INTERNAL AUDIT DEPARTMENT

COUNTY OF ORANGE

2005 Recipient of the Institute of Internal Auditors
Award for Recognition of Commitment to
Professional Excellence, Quality and Outreach

Integrity ◆ Objectivity ◆ Independence

INTERNAL CONTROL REVIEW
OF
HEALTH CARE AGENCY

PAYROLL PROCESSES

For the Period
January 1, 2006 through December 31, 2006

AUDIT NUMBER: 2631-2 **REPORT DATE: August 9, 2007**

Audit Director:	**Peter Hughes, Ph.D., CPA**
Deputy Director:	**Eli Littner, CPA, CIA**
Senior Audit Manager:	**Michael Goodwin, CPA, CIA**
Audit Manager:	**Winnie Keung, CPA, CIA**
Senior Auditor:	**Abdul Khan, CPA**

Internal Control Review of Health Care Agency
Payroll Processes

For the Period
January 1, 2006 through December 31, 2006

TABLE OF CONTENTS

Transmittal Letter i

INTERNAL AUDITOR'S REPORT 1

EXECUTIVE SUMMARY 3
- OBJECTIVES 3
- BACKGROUND 3
- SCOPE 3
- RESULTS 4

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES 5
- EFFICIENCY/EFFECTIVENESS ISSUE 5
- Timecard Audit Report 5

ATTACHMENT A: Report Item Classifications 6

ATTACHMENT B: Health Care Agency Management Responses 7

ATTACHMENT C: Auditor-Controller Management Responses 9

Independence
Objectivity
Integrity

Providing Facts and Perspectives Countywide

OFFICE OF THE DIRECTOR

DR. PETER HUGHES

PH.D., MBA, CPA,
Certified Compliance & Ethics Professional (CCEP)
Certified Information Technology Professional (CITP)
Certified Internal Auditor (CIA)
Certified Fraud Examiner (CFE)

E-MAIL: peter.hughes@iad.ocgov.com

ELI LITTNER
DEPUTY DIRECTOR
CPA, CIA, CFE,
Certified Fraud Specialist (CFS),
Certified Information Systems Auditor (CISA)

MICHAEL J. GOODWIN
SENIOR AUDIT MANAGER
CPA, CIA

ALAN MARCUM
SENIOR AUDIT MANAGER
MBA, CPA, CIA, CFE

AUTUMN MCKINNEY
SENIOR AUDIT MANAGER
CPA, CIA, CISA
Certified Government Financial Manager (CGFM)

HALL OF FINANCE & RECORDS
400 CIVIC CENTER DRIVE WEST
BUILDING 12, ROOM 232
SANTA ANA, CA 92701

www.ocgov.com/audit

(714) 834-5475
(714) 834-2880 Fax

OC FRAUD HOTLINE
(714) 834-3608

COUNTY OF ORANGE
BOARD OF SUPERVISORS'
INTERNAL AUDIT DEPARTMENT

Transmittal Letter

Audit No. 2631-2

August 9, 2007

TO: Juliette A. Poulson, Director
Health Care Agency

FROM: Peter Hughes, Ph.D., CPA, Director
Internal Audit Department FOR

SUBJECT: Internal Control Review of Health Care Agency Payroll Processes

We have completed our Internal Control Review of the Health Care Agency payroll processes for the period January 1, 2006 through December 31, 2006. The final report is attached along with your responses to our recommendations.

Please note, we have a structured and rigorous **Follow-Up Audit** process in response to recommendations and suggestions made by the Audit Oversight Committee (AOC) and the Board of Supervisors (BOS). As a matter of policy, our **first Follow-Up Audit** will now begin at six months from the official release of the report. A copy of all our Follow-Up Audit reports is provided to the BOS as well as to all those individuals indicated on our standard routing distribution list.

The AOC and BOS expect that audit recommendations will typically be implemented within six months and often sooner for significant and higher risk issues. Our **second Follow-Up Audit** will now begin at 12 months from the release of the original report, by which time ***all*** audit recommendations are expected to be addressed and implemented.

At the request of the AOC, we are to bring to their attention any audit recommendations we find still not implemented or mitigated after the second Follow-Up Audit. The AOC requests that such open issues appear on the agenda at their next scheduled meeting for discussion.

