



CITY OF GLENDALE, CALIFORNIA
Management Services Department
INTERNAL AUDIT

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January 16, 2014

REPORT #: 2014-10

Robert Castro, Chief of Police
Brian Ganley, Director of Information Services

Dear Chief Castro and Brian,

Enclosed is the final audit report for the TeleStaff Work Scheduling System Interface Audit. Internal Audit would like to thank you and your staff for the support and assistance provided to us during the audit.

Should you have any questions, please feel free to contact Natalie Minami-Valdivia or myself.

Thank you,

A handwritten signature in cursive script that reads "Michele Flynn".

Michele Flynn,

City Auditor

Enclosure

cc: Yasmin Beers, Assistant City Manager
Brian Cohen, Police Lieutenant
Robert Elliot, Director of Finance
Theresa Goldman, Police Civilian Division Commander
Jay Kreitz, Public Safety Business Administrator
Scott Ochoa, City Manager
Damion Patrick, Information Services Project Manager
Carl Poviliatis, Deputy Police Chief
Iliana Stoltz, City Resource Specialist
City Council
Audit Committee

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TeleStaff Work Scheduling System Interface Audit

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Background

In accordance with Internal Audit's fiscal year 2013-14 audit plan and at the request of the Police, Information Services, and Finance Departments, Internal Audit performed an audit of the TeleStaff Work Scheduling System interface to the City's payroll processing system (GEMS).

The City of Glendale's Police Department implemented the TeleStaff Work Scheduling System in 2011. The TeleStaff system is currently utilized by the Police Department for sworn and civilian employee scheduling and to record any work schedule variances. The time entries for overtime, compensatory time and, leave requests are electronically entered, approved, and processed through the TeleStaff Work Scheduling System. As there is not currently an interface between the TeleStaff Work Scheduling System and GEMS, these leave entries are manually entered into GEMS for payroll processing each pay period, creating a duplication of work and increasing the potential for errors to occur.

In order to improve the efficiency and accuracy of the timekeeping process, the City purchased Telestaff's add-on module called Gateway Manager. This module is used to integrate Telestaff with GEMS so time entries are no longer required to be entered into both systems. Once fully implemented, the interface between Telestaff and GEMS will improve efficiency of staff with regards to time entry tasks and reduce the risk of potential errors that can occur when manual processes take place.

The objective of the audit was to perform the following:

- Obtain an understanding of key operational and administrative functions within the Police Department pertaining to the TeleStaff Work Scheduling System and payroll process.
- Determine the efficiency and effectiveness of the Police Department TeleStaff Work Scheduling System and payroll entry process.
- Determine the accuracy and completeness of the interface between the TeleStaff Scheduling System and GEMS payroll system critical to ensuring that employees are accurately paid.
- Review the interface testing documentation.
- Determine if functions and processes are properly segregated.

Scope and Procedures

The scope of this audit included a review of the current timekeeping process, the proposed interface process, and the interface testing performed by the Information Services Department.

In order to accomplish the audit objectives noted above, Internal Audit performed the following:

- Obtained and reviewed the City's Administrative Policy Manual, Payroll Chapter and the Glendale Police Officer's Association Memorandum of Understanding for Work Periods, Schedules, and Overtime.
 - Conducted interviews and performed process walk-throughs with the Police Department's timekeeping personnel and the Information Services Department's City Resource Specialist responsible for implementing the interface.
 - Performed a walkthrough of the information transferred from TeleStaff to Gateway Manager and the GEMS test environment. The results were compared to the parallel information manually entered into GEMS by the Police Department.
 - Performed detailed testwork of the earnings codes within TeleStaff and GEMS for accuracy and completeness.
- Performed detailed testwork of the roles and responsibilities granted to each employee included within TeleStaff.
 - Performed detailed testwork of the employees and employee ranks included within Telestaff and GEMS to ensure completeness and accuracy.

Summary of Results

As a result of the audit procedures performed, eight improvement opportunities related to the payroll, pre-implementation, and interface processes were identified. The recommendations included, but were not limited to, payroll process documentation and reviews, interface testwork and user acceptance documentation, and establishment of desk procedures.

