



Internal Audit Report: Review of TCHC Payroll Processing

Item 7
June 27, 2014
**Corporate Affairs and Audit
Committee**

To: Corporate Affairs and Audit Committee **Report:** CAAC:2014-24
From: Chief Internal Auditor
Date: June 18, 2014 Page 1 of 3
Strategic Plan Priority: **Service Excellence:**
• Demonstrate Value for Money and Public Accountability

PURPOSE:

To provide the Corporate Affairs and Audit Committee ("the Committee") with the Internal Audit Report "*Review of TCHC Payroll Processing*".

RECOMMENDATIONS:

It is recommended that the Committee receive for information the Internal Audit Report "*Review of TCHC Payroll Processing*".

REASONS FOR RECOMMENDATIONS:

Introduction

The Payroll Department is responsible for the processing of employee payroll, benefits, pensions and government deductions for approximately 1,400 unionized and non-unionized staff at Toronto Community Housing Corporation and its subsidiaries (collectively "TCHC").

With approximately \$90 million employee gross earnings processed annually, the accuracy and timeliness of payroll processing is critical as it has a direct impact on the corporation's financial position, employee satisfaction, and relationship with the government on taxes and other source deduction remittances.

Findings

In our review, it was concluded that the systems for processing employee's regular salary payment and government deductions were generally adequate.

Internal Audit, however, noted several significant control gaps in the payroll process, including:

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- Manual calculation and processing of special payments upon an employee's employment termination, such as proration of salary, sick bank and vacation pay, lacked reviews and proper input approvals. As a result, incorrect employee entitlement payouts totaling approximately \$48,500 were noted from a random sample of ten employees terminated between January 1 and July 31, 2013;
- Employee profile creation and modification in the payroll system does not require review and approval by supervisory staff prior to the data going live. Two data entry errors were noted from a random sample of thirty employee profiles; and
- From a random sample of thirty employee time sheets reviewed by Internal Audit, twenty-nine lacked evidence of review and approval by the employee's supervisor. In a subsequent sample for a later pay period, 44% of authorized time sheet approvers did not approve their staff's time sheets in the payroll system.

Other less significant areas identified as requiring improvement include:

- Payroll system functional input controls;
- Temporary work permit tracking;
- Lack of segregation of duties with respect to time sheet approvals;
- Evidence of review of exception reports;
- Departmental self-assessment(s); and
- Payroll processing procedures manual.

This report contains eight Recommendations.

Specific details on our audit observations and Recommendations to improve the payroll process are outlined in the "Detailed Findings" section of the report.

IMPLICATIONS AND RISKS:

Salary expense is one of the most significant categories of expenses in the TCHC operating budget. Strong internal controls in the payroll function are necessary to prevent material misstatements in the financial statements and unauthorized payments, and mitigate reputational risk.

"Michael Vear"

Michael Vear, CPA, CA, CPA (Illinois)
Chief Internal Auditor

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Attachment: 1: Internal Audit Report: "*Review of TCHC Payroll Processing*"

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TCHC Payroll Processing
June 27, 2014 CAAC Meeting
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Attachment

Review of TCHC Payroll Processing

Report

TCHC Internal Audit Department

**January 29, 2014
(with Management's Response dated June 16, 2014)**

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EXECUTIVE SUMMARY

Introduction

The Payroll Department is responsible for the processing of employee payroll, benefits, pensions and government deductions for approximately 1,400 unionized and non-unionized staff at Toronto Community Housing Corporation and its subsidiaries (collectively "TCHC").

With approximately \$90 million employee gross earnings processed annually, the accuracy and timeliness of payroll processing is critical as it has a direct impact on the corporation's financial position, employee satisfaction, and relationship with the government on taxes and other source deduction remittances.

Conclusion

In our review, it was concluded that the systems for processing employee's regular salary payment and government deductions were generally adequate.

Internal Audit, however, noted several significant control gaps in the payroll process, including:

- Manual calculation and processing of special payments upon an employee's employment termination, such as proration of salary, sick bank and vacation pay, lacked reviews and proper input approvals. As a result, incorrect employee entitlement payouts totalling approximately \$48,500 were noted from a random sample of ten employees terminated between January 1 and July 31, 2013;
- Employee profile creation and modification in the payroll system does not require review and approval by supervisory staff prior to the data going live. Two data entry errors were noted from a random sample of thirty employee profiles; and
- From a random sample of thirty employee time sheets reviewed by Internal Audit, twenty-nine lacked evidence of review and approval by the employee's supervisor. In a subsequent sample for a later pay period, 44% of authorized time sheet approvers did not approve their staff's time sheets in the payroll system.

