



COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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August 10, 2020

TO: Each Supervisor
FROM: Arlene Barrera, Auditor-Controllor [Signature]
SUBJECT: DEPARTMENT OF CHILDREN AND FAMILY SERVICES - PAYROLL REVIEW

With the support and active participation of the Department of Children and Family Services (DCFS or Department) management, we have completed a review of DCFS' internal controls over payroll operations. Our review focused on evaluating whether DCFS' controls provide reasonable assurance that payroll transactions are accurate, authorized, timely, and in compliance with County requirements.

We noted opportunities to improve payroll processes, controls, and control monitoring, which management has agreed to strengthen. For example:

- DCFS management will develop ongoing self-monitoring processes to ensure payroll controls (e.g., timecard and overtime review) function as intended.
DCFS management will establish procedures to ensure approved timecard corrections are immediately submitted for processing and not returned to employees.

These enhancements will provide greater assurance that DCFS' payroll transactions are accurate, authorized, timely, and in compliance with County requirements. This will lessen the risk of overpaid and underpaid employees, incorrect leave balances, and litigation.

For details of our review, see Attachment I. The Department's response, included in Attachment II, indicates general agreement with our findings and recommendations. This review was delayed due to other priority assignments and as a result, the Department's response indicates that they implemented one of our recommendations prior to the issuance of this report. We will verify the implementation status during our follow-up review, which is scheduled to begin within six months.

We thank DCFS management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Mike Pirolo at mpirolo@auditor.lacounty.gov.

AB:OV:PH:MP:ZP:cc

Attachments

c: Bobby D. Cagle, Director, Children and Family Services

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NUMBER OF RECOMMENDATIONS
PRIORITY 1: 0 CORRECTIVE ACTION REQUIRED WITHIN 90 DAYS
PRIORITY 2: 4 CORRECTIVE ACTION REQUIRED WITHIN 120 DAYS
PRIORITY 3: 6 CORRECTIVE ACTION REQUIRED WITHIN 180 DAYS

FAST FACTS
DCFS has a salaries and employee benefits budget of approximately \$1.2 billion.
DCFS has approximately 8,800 permanent and temporary employees in locations throughout the County.
DCFS' centralized payroll unit is comprised of 28 staff.

LOS ANGELES COUNTY AUDITOR-CONTROLLER

Peter Hughes
ASSISTANT AUDITOR-CONTROLLER

Mike Pirola
DIVISION CHIEF

AUDIT DIVISION

Report #K18EK

DEPARTMENT OF CHILDREN AND FAMILY SERVICES – PAYROLL REVIEW

BACKGROUND

The Department of Children and Family Services (DCFS or Department) has a centralized payroll section of 28 staff which is responsible for processing payroll transactions for approximately 8,800 permanent and temporary employees. DCFS' core mission is to ensure child safety, which requires many employees to be in the field visiting clients and coordinating resources for children and families. DCFS' salaries and employee benefits budget for Fiscal Year 2019-20 is \$1.2 billion. The Department uses the County's electronic Human Resources (eHR) system to process payroll transactions such as timecard adjustments, view leave balances, and identify payroll exceptions, e.g., timecards not submitted by payroll deadline. Employees also use eHR to record their bimonthly timesheet information. We reviewed controls over timecard submission and adjustments, eHR exception report reviews, sick leave coding, and access to payroll and personnel units. We noted opportunities for improvement as noted in the table below.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION

