-29), the timekeeper failed to line through the blank spaces, as provided, on the rosters in 190 (32 percent) of the forms.

A P P E N D I C E S

AGENCY COMMENTS

COMPUTATION OF ESTIMATES

SCHEDULE FOR ESTIMATED VALUE OF UNDOCUMENTED OFFICE OF DISABILITY AND INTERNATIONAL OPERATIONS (ODIO) PAYROLL TRANSACTIONS FOR FISCAL YEAR (FY) 1997¹

	Base ²	Leave	Overtime	Total
Total Payroll Tested	\$284,403	\$81,009	\$65,218	\$430,630
Estimated Value of Undocumented Transactions	\$8,714	\$4,539 ³	\$1,412	\$14,665
Percent of Undocumented Payroll	3.0640%	5.6031%	2.1650%	
Total ODIO Payroll for FY 1997	\$117,931,593	\$30,226,640	\$26,311,533	\$174,469,766
Estimated Dollar Value of Undocumented ODIO Payroll Transactions for FY 1997	\$3,613,424	\$1,693,629	\$569,645	\$5,876,698

¹ Schedule has been adjusted for geographic differential (locality pay).

² Base Pay represents regular and holiday pay.

³ Amount differs from the sum of the three leave categories in Table 1 due to rounding.

OD IO MTAS DATA RECORDING ERRORS FOR FY 1997

	Hours In Error (A)	Estimated Pay Rate (B)	Error In Payroll Value (C) (A*B)	Factor ⁴ To Project OD IO Error For FY 1997 (D)	Projected Error For OD IO FY 1997 E(D*C)
Base ⁵ Pay	16.25	\$16.97 ⁶	\$275.76	555.75	\$153,254
Leave Paid	166.25	\$16.97 ⁶	\$2,821.26	555.75	\$1,567,915
Overtime	12.25	\$25.45 ⁶	\$311.76	555.75	\$173,261
Totals	194.75		\$3,408.78		\$1,894,430

⁴ To obtain a nonstatistical estimate, considering that pay period 25 represents a typical FY 1997 pay period, the number of pay periods in a year (26) was multiplied by the total OD IO timekeeper units (171) and divided by the number of statistically random timekeeping units reviewed (8), which yielded an estimation error factor of 555.75.

⁵ Base category represents both regular and holiday payroll.

⁶ To obtain a nonstatistical estimate of average hourly base pay for FY 1997, the total pay for regular hours and leave was divided by the total regular hours of work available (for overtime, the result was multiplied by 1.5).

**ODIO MTAS DATA RECORDING ERRORS FOR FY 1997 IDENTIFIED
AND CORRECTED⁷ BY ODIO PRIOR TO AUDIT**

	Hours In Error (A)	Estimated Pay Rate (B)	Error In Payroll Value (C) (A*B)	Factor ⁸ To Project ODIO Error For FY 1997 (D)	Projected Error For ODIO FY 1997 E(D*C)
Base ⁹ Pay	0.00	\$16.97 ¹⁰	\$0.00	555.75	\$0.00
Leave Paid	76.75	\$16.97 ¹⁰	\$1,302.45	555.75	\$723,837
Overtime	6.00	\$25.45 ¹⁰	\$152.70	555.75	\$84,863
Totals	82.75		\$1,455.15		\$808,700

⁷ Identified and corrected includes those errors ODIO timekeepers identified and corrected as per procedures, as well as the inappropriate entries to offset prior pay period errors/omissions.

⁸ To obtain a nonstatistical estimate, considering that pay period 25 represents a typical FY 1997 pay period, the number of pay periods in a year (26) was multiplied by the total ODIO timekeeper units (171) and divided by the number of statistically random timekeeping units reviewed (8), which yielded an estimation error factor of 555.75.

⁹ Base category represents both regular and holiday payroll.

¹⁰ To obtain a nonstatistical estimate of average hourly base pay for FY 1997, the total pay for regular hours and leave was divided by the total regular hours of work available (for overtime, the result was multiplied by 1.5).

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