Other less significant areas identified as requiring improvement include:

- Payroll system functional input controls;
- Temporary work permit tracking;
- Lack of segregation of duties with respect to time sheet approvals;
- Evidence of review of exception reports;
- Departmental self-assessment(s); and
- Payroll processing procedures manual.


This report contains eight Recommendations.

Specific details on our audit observations and Recommendations to improve the payroll process are outlined in the "Detailed Findings" section of this report.

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1.0 BACKGROUND

The Payroll Department is responsible for the processing of employee payroll, benefits, pensions and government deductions for approximately 1,400 unionized and non-unionized staff at TCHC.

With approximately \$90 million employee gross earnings processed annually, the accuracy and timeliness of payroll processing is critical as it has a direct impact on the corporation's financial position, employee satisfaction, and relationship with the government on taxes and other source deduction remittances.

TCHC uses the

- Quatro Group software program Time Entry System (known as WTES) to record (i) employee time and (ii) mileage and parking claims; and
- Ceridean Insync software program to (i) calculate employee pay and source deductions, and (ii) pay employee mileage and tuition reimbursement claims, overtime, bonuses, and severance packages.

For purposes of this report, the 'payroll system' is used to refer to Insync and WTES is referred to as 'the time entry system'.

The term 'payroll process' includes not only the payroll processing performed by the payroll system, but all payroll related activities before and after the entry of data into WTES and Insync.

The objective of this audit engagement was to assess TCHC's payroll processes.

2.0 ENGAGEMENT OBJECTIVES AND SCOPE

2.1 Objectives

The objectives of this assignment were to:

- Review and assess the internal controls in the payroll process;
- Assess whether confidential employee information is accurately entered into the payroll system and properly safeguarded;
- Determine if the calculation and payment of payroll expenses, and the calculation, remittance and reconciliation of government source deductions are accurate and processed in a timely manner; and
- Identify opportunities for improvement, as appropriate.

2.2 Scope & Approach

The scope of this audit covered the period from June 2012 to July 2013, and the audit approach included the following:

- Reviewed the July 8, 1999 report of the then Toronto City Auditor to the City of Toronto Audit Committee, "*Payroll Review*";
- Reviewed the March 29, 2001 letter from the then Toronto City Auditor to the then City of Toronto Chief Financial Officer and Treasurer, "*Re: Review of Payroll and Benefits Year-End Processes*";
- Reviewed the October 27, 2004 report of the City of Toronto Auditor General to the City of Toronto Audit Committee, "*Payroll Processing Review (Phase One)*";
- Obtained an understanding of the payroll calculation, reconciliation, and reporting procedure by mapping the process(es) to identify areas of risk and key controls;
- Conducted interviews with key personnel, articulated observations and evaluation of information and documentation against relevant policies and operating procedures, as required;
- Assessed, on a sample basis within the time period mentioned above, whether (i) employee payroll calculations were in compliance with the payroll authorization(s) from management and Human Resources, and (ii) tax and other deductions were calculated in accordance with the Canada Revenue Agency and other government requirements¹;
- Analyzed the information provided, prepared preliminary findings, identified key risks and recommended best practices;
- Discussed the findings with management and obtained their feedback;
- Drafted a report documenting the results of the review including findings/key risks/best practices and recommendations; and

¹ This audit did not address calculations made with respect to the TCHC pension plan (OMERS). This was subject to a July 19, 2013 Internal Audit Report "*Review of OMERS Employer Attestation Program*" that was addressed at the September 30, 2013 meeting of the Corporate Affairs and Audit Committee.

- Completed the final report incorporating management's response and action plans to address the audit recommendations.

2.3 Acknowledgements

During the course of this engagement, Internal Audit received full and unfettered access to TCHC staff and documents that were available. We would like to thank the management and staff of the Payroll Department for their assistance during this engagement.