	ISSUE	RECOMMENDATION
1	<p>Timecard and Overtime Review (Management Monitoring) - The Department of Children and Family Services (DCFS or Department) appropriately requires supervisors to review timecards for accuracy and compliance with County policies (e.g., coded correctly, reflect actual regular and overtime hours worked, appropriate supporting documents attached). However, the Department's monitoring of this supervisory review process is limited to periodically verifying that the overtime was approved and coded accurately for a sample of timecards.</p> <p>Management could enhance this monitoring process by including additional steps in their periodic sampling of timecards, such as verifying that they were approved by the employee's immediate supervisor, validating that timecard information was accurate by comparing it to corroborating information (e.g., system logins, mileage claims), and confirming that required supporting documentation was provided (e.g., overtime preapprovals).</p> <p>Impact: The Department has a \$1.2 billion salaries and employee benefits budget for Fiscal Year (FY) 2019-20. Inaccurate timecards can result in several negative outcomes, including overpaid and underpaid employees, unauthorized or illegitimate overtime, incorrect employee leave balances, improper billings for employee time, litigation, and non-compliance with County, State, federal, and departmental requirements (including possible risk of disallowed costs).</p>	<p>Priority 2 - DCFS management enhance their ongoing monitoring of a sampling of timecards to include additional assurance that timecards are accurately prepared, properly approved, and any issues identified are reported to management for corrective action.</p> <p>Department Response: Agree Implementation Date: September 30, 2019</p> <p>DCFS' response (Attachment II) indicates they implemented the recommendation. We will assess and report on the details of these processes and the status of our recommendation during a future follow-up review.</p>

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>2 Missing/Late Timecards (Management Monitoring) - Given DCFS' size and nature of operations (e.g., employees working in the field, emergency situations, employee absences), many employees may not be able to submit timecards by the payroll cut-off date. After each pay period, DCFS payroll staff review timecard exception reports, which identify timecards that were not submitted by the payroll cut-off date and then follow up with employees and supervisors to ensure that these timecards are submitted and coded correctly. However, DCFS management does not monitor this process to ensure it is effective and functions as intended.</p> <p>While the design of the timecard exception process is sound, management needs to monitor the process to ensure it is conducted consistently. During our walkthrough, we noted that Payroll staff did not always conduct follow-ups timely and did not always include employee supervisors in follow-up e-mails. For example, we identified one instance where staff did not follow up on a timecard until five months after the due date.</p> <p>Impact: The Department encounters hundreds of missing/late timecards each pay period. For example, DCFS had 309 missing timecards for the October 15, 2019, pay period. When timecards are missing, employees are paid based on scheduled hours, which may not be accurate. Monitoring to ensure Payroll staff appropriately follow up on all missing timecards reduces the risk of overpaid and underpaid employees, incorrect employee leave balances, improper billings for employee time, lack of employee certification of actual hours worked, and over/under paid terminated employees with additional effort and complication involved in recovery or true-up.</p>	<p>Priority 2 - DCFS management:</p> <p>a) Remind payroll staff to follow up on missing timecards timely and include employee supervisors in the follow-up process.</p> <p>b) Develop an ongoing monitoring process to ensure missing timecard exception reports are reviewed and appropriate action is taken to resolve all missing timecards (monitoring process should be documented and include examining activities, transactions, and reporting issues to management for corrective action).</p> <p>Department Response: Agree Implementation Date: July 31, 2020</p>
<p>3 Timecard Corrections - DCFS can improve their time reporting policies by specifying that approved timecard corrections should not be returned to or accessible by employees prior to the corrections being entered in eHR.</p> <p>Impact: Increased risk of unauthorized and inappropriate timecard changes, over/under payments, incorrect leave balances, and improper billings for employee time.</p>	<p>Priority 2 - DCFS management develop procedures to ensure approved timecard corrections are directly submitted for processing and that timecard corrections are not returned to or accessible by employees.</p> <p>Department Response: Agree Implementation Date: July 31, 2020</p>
<p>4 Negative Leave Balances - Negative leave balances can occur when payroll staff make corrections to an employee's payroll information (e.g., a timecard correction, date change) that affects the accrual rate for various leaves (vacation, sick leave, etc.).</p>	<p>Priority 2 - DCFS management re instruct payroll staff to resolve negative leave balances in a timely manner (e.g., obtaining reimbursement).</p> <p>Department Response: Agree Implementation Date: July 31, 2020</p>

