

July 2012

# Highlights

Internal Audit Report to the Board of Supervisors

## Why We Did This Review

Payroll is the County’s largest expenditure at \$900 million annually. To increase efficiencies, County management implemented the new County Payroll System at a cost of \$15.6 million.

Our review of the payroll system (called a post-implementation review) focused on whether the new system accurately and promptly processes payroll and whether the County received the anticipated value for the new system.

## What We Recommended

We recommend County Management:

- Update policies and procedures for payroll processing, project management, and information security.
- Fully account for and report all project expenses on a by-project basis.
- Enforce key contract provisions with the Payroll System vendor.
- Formally track performance measures and report the system’s cost savings.



For more information, please contact Eve Murillo, Deputy County Auditor, at 602-506-7245 or emurillo@mail.maricopa.gov

# Payroll System Implementation Review

## Payroll Controls Are Adequate Improvements Are Needed to Ensure Effectiveness

## What We Found

Payroll System Implementation Review Summary	
<b>Data Accuracy and Completeness</b>	The Payroll System’s controls over data accuracy and completeness appear to be effective. Controls over implementation testing, data transfers, payroll reconciliations, and user access reviews could be improved.
<b>Project Management</b>	The County could enhance effectiveness by implementing formal project management practices, including planning, business analysis, and total cost reporting.
<b>Information Security</b>	The County does not have formal policies and procedures for regularly reviewing user access to Payroll System modules and reports, or for accessing sensitive personal information.
<b>Payroll System Reporting</b>	The Office of Enterprise Technology and the Payroll Division could strengthen documentation controls over authorizing and testing of customized Payroll System reports.
<b>System Performance Measures</b>	The County’s Service Level Agreement with the Payroll System vendor lacks measures for one key module, and contains some measures not applicable to the County.

We conducted this review in accordance with the FY 2012 Board of Supervisors approved audit plan.

We appreciate the excellent cooperation received from County management and staff while conducting this audit.

“Do the Right Things Right!”

Maricopa County Internal Audit Department