We have attached a Follow-Up Audit Report Form. Your department should complete this template as our audit recommendations are implemented. When we perform our first Follow-Up Audit approximately six months from the date of this report, we will need to obtain the completed document to facilitate our review.

The Internal Audit Department is an independent audit function reporting directly to the Orange County Board of Supervisors.

Each month I submit an **Audit Status Report** to the BOS where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

As always, the Internal Audit Department is available to partner with you so that HCA can successfully implement or mitigate difficult audit recommendations. Please feel free to call me should you wish to discuss any aspect of our audit report or recommendations.

Additionally, we will request your department complete a Customer Survey of Audit Services. You will receive the survey shortly after the distribution of our final report.

Attachments

Other recipients of this report:
Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
William D. Mahoney, Deputy CEO/Government & Public Services
Steve Franks, Deputy Agency Director, HCA/Financial & Administrative Services
David E. Sundstrom, Auditor-Controller
Shaun Skelly, Director of Accounting Operations, Auditor-Controller
Bill Castro, Assistant Auditor-Controller, Satellite Accounting Operations
Alice Sworder, Senior Manager, HCA/Accounting Services
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors

COUNTY OF ORANGE
BOARD OF SUPERVISORS'
INTERNAL AUDIT DEPARTMENT

Independence
Objectivity
Integrity

Providing Facts and Perspectives Countywide

OFFICE OF THE DIRECTOR

DR. PETER HUGHES

PH.D., MBA, CPA,
Certified Compliance & Ethics Professional (CCEP)
Certified Information Technology Professional (CITP)
Certified Internal Auditor (CIA)
Certified Fraud Examiner (CFE)

E-MAIL: peter.hughes@iad.ocgov.com

ELI LITTNER
DEPUTY DIRECTOR
CPA, CIA, CFE,
Certified Fraud Specialist (CFS),
Certified Information Systems Auditor (CISA)

MICHAEL J. GOODWIN
SENIOR AUDIT MANAGER
CPA, CIA

ALAN MARCUM
SENIOR AUDIT MANAGER
MBA, CPA, CIA, CFE

AUTUMN MCKINNEY
SENIOR AUDIT MANAGER
CPA, CIA, CISA
Certified Government Financial Manager (CGFM)

HALL OF FINANCE & RECORDS
400 CIVIC CENTER DRIVE WEST
BUILDING 12, ROOM 232
SANTA ANA, CA 92701

www.ocgov.com/audit

(714) 834-5475
(714) 834-2880 Fax

OC FRAUD HOTLINE
(714) 834-3608

INTERNAL AUDITOR'S REPORT

Audit No. 2631-2

August 9, 2007

TO: Juliette A. Poulson, Director
Health Care Agency

SUBJECT: Internal Control Review of Health Care Agency Payroll Processes

Scope of Review

We have completed an Internal Control Review of Health Care Agency (HCA) payroll processes for the period from January 1, 2006 through December 31, 2006. Our audit was conducted in accordance with professional standards established by the Institute of Internal Auditors.

Results

Based on our audit, **no material weaknesses, significant issues or control findings were identified.** However, we did identify **one Effectiveness/Efficiency issue** to enhance controls and processes as discussed in this report. See *Attachment A* for a description of Report Item Classifications.

Management's Responsibilities for Internal Controls

In accordance with the County Accounting Manual, Section S-2 - *Internal Control Systems*, "All County departments/agencies shall maintain effective internal control systems as an integral part of their management practices. This is because *management has primary responsibility* for establishing and maintaining the internal control system. All levels of management must be involved in assessing and strengthening internal controls. Control systems shall be continuously evaluated and weaknesses, when detected, must be promptly corrected." The criteria for evaluating an entity's internal control structure is the Committee of Sponsoring Organizations (COSO) control framework. Internal Audit's review enhances, but does not substitute for HCA's continuing emphasis on control activities and self-assessment of control risks.