3.0 DETAILED FINDINGS

3.1 Processes in Compliance

The Detailed Findings section of an Internal Audit report tends to focus on items that are found not to be in compliance with policies and procedures or present weaknesses in internal controls. However, to present a more balanced report, we wish to note that the following processes were found generally to be in compliance:

- Entry of new employee information into the payroll system was performed accurately;
- Regular payments made to employees were in accordance with the employee's employment agreement or union contract, as the case may be;
- Alternate work rate assignments were authorized and accurately entered into the payroll system;
- Hours for sick days and vacation days were appropriately recorded in the time entry system;
- Special payments, such as tuition reimbursements and professional membership fees were properly authorized and documented;
- Employees suspended without pay were accurately captured and reflected in the payroll process;
- Payroll disbursement amounts were reviewed and reconciled on a regular basis. Discrepancies were investigated and appropriate actions were taken, as applicable;
- Canada Revenue Agency ("CRA") source deductions were accurately calculated and properly remitted;
- Employee information is stored in a secure location, and accessible only by authorized employees;
- Payroll records were reconciled to CRA T4 records prior to the (i) issuance of T4s to employees and (ii) reporting T4 information to the CRA; and
- A payroll processing checklist is available to aid payroll administrators when processing the bi-weekly payroll.

3.2 Employee Master Files

The industry best practice suggests that all employee profile additions and modifications in the payroll system should be verified against the source document by an authorized approver before the data goes live. At TCHC however, all employee profile creations and modifications in the payroll system are processed without the need of verification against the source document by the authorized approver.

Though in our review the only error we found in the creation and modification of an employee's master file was the inaccurate entry of an employee's residential postal code, without a proper reviewing process there remains a risk that (i) inaccurate employee

information, including salary level, or (ii) a phantom employee could be entered into the payroll system.

Recommendation #1:

All employee profile creation and modifications should not go live in the payroll system without some form of a secondary verification against the source document by an authorized approver in the Payroll Department.

3.3 System Input Controls

Input controls within the payroll system allow for the detection of common data entry errors when creating or modifying an employee profile. The payroll system currently has a set of functional input controls in place. However, some areas for further improvement were found:

- Salary outside of the pay grade's range is not automatically rejected by the system;
- Numbers can be entered in the employee name field; and
- Letters can be entered in the bank account number field.

It is not known if the above noted exceptions present a material risk to the payroll process.

Recommendation #2:

Management review the input controls in the Insync and/or WTES system and assess whether it is feasible to further enhance the existing input controls.

3.4 Temporary Work Permits

When hiring employees with temporary work permits, the employer is responsible for tracking the work permit's expiry date and ensuring that a valid extension is obtained if the employee is to remain at TCHC after the expiry date.

TCHC currently does not have a formal process in place to identify and track employees with temporary work permits.

Temporary staff could stay beyond what they are legally entitled to without TCHC knowing, and legal complications may arise as a result of employing unauthorized workers.

It is noted, however, that the number of TCHC employees employed using a work permit are rare.

Recommendation #3:

All employees with temporary work permits should be centrally tracked by the Human Resources Department. Follow ups should be performed in advance of the employee's work permit expiry date.

3.5 Time Sheet Approvals

For regular full time and part time employee, TCHC uses an "exception reporting" (or also known as "negative confirmation") method of time tracking whereby the employee's standard hours are automatically entered in the payroll system for each pay period.

The time entry clerk of each department is responsible for entering the exceptions to the standard hours (such as vacations, lieu days taken, overtime earned, etc). Every pay period, the departmental manager is required to electronically approve within the WTES System their employees' time sheets, regardless of whether exceptions were reported.

For recreational employees, a physical time sheet is filled out by the employee and manually entered by the supervisor. The manager is required to electronically approve the time entry.

An employee is still paid regardless if the employee's manager electronically approves the time sheet or not.

Time Sheets Not Electronically Approved

In the review of a random sample of 15 regular employee time sheets in the WTES System for the July 11 to July 24, 2013 pay period:

- Six of seven (86%) non-unionized employees' time sheets **lacked evidence in the WTES System of management review and approval**; and
- Eight of eight (100%) unionized employees' time sheets **lacked evidence in the WTES System of management review and approval**.

In the review of a random sample of 15 recreational employee time sheet entries in the WTES System for the July 11 to July 24, 2013 pay period, thirteen of fifteen (87%) time sheets **lacked evidence in the WTES System of management review and approval**.

Follow Up Exercise

As a follow up exercise, for the pay period of October 3 to October 16, 2013, 40 of the 90 (44%) authorized time sheet approvers **did not approve their staff's time sheet** in the payroll system.