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>Although DCFS indicated that staff run a negative leave balance exception report each pay period and resolve all issues identified (e.g., obtaining reimbursement) staff are not regularly following up and resolving these issues. For example, we noted that 183 (78%) of the 236 exceptions listed on the August 31, 2018, negative leave balance exception report had not been resolved over one year later. On average, each employee had a nine-hour negative leave balance.</p> <p>Impact: Negative leave balances are effectively overpayments to employees and need to be resolved in an expedited manner.</p>	
<p>5 Timecards Submitted Without Approval - On occasion, departments reorganize their employees into different workgroups by creating new payroll units in eHR. To ensure timecards are routed to the correct approver once submitted, payroll staff ask the Auditor-Controller's (A-C) Security Team to set up the workflow (i.e., to designate approvers for timecards, e-forms) for the new unit.</p> <p>However, we noted DCFS does not always submit their requests to the A-C Security Team timely. As a result, timecards for the new payroll unit will be submitted as final without being reviewed/approved (or will go into pending status if the employee still has an approver assigned from their old payroll unit).</p> <p>After each pay period, DCFS payroll staff run a report, which identifies timecards that were submitted without being approved and forwards it to the Department's security coordinator. The security coordinator then contacts the A-C's Security Team to correct the workflow for each employee identified. However, DCFS does not have a process to ensure timecards submitted without approval are subsequently certified as accurate by the employee's supervisor.</p> <p>Impact: Increases the risk of overpaid and underpaid employees, incorrect employee leave balances, and improper billings for employee time.</p>	<p>Priority 3 - DCFS management develop procedures to ensure workflow is set up for newly created payroll units before timecards are submitted and timecards submitted without approval are subsequently certified as accurate by the employee's supervisor.</p> <p>Department Response: Agree Implementation Date: August 31, 2020</p>

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>6 Sick Leave Coding - DCFS payroll staff review the timecards of employees on extended sick leave to verify that they are coded correctly. However, they do not reconcile their list of employees on extended sick leave to the list maintained by DCFS Health and Safety (sick leave administrator) to ensure it is accurate and they review all pertinent timecards.</p> <p>Impact: Due to complex requirements involving extended sick leave, payroll staff expertise is needed to ensure timecards are coded correctly. If payroll staff do not have an accurate list of the employees on extended sick leave, they may not review all pertinent timecards which increases the risk of overpaid and underpaid employees, and incorrect employee leave balances.</p>	<p>Priority 3 - DCFS management develop a process to reconcile internal listings of employees on extended sick leave to ensure their timecard coding is reviewed by payroll staff.</p> <p>Department Response: Agree Implementation Date: August 31, 2020</p>
<p>7 Proxied Timecard Duties - When an employee is not able to access his/her timecard, a proxy will submit the timecard on the employee's behalf to the employee's supervisor for approval. On rare occasions, an employee's supervisor may be unable to access the employee's timecard to review/approve, so the proxy may both submit and approve an employee's timecard. DCFS payroll staff review the audit trail report for these instances and remind staff not to proxy and approve the same timecard. However, payroll staff do not obtain justification or track the frequency to notify management of any unwarranted or frequent activity, as necessary.</p> <p>Impact: If the same staff enter and approve proxied timecards no secondary review and approval exists to ensure timecards are accurate, which increases the risk of overpaid and underpaid employees, incorrect employee leave balances, and improper billings for employee time.</p>	<p>Priority 3 - DCFS management establish a process to verify that appropriate justification is provided for proxied timecards that are entered and approved by the same staff and notify management regarding unwarranted or frequent activity.</p> <p>Department Response: Agree Implementation Date: August 31, 2020</p>
<p>8 Proxied Timecard Certification - DCFS' policies appropriately indicate that proxied timecards entered or approved by supervisors must be subsequently certified as accurate by the employees. However, the policies do not address this certification for proxied timecards entered and approved by someone other than supervisors (e.g., secretaries).</p> <p>Impact: Timecard proxies may not have direct knowledge of the dates and hours employees actually worked and other timecard details (e.g., appropriate coding). If timecards are not subsequently certified as accurate, there is an increased risk of overpaid and underpaid employees, incorrect employee leave balances, and improper billings for employee time.</p>	<p>Priority 3 - DCFS management update policies to require that all proxied timecards are subsequently certified as accurate by both the employee and supervisor.</p> <p>Department Response: Agree Implementation Date: August 31, 2020</p>