Inherent Limitations in Any System of Internal Control

Because of inherent limitations in any system of internal controls, errors or irregularities may nevertheless occur and not be detected. Specific examples of limitations include, but are not limited to, resource constraints, unintentional errors, management override, circumvention by collusion, and poor judgment. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate

The Internal Audit Department is an independent audit function reporting directly to the Orange County Board of Supervisors.

because of changes in conditions or the degree of compliance with the procedures may deteriorate. Accordingly, our review made for the purpose described above *would not necessarily disclose all weaknesses* in HCA's operating procedures, accounting practices and compliance with County policy.

Acknowledgment

We appreciate the courtesy and cooperation extended to us during the audit by the personnel of HCA and HCA Accounting. If we can be of further assistance, please contact me directly or Eli Littner, Deputy Director at (714) 834-5899 or Michael Goodwin, Senior Audit Manager at (714) 834-6066.

Respectfully Submitted,

FOR Peter Hughes, Ph.D., CPA
Director, Internal Audit

Attachments

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:
Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
William D. Mahoney, Deputy CEO/Government & Public Services
Steve Franks, Deputy Agency Director, HCA/Financial & Administrative Services
David E. Sundstrom, Auditor-Controller
Shaun Skelly, Director of Accounting Operations, Auditor-Controller
Bill Castro, Assistant Auditor-Controller, Satellite Accounting Operations
Alice Sworder, Senior Manager, HCA/Accounting Services
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors

EXECUTIVE SUMMARY

OBJECTIVES

The Internal Audit Department conducted an Internal Control Review of payroll processes at the Health Care Agency (HCA) which included a review of the adequacy and integrity of internal controls; compliance with applicable rules, regulations and department policies; and evidence of process efficiencies and effectiveness. The objectives of our audit were to review and evaluate bi-weekly payroll processes and controls at HCA to ensure:

- Bi-weekly payroll is processed completely, accurately, timely, and in accordance with agency procedures and management's authorization.
- Additions, deletions, and changes to payroll are appropriate, approved, and supported.
- Supplemental pay is properly supported, approved, and accurately calculated.
- Auditor-Controller core business processes are effective through accurate recording, reporting, and system output for payroll transactions initiated by HCA as determined through our testing of transactions.
- Business processes are efficient and effective as related to the HCA bi-weekly payroll process.

BACKGROUND

The mission of HCA is to protect and promote the optimal health of individuals, families, and diverse communities through partnerships, community leadership, assessment of community needs, planning and policy development, prevention and education, and quality services. HCA's core services range from reducing communicable diseases, to treating those with mental illness or substance abuse problems, to promoting healthy behaviors.

HCA utilizes *Virtual Timesheet Interface* (VTI) for recording and processing employee bi-weekly payroll. Employees input their time into a VTI timesheet, which is submitted to the employee's designated supervisor. The supervisor reviews and approves the employee timesheets and submits them to the HCA/Payroll Unit within HCA/Accounting, which is staffed by Auditor-Controller employees. The Payroll Unit reviews submitted timesheets; adjusts employees' timecards in VTI when necessary; and uploads the approved timecards to Auditor-Controller's Claim and Disbursing Unit (Central Payroll) for payroll processing and issuance of bi-weekly payroll.

During the audit period, the total gross bi-weekly pay for approximately 2,700 HCA employees was **$159,949,080.**

SCOPE

Our audit was limited to evaluating controls and processes over bi-weekly payroll processes starting from HCA/Payroll's receipt of employee timecards to submission of timecards to Auditor-Controller's Claims and Disbursing Unit for the period January 1, 2006 through December 31, 2006. Additionally, we reviewed controls and processes over employee additions, deletions, changes to payroll, and supplemental pay setup. We did not review processes pertaining to withholdings; disbursements to other agencies; retro-pay calculations; check printing and VTI information system controls. Our methodology included inquiry, auditor observation, and examination and testing of relevant documentation.

RESULTS

No material weaknesses, significant issues or control findings were noted. Based upon the objectives of our audit, we noted the following:

Objective: *Bi-weekly payroll is processed completely, accurately, timely, and in accordance with agency procedures and management's authorization.*

Results: Controls and processes are in place to ensure bi-weekly payroll is processed completely, accurately, timely and in accordance with HCA's procedures and management's authorization.

Objective: *Additions, deletions, and changes to payroll are appropriate, approved, and supported.*

Results: Controls and procedures are in place to ensure all additions, deletions, and changes to payroll are appropriate, approved and supported.