Lack of Segregation of Duties and Inappropriate Approvers

We have also come across instances where (i) there has been a lack of segregation of duties between the person entering the time records² and the person approving the time records and/or (ii) the person approving the time entry did not have the authority to do so. Examples include:

- A manager entered the time sheets in the payroll system then approved his or her own work;
- A clerical employee in a department entered the time sheets for his or her department and then approved them (rather than the Manager approving them); and
- In our July 11 to July 24 sample of recreational employees noted above, two of the fifteen (13%) sample time sheets were entered and approved by a summer intern.

Time Sheet Approval Monitoring by the Payroll Department

It is our understanding that the Payroll Department used to monitor time sheet approvals and send email reminders to the individuals who did not approve their employee time sheet on a regular basis. However, this process has stopped due to recent departmental reorganization and the loss of staff in the Payroll Department.

Risk to TCHC

The appropriate approval of time sheet entries ensures that employees are paid what they are owed, nothing more and nothing less.

Clearly, the time sheet approval process at TCHC is not fully functional.

As such, there are numerous possibilities for employees to be paid inappropriately (e.g. for days not actually worked (i.e. sick or on vacation) or overtime hours not actually worked or inaccurate mileage claims, to name but a few).

Recommendation #4:

Management make the time sheet electronic approval process compliant and effective, whether that be by:

- **Increased monitoring by the Payroll Department, with appropriate discipline for repeat offenders; or**
- **Increased payroll approval training to supervisors and managers; or**
- **Instituting a 'positive confirmation' payroll system whereby employees will NOT be paid unless their time sheets are properly approved; or**
- **Some other method that mitigates the risk of time sheets not being properly approved.**

² As noted earlier, an employee's regular work hours in a pay period are pre-populated in the WTES system. The use of the term 'entering the time records' or 'time sheets' means the entering of non-regular work hours data (e.g. vacation days taken, overtime hours worked, etc).

3.6 Review of Exception Reports

The Payroll Department utilizes system generated exception reports to detect irregularities, such as potential duplicate time entry. These potential exceptions are required to be investigated prior to the release of salary to the employees.

In the review of the payroll exception reports for pay periods 19 (August 22 – September 4, 2013) and 20 (September 5 – September 18, 2013), it was noted that though the reports were produced and there were notations on the reports to indicate that the reports had been reviewed and looked into, the reports were not signed and dated after the review by the responsible reviewer.

Without the appropriate sign off, it is difficult to determine who actually completed the review, whether the review was complete, and if all items were addressed.

Recommendation #5:

Any reconciliation, exception review, payment authorization, manual payment processing, or report that involves critical decision making should always be signed and dated by the authorized reviewer upon completion of the review.

3.7 Payments to Terminated Employees

Upon the resignation or termination of an employee, the Payroll Department is responsible for calculating the employee's prorated salary, unused vacation, sick days, and claw backs, and processing severance packages, as applicable.

In the review of a random sample of 10 employee departures between January 1, 2013 and July 31, 2013 (5 terminations or retirements and 5 resignations), the following exceptions were identified by the auditor:

- Three employees received **over payments** of vacation payout at termination (**\$42,500**);
 - Two of the three (**\$9,500**) were new cases identified by Internal Audit during this review, and these amounts are currently outstanding;
 - The remaining matter was initially identified by the terminated employee's manager subsequent to the employee having received the overpayment. The **\$33,000** amount has since been recovered;
- One employee received an **under payment** of vacation payout at termination (**\$8,500**). A special cheque has been issued to the employee for the outstanding amount; and
- One employee received an overpayment on their severance package (\$25). This amount is currently outstanding. In our sample, this was the only error made in the processing of a severance package.

These errors are summarised in the following table:

Nature of Exception	No. of Cases	Amt Over / (Under)	Amt Recovered / (Issued) to Date	Cases Closed to Date	Cases Outstanding	Amount Outstanding
Vacation Overpayment	3	\$42,500	\$33,000	1	2	\$9,500
Vacation Underpayment	1	(\$8,500)	(\$8,500)	1	1	\$0
Severance Overpayment	1	\$25	\$0	0	1	\$25

In our sample we noted that one employee's termination date was incorrectly entered into the payroll system. The employee's final salary payment was not affected and the error has since been corrected.

It was also brought to our attention that in the first half of 2013 an employee who resigned from TCHC remained on the TCHC payroll for an extra two pay periods. This resulted in the employee being over paid in excess of \$3,500 – this amount has since been recovered by TCHC.