Item	Observation/Risk	Recommendation	Management Response
Payroll Processing			
1.	<p>The Police Department does not consistently submit Request for Leave forms (Form C-61) for all types of leaves and/or review the City of Glendale’s Daily Time Accounting Reports in accordance with the City Administrative Policy Manual, Policy 3-3.</p> <p style="text-align: center;">* * *</p> <p>As the City of Glendale generates payroll based upon an exception basis, failure to complete the Request for Leave and/or review the Daily Time Accounting Reports results in non-compliance with the City’s Administrative Policy and increases the risk of unauthorized payroll payments.</p>	<p>It is recommended that the Police Department work with the Finance Department to document any agreed upon variances granted for departments with work scheduling systems and review the Daily Time Accounting Reports in compliance with The City’s Administrative Policy Manual requirement for the review of the Daily Time Accounting Reports.</p>	<p>Management agrees with the recommendation and will work with the Finance Department to identify and document any acceptable exceptions to the current Administrative Policy Manual with regards to completion of the Request for Leave form and/or the acceptability of the Payroll Coordinator certifying their review of the TeleStaff payroll entries in place of a review of the Daily Time Accounting Reports. The anticipated completion date is March 31, 2014.</p>

Item	Observation/Risk	Recommendation	Management Response
2.	<p>Currently there is not a procedure documented that defines the access to be assigned to each position, no report of the employee assigned roles and responsibilities is generated or periodically reviewed.</p> <p style="text-align: center;">* * *</p> <p>Lack of a documented procedure defining the employees and their role based accesses increases the risk of inconsistent responsibilities being assigned, access being granted for incompatible duties, and/or terminated employees inadvertently included within the system not being detected.</p>	<p>It is recommended that the Police Department document a policy that specifies the access to be assigned to each level within the department and work with the Information Services Department to request assistance in building a Crystal report to be generated and reviewed on a periodic basis.</p>	<p>Police Department management agrees with the recommendation and will work the TeleStaff vendor and Information Services Department to determine the cost to generate a customized report to list the roles and their assigned responsibilities and a list of the employees and their assigned roles and then determine whether or not the report would be cost beneficial to purchase. The anticipated completion date is March 31, 2014.</p>

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Pre-implementation Processes			
3.	<p>Interface testing and programming changes have been informally documented with in the internal information services tracking system. However, formal documentation of the interface test plan, methodology, and results does not exist. User acceptance testing is currently in the process of being developed and documented.</p> <p style="text-align: center;">* * *</p> <p>Failure to document interface pre-implementation test plan/user acceptance testing, methodology, and results increases the risk of insufficient pre-implementation testing and/or user requirements not being fully addressed prior to implementation.</p>	<p>It is recommended that the Information Services Department implement a procedure whereby any pre-implementation and/or user acceptance testing performed be formally documented.</p>	<p>The Information Services Department creates test plans on select projects and includes user acceptance testing and documentation in the project planning process. As this project was limited in scope, no test plan was created or documented. As the implementation testwork has been completed and the necessary modifications have been documented within the internal information services tracking system, no further documentation will be completed for this project, Test plan documentation will be considered on a going forward basis on a case-by-case basis. The anticipated completion date for the user acceptance testing is June 30, 2014.</p>

Item	Observation/Risk	Recommendation	Management Response
4.	<p>A desk procedure for the user's interface between the TeleStaff Work Scheduling System to GEMS has not been documented.</p> <p style="text-align: center;">* * *</p> <p>Failure to document the procedure for interfacing TeleStaff Work Scheduling System information to GEMS and provide Police Department timekeepers training increases the risk of inconsistent application and user errors.</p>	<p>It is recommended that the Information Services Department develop and document a desk procedure for the user's interface of information between the TeleStaff Work Scheduling System to GEMS, provide training, and allow them to practice in the test environment and address any additional user requirements.</p>	<p>The Information Services Department planned to develop desktop procedure documentation to be given to staff during user acceptance training. That training is scheduled to take place before implementation. The anticipated completion date is June 30, 2014.</p>

Item	Observation/Risk	Recommendation	Management Response
5.	<p>Based upon detailed testwork of TeleStaff users, we noted the following:</p> <ul style="list-style-type: none"> - 5 of 427 (1%) employee ranks did not agree to the rank specified within GEMS. - 3 of 427 (1%) employees did not interface because the leading zero in the employee identification number was not entered into TeleStaff. - 2 of 427 (0.5%) employees were terminated and should have been removed from/disabled within TeleStaff. <p style="text-align: center;">* * *</p> <p>Inaccurate and/or incomplete data within TeleStaff increases the risk that inappropriate access is granted to current or terminated employees and/or employee information is not properly transferred to and processed through GEMS for payroll.</p>	<p>Internal Audit recommends the following:</p> <p>A list of position number variances be generated from GEMS and be reviewed and updated by a TeleStaff Administrator.</p> <p>Police Department management implement a procedure that communicates that the full employee identification number, including leading zeroes, need to be entered into the TeleStaff system in order to properly interface into GEMS.</p> <p>Police Department management request that the Information Services Department add them to the distribution list of terminated employees.</p>	<p>Police Department management agrees with the recommendations and has performed or will perform the following:</p> <p>Requested and received from the Information Services Department a report identifying any position number variances and performed the necessary research and updates.</p> <p>All employees with employee identification numbers that included leading zeroes have been updated within TeleStaff and the procedure will document that leading zeroes need to be entered into the TeleStaff system. The anticipated completion date is June 30, 2014.</p> <p>Police Department management has requested to be added to the distribution list of terminated employees. It is anticipated that the Information Services Department will add the Police Department to the distribution list by March 31, 2014.</p>