Objective: *Supplemental pay is properly supported, approved, and accurately calculated.*

Results: Controls and procedures are in place to ensure all supplemental pay is properly supported, approved and accurately calculated.

Objective: *Auditor-Controller core business systems are effective through accurate recording, reporting, and system output for payroll transactions initiated by HCA as determined through our testing of transactions.*

Results: We performed testing of bi-weekly payroll transactions originating at HCA through the Auditor-Controller's financial reporting system without noting any exceptions concerning HCA's payroll processing.

Objective: *Business processes are efficient and effective as related to HCA bi-weekly payroll process.*

Results: No inefficient or ineffective procedures concerning backlogs or duplication of work in bi-weekly payroll processing were noted or came to our attention. However, we note in our report one observation where efficiency and effectiveness can be enhanced in the area of detecting unauthorized changes on employee timesheets. This is discussed in the Detailed Observations, Recommendations and Management Responses section of this report.

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

EFFICIENCY/EFFECTIVENESS ISSUE

One of our audit objectives was to identify areas where efficiencies and effectiveness can be enhanced in the bi-weekly payroll process. Our audit noted the following observation that has been discussed with HCA/Payroll management and corrective actions have been initiated:

Timecard Audit Report

The Virtual Timesheet Interface (VTI) system has eight different user roles (e.g., employee, supervisor, payroll administrator, etc.). Each user role has different rights, with different levels of access. HCA/Payroll staff is assigned "Payroll Clerk" access in VTI by Auditor-Controller Information Technology staff.

"Payroll Clerk" access enables HCA/Payroll staff to complete and/or update employee timecards, including the ability to change pay codes (e.g., from Regular Hours to Annual Leave) for absent employees. This access also allows HCA/Payroll staff to make timecard changes and corrections after the designated supervisor has reviewed and authorized the employee's timecard. Because of this access, these subsequent changes do not require management review or final approval prior to upload to A/C Central Payroll. As a result, a risk of processing unauthorized changes does exist with this user role.

During our audit, HCA Accounting was responsive in enhancing the existing *HCA Payroll and General Support Policy & Procedures ~ Bi-Weekly Payroll Audit* to remind payroll staff that accessing and completing timecards for absent employees, or making unauthorized pay code changes are not allowed, except in certain circumstances. We noted the revised procedure provides details and conditions when HCA/Payroll staff is authorized to make such changes.

VTI generates a *Timecard Audit Report* that can assist management in reviewing all subsequent changes to timecards after submitted by the employee. This tool is a comprehensive report displaying the actions taken, the changes made, the person who made the changes, and the date and time of the changes. For a large agency such as HCA, there can be numerous transactions shown in the *Timecard Audit Report.* However, VTI does not allow user/reviewer to pull information in a format that can identify higher risk changes. HCA has approximately 2,700 employees; therefore, no one reviews the entire *Timecard Audit Report* to identify any unauthorized changes, which increases the risk of time abuse not being detected.

Recommendation No. 1

We recommend HCA and HCA Accounting, in consultation with Auditor-Controller Information Technology; evaluate the need to modify the VTI *Timecard Audit Report* to include query capabilities to target specific research that would assist HCA by providing a tool to monitor any unauthorized changes to pay codes such as modifying leave hours to regular hours.

HCA Management Response:

Concur. We will submit a request to Auditor-Controller Information Technology to modify the VTI *Timecard Audit Report* to include query capabilities to perform specific research related to changes to pay codes.

Auditor-Controller Management Response:

Concur. We support HCA's decision to request that the Auditor-Controller Information Technology Division consider modifying the *Timecard Audit Report* to include query capabilities to perform specific research related to changes to pay codes.

ATTACHMENT A: Report Item Classifications

For purposes of reporting our audit observations and recommendations, we will classify audit report items into three distinct categories:

- **Material Weaknesses:**
  Audit findings or a combination of Significant Issues that can result in financial liability and exposure to a department/agency and to the County as a whole. Management is expected to address "Material Weaknesses" brought to their attention immediately.

- **Significant Issues:**
  Audit findings or a combination of Control Findings that represent a significant deficiency in the design or operation of processes or internal controls. Significant Issues do not present a material exposure throughout the County. They generally will require prompt corrective actions.