However, again, it was the employee who received the overpayment that (i) discovered it and (ii) brought it to TCHC's attention. We are unable to determine if in this matter whether the former employee's time sheets for the two extra pay periods were approved on the payroll system.

Recommendation #6:

- (a) The amounts outstanding with respect to the over payment of vacation pay to terminated employees be recovered immediately by TCHC;**
- (b) Due to the fact that such a substantial amount of our sample selection determined that there were errors made in the calculation of vacation pay owing to terminated employees (both over and under payments), management should review all vacation payouts to all TCHC employees whose employment with TCHC terminated in 2013; and**
- (c) In future, all special payments made to employees that require payroll staff's manual calculation and processing should be reviewed and approved by an authorized approver prior to the payment is processed.**

3.8 Payroll Procedures Manual

Though there is an instruction guide for the WTES system and the Payroll Department does utilize a detailed payroll checklist to process the bi-weekly pay cheques, there is not a definitive and all-encompassing payroll procedures manual that can be used for all TCHC staff. Not only would such a manual codify the practices and procedures currently in place within the Payroll Department, it would also clearly delineate to non-Payroll staff their roles and responsibilities with respect to payroll processing.

The payroll policy should include, but not be limited to, the following topics:

- Information supporting employee payroll disbursements (such as time sheets) are reviewed and approved by supervisory staff, as required;
- Manual data input is reviewed and approved by supervisory staff;
- Employee master file additions and modifications are reviewed and approved by supervisory staff;
- Payroll expenditures for all pay periods are reviewed, reconciled and approved by supervisory staff; and
- Unusual payroll amounts are investigated and approved by supervisory staff.

Recommendation #7:

Management give consideration to developing a payroll procedures manual that would address the enterprise-wide administrative controls over payroll processing.

3.9 Departmental Self Assessments

In the Auditor General's October 27, 2004 report to the City of Toronto Audit Committee, "Payroll Processing Review (Phase One)", Recommendation #13 stated that the City of Toronto's Payroll Department:

...review the possibility of implementing control self-assessment in (the Payroll Department). The objective of such an assessment is to ensure that the appropriate level of control exists, such controls are constantly monitored and evaluated and there is compliance with such controls.

The TCHC Payroll Department currently relies on informal discussion between staff, and learning acquired from staff attending courses to improve the operation of the Payroll Department. However, without formal benchmarking and assessment, it would be difficult to identify operation deficiencies for investigation and process improvements.

In addition, to further improve the efficiency and effectiveness of the Payroll Department's operation, benchmarking and other methods of self assessment should be conducted on a regular basis. Examples of self assessment benchmarks could include the review of:

- Number of incorrect vacation payouts upon employee termination per period;
- Number of incorrect data entry per period; and
- The turnaround time to setup new employee profiles in the payroll system.

Recommendation #8:

Management give consideration to developing various benchmarking and self assessment techniques to further improve the efficiencies of the Payroll Department's operation.

Appendix A
Internal Audit - Review of TCHC Payroll Processing
Management's Response

Attachment

Rec. No.	Recommendation	Agree (X)	Disagree (X)	Management Comments	Action Plan / Time Frame
1	All employee profile creation and modifications should not go live in the payroll system without some form of a secondary verification against the source document by an authorized approver in the Payroll Department.	X		Management agrees that all changes in Ceridian Insync (payroll system) are not live and are not updated to the MasterFile until an Audit/Edit and Payroll Preview are reviewed by Manager/Supervisor and written authorization given by Supervisor and/or Manager to transmit payroll.	On a go forward basis all hard copy documentation will be reviewed against the information input in the system and paperwork will be physically 'signed off' by either Manager or Supervisor prior to changes going live through the payroll transmittal/upload process. This process was implemented effective pay period #04 of 2014.
2	Management review the input controls in the Insync and/or WTES system and assess whether it is feasible to further enhance the existing input controls.	X		Management does not believe these input control matters represent a material risk.	Management will review the input controls in the WTES system and assess whether it is feasible to further enhance the existing input controls. Q414
3	All employees with temporary work permits should be centrally tracked by the Human Resources Department. Follow ups should be performed in advance of the employee's work permit expiry date.	X		Management agrees that temporary work permits should be centrally tracked by the Human Resources Division and a process be put in place.	This item will be brought to the attention of the Director of Labour Relations & Legal Counsel to work with the Human Resource Consultants/Associates on a process for verifying and tracking work permits. A plan to be finalized by end of Q4 2014