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>9 Payroll and Personnel Access - DCFS does not review keycard access to payroll and personnel areas annually to ensure access is restricted to a limited number of authorized personnel. We noted that DCFS conducted their last review in 2015.</p> <p>In addition, the Department does not have written standards and procedures to guide staff in performing these reviews. They should describe how processes are performed and require staff and supervisors to maintain documentation of their processes and require an audit trail of key events where practical.</p> <p>Impact: Increased risk of unauthorized access to, and modification of, departmental payroll and personnel records.</p>	<p>Priority 3 - DCFS management conduct annual reviews of access to payroll and personnel areas and establish written standards and procedures to adequately guide supervisors and staff in performing these reviews.</p> <p>Department Response: Agree Implementation Date: August 31, 2020</p>
<p>10 Management Monitoring of Internal Controls - In addition to the management monitoring issues discussed earlier (Issue 1 and 2), DCFS does not have, or document, self-monitoring processes in place to ensure controls function as intended in the following areas (non-compliance with County Fiscal Manual Section 1.0):</p> <ul style="list-style-type: none"> • Timecard corrections • Negative leave balances • Timecards submitted without approval • Sick leave coding • Proxied timecard duties • Proxied timecard certification • Access to payroll and personnel areas • Timecard workflow resolution <p>Effective self-monitoring processes could include tests or observations examining an adequate number of transactions on a regular basis (e.g., 5 – 10 weekly, quarterly, semi-annual) to ensure adherence to policy, rules and/or generally accepted control principles, and documenting and retaining evidence of this review in such a manner that a third party can subsequently validate it.</p> <p>The monitoring process should also ensure material exceptions are elevated to management to ensure awareness of relative control risk on a timely basis and to ensure appropriate corrective actions are implemented.</p> <p>Impact: Prevents management from having reasonable assurance that their objectives are being achieved.</p> <p>Increased risk for not promptly identifying and correcting any process/control weaknesses or instances of non-compliance</p>	<p>Priority 3 - DCFS management develop ongoing self-monitoring processes that include:</p> <ol style="list-style-type: none"> a) Examination of process and control activities, such as review of an adequate number of transactions on a regular basis to ensure adherence to County rules. b) Documenting the monitoring activity and retaining evidence so it can be subsequently validated. c) Elevating material exceptions to management on a timely basis to ensure awareness of relative control risk and to ensure appropriate corrective actions are implemented. <p>Department Response: Agree Implementation Date: August 31, 2020</p>

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency’s operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>with County, State, federal, and departmental requirements, such as:</p> <ul style="list-style-type: none"> • Overpaid and underpaid employees • Incorrect leave balances • Improper billings for employee time • Unauthorized and inappropriate timecard changes • Unauthorized access to, and modification of, payroll and personnel records • Lack of employee certification of actual hours worked • Over/under paid terminated employees with additional effort and complication involved in recovery or true-up 	

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management’s responsibility for internal controls, visit auditor.lacounty.gov/audit-process-information.

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency’s operations if corrective action is not taken.



BOBBY D. CAGLE
Director

GINGER PRYOR
Chief Deputy Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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July 13, 2020

To: Arlene Barrera
Auditor-Controller

From: Ginger Pryor 
Chief Deputy Director

**RESPONSE TO THE AUDITOR-CONTROLLER'S DEPARTMENT OF CHILDREN
AND FAMILY SERVICES - PAYROLL REVIEW**

Attached you will find the Department of Children and Family Services (DCFS) response to the findings and recommendations contained in the Auditor-Controller's Payroll Review. DCFS has taken appropriate corrective actions to address the recommendations contained in your report. We appreciate the opportunity to include our response in your report and thank your audit staff for their professionalism and objectivity during this review.

If you have any questions or require additional information, please have your staff contact Nancy Neville, Head Compliance Officer, at (323) 881-1509.

