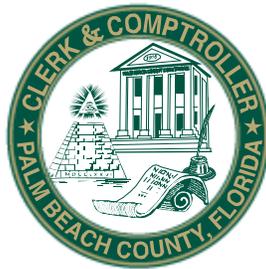


PALM BEACH COUNTY
PAYROLL PROCESSING SPECIAL REVIEW



SHARON R. BOCK
Clerk & Comptroller
Palm Beach County

Division of Inspector General
Audit Services Unit
November 20, 2009



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The Honorable Sharon R. Bock, Esq.
Clerk & Comptroller

We conducted a limited-scope review of the Human Resource Management System (HRMS) data tables used in payroll processing prior to the county payroll implementation on PeopleSoft.

Our objectives were to, 1) determine if there was more than one payment, either by check or by direct deposit, to any particular account in any particular payroll period; 2) determine if there was more than one name or employee ID number associated with any particular social security number; and, 3) determine if there were any apparent anomalies in social security numbers recorded in the HRMS tables.

Our review was neither designed nor intended to be a detailed study of every process, procedure, transaction or system in each area. Accordingly, the observations and recommendations included in this report are not all-inclusive.

The limited-scope review found that payroll information was accurately recorded in HRMS. The review did not identify any inappropriate duplicate payments or other inaccuracies in employee ID or social security number records that negatively impacted payroll processing. Minor discrepancies were noted in the HRMS tables but the differences did not involve data used in the production of payroll processing.

We appreciate the cooperation of management and staff during the course of this review.

Respectfully submitted,

Roger Trca
Inspector General & Audit Director
Clerk & Comptroller Office
Palm Beach County

Division of
Inspector General
Audit Services Unit
301 N. Olive Avenue
9th Floor
West Palm Beach, FL 33401

Phone: 561-355-2722
Fax: 561-355-7050

www.mypalmbeachclerk.com

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Introduction

Background

In August 2009, the final phase of the Clerk & Comptroller's three-year Enterprise Resource Planning (ERP) project was completed. County employees began receiving their paychecks through the Clerk's Oracle PeopleSoft System. This system replaced the County's mainframe Human Resource Management System (HRMS), which was used by the Clerk's office to process payroll for the Board of County Commissioners (BCC) and Palm Tran. The Oracle PeopleSoft System streamlines technology for Human Resources, Benefits and Payroll, eliminating duplicated work and ensuring accuracy. In addition, all County departments now use a single time-entry system, which electronically transmits to PeopleSoft. Checks and advices also provide considerably more information to County departments and employees.

Scope and Methodology

The Clerk & Comptroller's Audit Services Unit conducted a special review of a limited number of HRMS data tables used in payroll processing to verify data accuracy prior to the County payroll implementation on PeopleSoft. We developed a set of objectives and utilized our data inquiry application (Audit Command Language (ACL)) to extract data from HRMS for further analysis.

The objectives of the review were to evaluate data within the HRMS tables to:

- Determine if there was more than one payment, either by check or by direct deposit, to any particular account in any particular payroll period,
- Determine if there was more than one name or employee ID number associated with any particular social security number, and
- Determine if there were any apparent anomalies in Social Security numbers recorded in the HRMS tables.

Because of the large data tables within HRMS, we limited our scope of payroll records to the period from January 2006 through April 2009. This review covered 87

pay periods, including 552,168 pay records for County employees and 48,089 pay records for Palm Tran employees. We included Palm Tran in our review as it is processed within the same payroll system. We also extracted data from related tables within HRMS as needed.

In order to meet our objectives, we performed data extractions from HRMS tables, conducted analyses, performed testing of transactions that were identified as possible anomalies, conducted interviews, and performed other procedures that were deemed necessary under the circumstances.

Conclusion

The limited-scope review of select payroll data maintained within HRMS disclosed that payroll information was accurately recorded. Related to the three defined objectives, the review did not identify any inappropriate duplicate payments or other inaccuracies in employee ID or social security number records that negatively impacted payroll processing. Minor discrepancies were noted in the HRMS tables but the differences did not involve records used in the production of payroll processing. Follow up conversations with management indicated that the appropriate steps were taken to ensure accurate data was imported from HRMS into PeopleSoft during the system conversion.

Review Team:

Alan Bray, Deputy Inspector General & Audit Manager

Michael Bodle, Senior Auditor

Observation

The review was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the observations and recommendations presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Instances of irregular payroll data were noted but were adequately resolved

The review identified instances of multiple payments to some employees in a single payroll period and other anomalies in Social Security records, but all were adequately explained during the review.

- We noted 437 employees that received two payroll deposits on May 4, 2007. Follow up with Payroll management disclosed that multiple union deductions had erroneously been processed for that pay period, resulting in an underpayment to these employees. A second payroll run was processed to refund and correct the erroneous deductions.
- In addition, various parameters were set up during this review to extract data from HRMS in an attempt to identify other anomalies and possible exceptions. As a result, instances were noted in which two payroll disbursements were made to the same individual in the same pay period; follow up confirmed that each employee transferred from one organization to another and dual payment was appropriate. The review also identified other anomalies and minor discrepancies in employee ID numbers and Social Security records in the HRMS tables though the differences did not involve records used in the production of payroll processing. No exceptions were deemed to exist that required correction.

Follow up with management disclosed that the appropriate steps were taken to ensure accurate data was imported from HRMS into PeopleSoft during the conversion. No recommendations are provided nor are any responses required from management.