Appendix A
Internal Audit - Review of TCHC Payroll Processing
Management's Response

Rec. No.	Recommendation	Agree (X)	Disagree (X)	Management Comments	Action Plan / Time Frame
4	<p>Management make the time sheet electronic approval process compliant and effective, whether that be by:</p> <ul style="list-style-type: none"> - Increased monitoring by the Payroll Department, with appropriate discipline for repeat offenders; or - Increased payroll approval training to supervisors and managers; or - Instituting a 'positive confirmation' payroll system whereby employees will NOT be paid unless their time sheets are properly approved; or - Some other method that mitigates the risk of time sheets not being properly approved. 	X		<p>Management agrees that this is an area for improvement and is an integral part of ensuring accurate time and attendance. During the WTES training sessions Payroll does emphasize the importance of the approval process to the Managers and Supervisors.</p>	<p>1) A communication will be sent out to all staff reminding them of their responsibility to approve timesheets in the WTES system every pay period. Q414</p> <p>2) We will work with the vendor to set up automatic emails to be sent to all time sheet approvers on the Wednesday prior to timesheet cut-off reminding them of their responsibility to approve timesheets in WTES on the next day. Q414</p> <p>3) We will provide group training sessions specific to Managers and Supervisors with direct reports to review all processes for time and attendance including the WTES process. Q414</p> <p>4) We will produce an Unapproved Timesheet report at the end of each pay cycle and forward the list to the Executives who will work with their Managers and Supervisors who are not in compliance with the approval process. Q414</p> <p>5) We will develop an on-line manual specific to Managers and Supervisor with respect to the timesheet and attendance approval process. Q414</p>
5	<p>Any reconciliation, exception review, payment authorization, manual payment processing, or report that involves critical decision making should always be signed and dated by the authorized reviewer upon completion of the review.</p>	X		<p>Management agrees that although the Manager of Payroll, Benefits & Compensation and/or Supervisor of Payroll always reviews the exception reports and checks the system to ensure the necessary corrections have been made, we need to always sign and date those documents upon completion of the review.</p>	<p>Management has implemented the physical sign off of all reports by all 3 payroll administrators (who are responsible checking each other's work on a rotational basis) as well as the physical sign off by the Manager of Payroll, Benefits & Compensation or Supervisor of Payroll (whomever authorizes the completion of the review). Q214</p>

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Rec. No.	Recommendation	Agree (X)	Disagree (X)	Management Comments	Action Plan / Time Frame
6	<p>(a) The amounts outstanding with respect to the over payment of vacation pay to terminated employees be recovered immediately by TCHC;</p> <p>(b) Due to the fact that such a substantial amount of our sample selection determined that there were errors made in the calculation of vacation pay owing to terminated employees (both over and under payments), management should review all vacation payouts to all TCHC employees whose employment with TCHC terminated in 2013; and</p> <p>(c) In future, all special payments made to employees that require payroll staff's manual calculation and processing should be reviewed and approved by an authorized approver prior to the payment is processed.</p>	X		Management agrees with the recommendations	<p>(1) Management has contacted the employees to whom the overpayment was made. All recoveries are substantially completed and reassessed by Internal Audit by Q4 2014.</p> <p>(2) On a go forward basis, the Manager of Payroll, Benefits & Compensation and the Supervisor of Payroll will review, authorize and sign off on all vacation payouts to TCHC employees whose employment has terminated. This review process will include: (i) all manual calculations prior to the entry of the data in the payroll system, and (ii) the input of all changes into the payroll system. Q214</p>
7	Management give consideration to developing a payroll procedures manual that would address the enterprise-wide administrative controls over payroll processing.	X		Management agrees with the recommendation to develop a procedures manual to address enterprise-wide administrative controls over time and attendance and exception reporting processes.	Management will develop and post on inHouse a detailed procedures manual that addresses the enterprise-wide administrative controls with respect to time & attendance and payroll processing, the identification of the roles and responsibilities of various positions, an exception reporting processes by Q414
8	Management give consideration to developing various benchmarking and self assessment techniques to further improve the efficiencies of the Payroll Department's operation.	X		Management agrees with the recommendation.	<p>(1) Management will research ways to improve the efficiencies of the Payroll Department's operation. Q414</p> <p>(2) Management will develop and implement a self audit process for the Payroll Unit inclusive of benchmarking by Q415.</p>