GP:CMM
RT:sh

Attachment

c: Bobby D. Cagle, Director
Cynthia McCoy-Miller, Senior Deputy Director
Rogelio Tapia, Administrative Deputy III
Lynne Condon, Departmental Human Resources Manager III

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**DEPARTMENT OF CHILDREN AND FAMILY SERVICES - PAYROLL REVIEW
DEPARTMENT ACTION PLAN/RESPONSE**

ISSUE 1: TIMECARD AND OVERTIME REVIEW (MANAGEMENT MONITORING)	
A/C Recommendation	DCFS management enhance their ongoing monitoring of a sampling of timecards to include additional assurance that timecards are accurately prepared, properly approved, and any issues identified are reported to management for corrective action.
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan¹	The Internal Controls Assurance Services (ICAS) Section currently conducts quarterly Time & Attendance reviews to evaluate the Department's process and control activities for time and attendance. ICAS documents their reviews and retains evidence that can later be validated. ICAS elevates any concerns to Payroll management. Upon notification, Payroll managers will escalate any concerns to the Departmental Human Resources Manager (DHRM) to ensure awareness of relative control risk, and to ensure appropriate corrective actions are implemented.
Planned Implementation Date	Implemented on September 30, 2019
Additional Information (optional)²	

ISSUE 2: MISSING/LATE TIMECARDS (MANAGEMENT MONITORING)	
A/C Recommendation	DCFS management: <ul style="list-style-type: none"> a) Remind payroll staff to follow up on missing timecards timely and include employee supervisors in the follow-up process. b) Develop an ongoing monitoring process to ensure missing timecard exception reports are reviewed and appropriate action is taken to resolve all missing timecards (monitoring process should be documented and include examining activities, transactions, and reporting issues to management for corrective action).
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan¹	Payroll management will amend the IPPG 20-14 Missing Timesheets Report to specifically add additional measures that will facilitate the timely submission of timecards by the Regional Offices. Payroll management will send a reminder memo to staff instructing them to follow up on missing timecards timely, and include employee supervisors in the follow-up process. Any timecards still pending submission after the following payroll deadline will be escalated to the DHRM and sent to the employee's Executive Leadership to take necessary action
Planned Implementation Date	Implementation date is July 31, 2020, which is the payroll cycle deadline.
Additional Information (optional)²	

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 3: TIMECARD CORRECTIONS	
A/C Recommendation	DCFS management develop procedures to ensure approved timecard corrections are directly submitted for processing and that timecard corrections are not returned to or accessible by employees.
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan¹	The DCFS Payroll Section will update the Human Resources Payroll and Timekeeping Operations Time Reporting and Attendance Control policy to instruct supervisors and managers not to return approved hard copy timesheet corrections to staff. The updated procedures will also inform supervisors that original signed timesheet corrections must be forwarded directly to the Payroll Section.
Planned Implementation Date	Implementation date is July 31, 2020
Additional Information (optional)²	

ISSUE 4: NEGATIVE LEAVE BALANCES	
A/C Recommendation	DCFS management reinstruct payroll staff to resolve negative leave balances in a timely manner (e.g., obtaining reimbursement).
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan¹	Payroll management will issue a memo reinstructing payroll staff to resolve negative leave balances in a timely manner. In addition, management will revise policy IPPG 07-14 Exception Pay Period and Adjustment Processing, which addresses negative leave balances to ensure expectations for processing timelines are clearly defined. Payroll management will also ensure all staff are properly trained in this process.
Planned Implementation Date	Implementation date is July 31, 2020
Additional Information (optional)²	

ISSUE 5: TIMECARDS SUBMITTED WITHOUT APPROVAL	
A/C Recommendation	DCFS management develop procedures to ensure workflow is set up for newly created payroll units before timecards are submitted and timecards submitted without approval are subsequently certified as accurate by the employee's supervisor.
Priority	PRIORITY 3
Agree/Disagree	Agree
Department Action Plan¹	Payroll management will develop additional procedures that will include an update to our process and include a requirement to request certified copies of timesheets that are submitted and finalized in eCAPs without the approval of the employee's supervisor.
Planned Implementation Date	Implementation date is August 31, 2020

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 5: TIMECARDS SUBMITTED WITHOUT APPROVAL	
Additional Information (optional)²	

ISSUE 6: SICK LEAVE CODING	
A/C Recommendation	DCFS management develop a process to reconcile internal listings of employees on extended sick leave to ensure their timecard coding is reviewed by payroll staff.
Priority	PRIORITY 3
Agree/Disagree	Agree
Department Action Plan¹	Payroll management will develop a process which includes requesting a revised Leave of Absence (LOA) list from Health and Safety that will be reviewed by Payroll staff. This LOA list will be used to conduct the reconciliation of the employees on an extended leave of absence. Timekeeping staff will reconcile the LOA information with the LOA notices previously received from Health and Safety to ensure all impacted staff are being coded appropriately.
Planned Implementation Date	Implementation date is August 31, 2020
Additional Information (optional)²	

