



**Office of Audits  
Office of Inspector General  
U.S. General Services Administration**

DATE: September 18, 2015

TO: Gerard Badorrek  
Chief Financial Officer (B)

FROM: Theodore R. Stehney  
Assistant Inspector General for Auditing (JA)

SUBJECT: System Interface Issue and Inconsistent Application of Compensating Controls May Limit Assurance Over the Accuracy of GSA Employees' Time and Attendance Records  
*Audit Memorandum Number A150070-2*

GSA does not have sufficient assurance that the leave balances for thousands of its employees are accurate. This is due to design weaknesses in the interface between GSA's employee leave approval system (ALOHA)<sup>1</sup> and its time and attendance system (ETAMS),<sup>2</sup> and the inconsistent application of compensating controls designed to remediate the discrepancies. While GSA has taken steps to address these issues, opportunities exist to enhance controls to avoid further discrepancies and improve the accuracy of employee leave balances.

**Background**

In December 2014, the then Acting Administrator informed our office of possible discrepancies in the number of leave hours approved in ALOHA and the number of leave hours applied to employee leave balances in ETAMS.<sup>3</sup> We elected to conduct an assessment of this matter based on the potential impact of these discrepancies on GSA and its employees. As of March 26, 2015, GSA reported 51,390 unresolved discrepancies affecting 6,879 employees,<sup>4</sup> with some discrepancies dating as far back

<sup>1</sup> Authorized Leave and Overtime Help Application (ALOHA) is a system for submitting and approving leave and overtime requests. Depending upon the ETAMS timecard's status, ALOHA will update the current ETAMS timecard with data from approved leave requests.

<sup>2</sup> Electronic Time and Attendance Management System (ETAMS) is GSA's time and attendance system of record.

<sup>3</sup> A single discrepancy occurs when the number of leave hours approved in ALOHA for a given employee for a given day does not agree with the number of leave hours actually applied to the same day in ETAMS.

<sup>4</sup> GSA implemented measures to resolve outstanding discrepancies, resulting in a 17 percent reduction in the total number of discrepancies reported from January 10 to March 26, 2015.

as January 2013.<sup>5</sup> While the average discrepancy was 5.9 hours, the volume of these discrepancies raises concern over the reliability and integrity of the leave balance information in ETAMS.

### **System Interface Issue and Inconsistent Application of Compensating Controls Contribute to Reported Discrepancies**

Weaknesses in the design of the interface between ALOHA and ETAMS contribute to the high incidence of employee leave record discrepancies. Although ALOHA is an automated system for employee leave requests and supervisor approvals, there are instances where manual intervention is needed to ensure leave approved in ALOHA is applied to the ETAMS timecard.

Approved leave requests accumulate in ALOHA and are transmitted to ETAMS three times per pay period. Upon successful completion of the transmission, an employee's approved leave in ALOHA is applied to the employee's timecard in ETAMS and deducted from the employee's leave balance. However, an employee's approved leave in ALOHA will not be applied to ETAMS through this process if a manual change was made in ETAMS prior to the ALOHA batch transmittal. Manual entries into an employee's ETAMS timecard are required in a number of scenarios, including entry of telework and overtime hours, premium pay for holidays worked, and court leave. Once posted, these manual entries will prevent leave requests made in ALOHA from transferring automatically to the employee's ETAMS timecard for that pay period. Unless the leave approved in ALOHA is also manually entered into ETAMS in these cases, the employee's leave balance will be inaccurate.

Because of this system interface issue, GSA relies upon manual controls to detect and reconcile discrepancies between ALOHA and ETAMS. However, manual controls have inherent limitations because they require human intervention. Examples of manual controls implemented by GSA include the "Leave Request and Timecard Report" in ALOHA, which employees should check to determine if leave requests were processed properly. In addition, time and attendance procedures have been communicated to GSA supervisory and non-supervisory employees through GSA Order CFO P 4282.1A, *Timekeeping Handbook*, dated May 14, 2009; the ALOHA Leave Request User Guide; video training; and agency-wide emails.