- **Control Findings and/or Efficiency/Effectiveness Issues:**
  Audit findings that require management's corrective action to implement or enhance processes and internal controls. Control Findings and Efficiency/Effectiveness issues are expected to be addressed within our follow-up process of six months, but no later than twelve months.

COUNTY OF ORANGE
HEALTH CARE AGENCY

OFFICE OF THE DIRECTOR

Excellence
Integrity
Service

JULIETTE A. POULSON, RN, MN
DIRECTOR

DAVID L. RILEY
ASSISTANT DIRECTOR

MAILING ADDRESS:
405 W. 5th STREET, ROOM 721
SANTA ANA, CA 92701

TELEPHONE: (714) 834-6254
FAX: (714) 834-3660
E-MAIL: jpoulson@ochca.com

July 25, 2007

RECEIVED
INTERNAL AUDIT DEPARTMENT
2007 JUL 30 AM 11:39

TO: Peter Hughes, Director
Internal Audit Department

SUBJECT: Response to Internal Control Review of Health Care Agency's Payroll Processes

We have reviewed the draft audit report prepared by the Internal Audit Department covering the review of internal controls of the payroll processes at the Health Care Agency (HCA) for the period from January 1, 2006 through December 31, 2006.

We concur with the recommendation made in the report, and HCA's response is attached. We have also attached the response from the Auditor-Controller.

Please call Alice Sworder, HCA Accounting Manager, at (714) 834-5264 if you have any questions regarding this letter. Thank you.

Juliette A. Poulson, RN, MN
Director

JAP:as

Attachments

cc: Thomas G. Mauk, County Executive Officer
William D. Mahoney, Deputy CEO
David L. Riley, Assistant Director, Health Care Agency
Steve Franks, Deputy Agency Director, Health Care Agency
Alice Sworder, Manager, HCA Accounting

Internal Audit Report
Internal Control Review of
Health Care Agency's Payroll Processes

Timecard Audit Report

The Virtual Timesheet Interface (VTI) system has eight different user roles (e.g., employee, supervisor, payroll administrator, etc.). Each user role has different rights, with different levels of access. HCA/Payroll staff is assigned "Payroll Clerk" access in VTI by Auditor-Controller Information Technology staff.

"Payroll Clerk" access enables HCA/Payroll staff to complete and/or update employee timecards, including the ability to change pay codes (e.g., from Regular Hours to Annual Leave) for absent employees. This access also allows HCA/Payroll staff to make timecard changes and corrections after the designated supervisor has reviewed and authorized the employee's timecard. Because of this access, these subsequent changes do not require management review or final approval prior to upload to A/C Central Payroll. As a result, a risk of processing unauthorized changes does exist with this user role.

During our audit, HCA Accounting was responsive in enhancing the existing *HCA Payroll and General Support Policy & Procedures ~ Bi-Weekly Payroll Audit* to remind payroll staff that accessing and completing timecards for absent employees, or making unauthorized pay code changes are not allowed, except in certain circumstances. We noted the revised procedure provides details and conditions when HCA/Payroll staff is authorized to make such changes.
VTI generates a *Timecard Audit Report* that can assist management in reviewing all subsequent changes to timecards after submitted by the employee. This tool is a comprehensive report displaying the actions taken, the changes made, the person who made the changes, and the date and time of the changes. For a large agency such as HCA, there can be numerous transactions shown in the *Timecard Audit Report.* However, VTI does not allow user/reviewer to pull information in a format that can identify higher risk changes. HCA has approximately 2,700 employees; therefore, no one reviews the entire *Timecard Audit Report* to identify any unauthorized changes, which increases the risk of time abuse not being detected.

Recommendation No. 1

We recommend HCA and HCA Accounting, in consultation with Auditor-Controller Information Technology; evaluate the need to modify the VTI *Timecard Audit Report* to include query capabilities to target specific research that would assist HCA by providing a tool to monitor any unauthorized changes to pay codes such as modifying leave hours to regular hours.

HCA Management Response:

Concur. We will submit a request to Auditor-Controller Information Technology to modify the VTI *Timecard Audit Report* to include query capabilities to perform specific research related to changes to pay codes.