ISSUE 7: PROXIED TIMECARD DUTIES	
A/C Recommendation	DCFS management establish a process to verify that appropriate justification is provided for proxied timecards that are entered and approved by the same staff and notify management regarding unwarranted or frequent activity.
Priority	PRIORITY 3
Agree/Disagree	Agree
Department Action Plan¹	Payroll management will issue a memo to staff to reinforce the current processes outlined in IPPG 05-14 Single Approver and Audit Trail Reports. Payroll supervisors will ensure the single approver and audit trail reports are run on a bi-monthly basis. To ensure proper review of the single approver and audit trail reports, Payroll management will reassign this task to the Payroll Clerk IIs. The Payroll Clerk IIs will send the IPPG 05-14 policy to staff appearing on this report for their review and as a reminder of the expectations of the process. The name of any staff proxying and approving the same timesheet who appear on this report repeatedly will be escalated to their manager for appropriate action.
Planned Implementation Date	Implementation date is August 31, 2020
Additional Information (optional)²	

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 8: PROXIED TIMECARD CERTIFICATION	
A/C Recommendation	DCFS management update policies to require that all proxied timecards are subsequently certified as accurate by both the employee and supervisor.
Priority	PRIORITY 3
Agree/Disagree	Agree
Department Action Plan¹	DCFS currently has a Human Resources Payroll and Timekeeping Operations Time reporting and Attendance Controls policy, which outlines the expectations of the supervisor with regards to proxied timesheets. Payroll management will update the language of the policy to include the following requirement; all proxied timecards will be subsequently certified as accurate by both the employee and supervisor.
Planned Implementation Date	Implementation date is August 31, 2020
Additional Information (optional)²	

ISSUE 9: PAYROLL AND PERSONNEL ACCESS	
A/C Recommendation	DCFS management conduct annual reviews of access to payroll and personnel areas and establish written standards and procedures to adequately guide supervisors and staff in performing these reviews.
Priority	PRIORITY 3
Agree/Disagree	Agree
Department Action Plan¹	Payroll management will conduct annual reviews of access to payroll and personnel sections. Payroll management will also establish written standards and procedures to adequately guide staff in performing these reviews.
Planned Implementation Date	Implementation date is August 31, 2020
Additional Information (optional)²	

ISSUE 10: MANAGEMENT MONITORING OF INTERNAL CONTROLS	
A/C Recommendation	DCFS management develop ongoing self-monitoring processes that include: <ul style="list-style-type: none"> a) Examination of process and control activities, such as review of an adequate number of transactions on a regular basis to ensure adherence to County rules. b) Documenting the monitoring activity and retaining evidence so it can be subsequently validated. c) Elevating material exceptions to management on a timely basis to ensure awareness of relative control risk, and to ensure appropriate corrective actions are implemented.
Priority	PRIORITY 3
Agree/Disagree	

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 10: MANAGEMENT MONITORING OF INTERNAL CONTROLS	
Department Action Plan¹	<p>Issue # 1- ICAS currently conducts quarterly Time & Attendance reviews to evaluate the Department's process and control activities for time and attendance. ICAS documents their reviews and retains evidence that can later be validated. ICAS elevates any concerns to Payroll management. Upon notification, Payroll managers will escalate any concerns to the DHRM to ensure awareness of relative control risk, and to ensure appropriate corrective actions are implemented.</p> <p>Issue # 2 – 9 – The Payroll Supervisor will develop a process to conduct ongoing monitoring of section reports. This monitoring will examine process and control activities to ensure adherence to County Fiscal Manual requirements. DCFS Payroll Section will document the monitoring activities and retain for a minimum of five years.</p>
Planned Implementation Date	Implementation date is August 31, 2020
Additional Information (optional)²	

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Department can provide any background or clarifying information they believe is necessary.