Item	Observation/Risk	Recommendation	Management Response
Interface Processes			
6.	<p>Currently in the manual timekeeping interface process, it was noted that unapproved time entries are flagged by TeleStaff and not included within the postings to GEMS. Consequently, unapproved overtime entries included within TeleStaff would occasionally not be paid in a timely manner. At the time of our review, it was noted that the new interface process will transfer each record, including the unapproved time entries, into GEMS and be available for posting. However, there is currently no automated flag for these unapproved overtime entries within GEMS to facilitate the necessary follow-up to ensure all entries are appropriately approved.</p> <p style="text-align: center;">* * *</p> <p>The inability to flag the unapproved entries increases the risk that appropriate follow-up is not performed to ensure that the over-time was authorized.</p>	<p>It is recommended that a procedure be implemented to ensure that all payroll entries are approved prior to payroll closing. In the event that approval cannot be obtained, it is recommended that overtime entries uploaded into GEMS be processed for payment in accordance with the Fair Labor Standards Act and that a procedure be developed to ensure that the appropriate approvals are obtained.</p>	<p>Information Services is confident that this and other issues would have been found and addressed during user testing. To address this issue, Information Services staff created the ability to set the entry to 'pending' status and generate a report listing each of the pending entries. The Information Services Department will determine the feasibility of enabling those entries marked as 'pending' to be posted to GEMS and paid in accordance with the Fair Labor Standards Act.</p>

Item	Observation/Risk	Recommendation	Management Response
7.	<p>Operational efficiencies may be improved by extending the timeframe between the Police Department’s daily finalization of payroll entries within TeleStaff and the upload of the information into GEMS to reduce the number of manual entries resulting from post-closure entries and/or corrections.</p> <p style="text-align: center;">* * *</p> <p>The daily upload of TeleStaff payroll entries into GEMS increases the risk that the Timekeepers are unable to electronically import adjustments, requires manual entry, and increases the risk of manual keying errors.</p>	<p>It is recommended that the Information Services Department work with the Police Department to determine the feasibility of lengthening the timeframe between the daily finalization of payroll entries within TeleStaff and the import of those entries into GEMS. A reasonable timeframe should be selected that will increase the time allowed for adjustments or late entries to be electronically interfaced, rather than manually entered, without making the closing and reconciliation process burdensome.</p>	<p>The Police Department Management agrees with the recommendation and will determine the feasibility of extending the timeframe between the finalization of the daily TeleStaff entries and the upload into GEMS to minimize the number of manual adjustments required without making the interface and reconciliation process burdensome. It is anticipated that the Police Department will revisit this issue by June 30, 2014.</p>

Item	Observation/Risk	Recommendation	Management Response
8.	<p>There is currently no independent review of the timekeeping information entered, deleted, and/or modified by the timekeeper. Timekeepers have the ability to make payroll entries to TeleStaff and GEMS payroll related information in cases such as, but not limited, to the following occasions:</p> <ul style="list-style-type: none"> leave entries need to be set to 'invalid' when the employee has no leave bank available leave entries need to be overridden to adjust an employee's leave request to the actual hours available unapproved payroll entries are set to 'pending' status any changes required to be made after Telestaff timekeeping entries have been finalized. <p style="text-align: center;">* * *</p> <p>The ability to override/adjust leave hours taken will result in the batch totals not matching to the TeleStaff reports generated and increases the risk that leave hours are not consistently and/or accurately deducted.</p>	<p>It is recommended that the Information Services Department determine a procedure for reconciling the adjusted leave hours interfaced with the residual leave hours manually entered and that an independent review of the reconciliation be performed. It is further recommended that this reconciliation include a listing of the entries that have been designated as 'override', 'pending', 'invalid', and/or included on the 'Changes After Roster Finalization' report.</p>	<p>The Information Services Department agrees with the recommendation and has in place a procedure to reconcile those entries. Information Services will describe that procedure in our desktop procedure documentation to be given during training. The anticipated completion date is June 30, 2014.</p>