AUDITOR-CONTROLLER
COUNTY OF ORANGE

HALL OF FINANCE AND RECORDS
12 CIVIC CENTER PLAZA, ROOM 202
POST OFFICE BOX 567
SANTA ANA, CALIFORNIA 92702-0567

(714) 834-2450 FAX: (714) 834-2569

www.ac.ocgov.com

SHAUN M. SKELLY
CHIEF ASSISTANT AUDITOR-CONTROLLER

JAN E. GRIMES
ASSISTANT AUDITOR-CONTROLLER
CENTRAL OPERATIONS

WILLIAM A. CASTRO
ASSISTANT AUDITOR-CONTROLLER
SATELLITE ACCOUNTING OPERATIONS

PHILLIP T. DAIGNEAU
ASSISTANT AUDITOR-CONTROLLER
INFORMATION TECHNOLOGY

DAVID E. SUNDSTROM, CPA
AUDITOR-CONTROLLER

RECEIVED
INTERNAL AUDIT DEPARTMENT
2007 JUL 17 PM 2:20

July 16, 2007

TO: Juliette Poulson, Director
Health Care Agency

SUBJECT: Response to Internal Control Review of Health Care Agency's Payroll Processes

We reviewed the draft audit report prepared by the Internal Audit Department covering the review of internal controls of the payroll processes at the Health Care Agency (HCA) for the period January 1, 2006 through December 31, 2006.

We concur with the recommendation made in the draft audit report. Our response is attached.

Please call Alice Sworder, HCA Accounting Manager, at 834-5264 if you have any questions regarding this letter. Thank you.

David E. Sundstrom
Auditor-Controller

Attachment

cc: Peter Hughes, Director, Internal Audit Department
Bill Castro, Assistant Auditor-Controller, Satellite Accounting Operations
Steve Franks, Deputy Director, HCA Financial and Administrative Services
Alice Sworder, Manager, HCA Accounting

Internal Audit Report
Internal Control Review of
Health Care Agency's Payroll Processes

Timecard Audit Report

The Virtual Timesheet Interface (VTI) system has eight different user roles (e.g., employee, supervisor, payroll administrator, etc.). Each user role has different rights, with different levels of access. HCA/Payroll staff is assigned "Payroll Clerk" access in VTI by Auditor-Controller Information Technology staff.

"Payroll Clerk" access enables HCA/Payroll staff to complete and/or update employee timecards, including the ability to change pay codes (e.g., from Regular Hours to Annual Leave) for absent employees. This access also allows HCA/Payroll staff to make timecard changes and corrections after the designated supervisor has reviewed and authorized the employee's timecard. Because of this access, these subsequent changes do not require management review or final approval prior to upload to A/C Central Payroll. As a result, a risk of processing unauthorized changes does exist with this user role.

During our audit, HCA Accounting was responsive in enhancing the existing *HCA Payroll and General Support Policy & Procedures ~ Bi-Weekly Payroll Audit* to remind payroll staff that accessing and completing timecards for absent employees, or making unauthorized pay code changes are not allowed, except in certain circumstances. We noted the revised procedure provides details and conditions when HCA/Payroll staff is authorized to make such changes. VTI generates a *Timecard Audit Report* that can assist management in reviewing all subsequent changes to timecards after submitted by the employee. This tool is a comprehensive report displaying the actions taken, the changes made, the person who made the changes, and the date and time of the changes. For a large agency such as HCA, there can be numerous transactions shown in the *Timecard Audit Report.* However, VTI does not allow user/reviewer to pull information in a format that can identify higher risk changes. HCA has approximately 2,700 employees; therefore, no one reviews the entire *Timecard Audit Report* to identify any unauthorized changes, which increases the risk of time abuse not being detected.

Recommendation No. 1

We recommend HCA and HCA Accounting, in consultation with Auditor-Controller Information Technology; evaluate the need to modify the VTI *Timecard Audit Report* to include query capabilities to target specific research that would assist HCA by providing a tool to monitor any unauthorized changes to pay codes such as modifying leave hours to regular hours.

Auditor-Controller Management Response:

Concur. We support HCA's decision to request that the Auditor-Controller Information Technology Division consider modifying the *Timecard Audit Report* to include query capabilities to perform specific research related to changes to pay codes.