While we did not test the effectiveness of these controls, GSA management indicated that these compensating controls have not been applied consistently throughout GSA. For example, managers do not routinely adhere to manual control procedures regarding updating ALOHA and ETAMS data. Additionally, employees are not checking their leave balances at the end of the pay period, which allows errors in ETAMS to go unnoticed. As a result, GSA does not have assurance that leave balances are accurately reported in ETAMS for a significant number of its employees.

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<sup>5</sup> GSA began using ALOHA in January 2013.

## Conclusion

The results of our assessment have confirmed GSA management's concerns that discrepancies exist between the number of leave hours approved in ALOHA and the number of leave hours applied to employee leave balances in ETAMS. The primary reason for the discrepancies is that the interface, between GSA's employee leave approval system and its time and attendance system, does not have the controls in place to ensure that leave balances are accurately reported.

The Government Accountability Office's *Standards for Internal Control in the Federal Government* direct that interfacing systems should have controls in place to ensure that outputs from the interface are correct and properly distributed.<sup>6</sup> The standards further state that general controls should be in place to support interfacing systems, and that the controls need to be adequate to ensure complete and accurate information processing.

To provide greater assurance over the accuracy of ETAMS, GSA should improve controls related to the system interface. However, GSA does not plan to modify the ALOHA/ETAMS interface itself because the Agency has plans in place to migrate to a new human resources, pay, and time and attendance system.<sup>7</sup> Nevertheless, until the systems migration occurs, GSA should enhance the general controls to resolve and avoid further discrepancies between ALOHA and ETAMS and to ensure the accuracy of employee leave balances. For instance, GSA could establish formal target dates for completing reconciliations to address the leave discrepancy issue. Additionally, training centered on the established controls in the ALOHA/ETAMS environment could be delivered to ensure supervisors and employees understand their roles and responsibilities. Many new hires brought into GSA since ALOHA became active have not had formal training on using the system.

Further, prompt resolution of discrepancies between ALOHA and ETAMS is important given GSA's planned migration from ETAMS to a new human resources, pay, and time and attendance system. During this transition, any inaccuracies in ETAMS employee leave balances will be reflected in the new time and attendance system. Also, it is likely GSA's efforts to reconcile the backlog of discrepancies would be hindered once the legacy ALOHA and ETAMS systems go offline.

## Management Comments

The Chief Financial Officer agreed with our assessment and has initiated steps to reduce leave reporting discrepancies and enhance general controls over ALOHA and ETAMS. Management's written comments on the draft memorandum are included in their entirety in **Appendix A**.

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<sup>6</sup> GAO/AIMD-00-21.3.1, November 1999.

<sup>7</sup> As part of the impending divestiture of GSA's human resources line of business, the GSA Office of Human Resources Management plans to begin the migration of the human resources, payroll, and time and attendance systems to a shared service provider as early as fiscal year 2016. As part of this process, ALOHA and ETAMS will be decommissioned.

I would like to thank you and your staff for your assistance during this assessment. If you have any questions regarding this audit memorandum, please contact me at [ted.stehney@gsaig.gov](mailto:ted.stehney@gsaig.gov)/(202) 501-0374 or the members of the audit team listed below:

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## Appendix A – Management Comments



GSA Office of the Chief Financial Officer

August 27, 2015

MEMORANDUM FOR TED STEHNEY

ASSISTANT INSPECTOR GENERAL  
OFFICE OF THE INSPECTOR GENERAL

FROM

GERARD BADORREK   
CHIEF FINANCIAL OFFICER  
OFFICE OF THE CHIEF FINANCIAL OFFICER

SUBJECT

Systems Interface Issue and Inconsistent Application of Compensating  
Controls May Limit Assurance Over the Accuracy of GSA Employees'  
Time and Attendance Records

Thank you for your draft Audit Memorandum of August 6, 2015, titled "Systems Interface Issue and Inconsistent Application of Compensating Controls May Limit Assurance Over the Accuracy of GSA Employees' Time and Attendance Records". As your draft Memorandum notes, GSA discovered this discrepancy and brought it to the attention of the Office of Inspector General in December 2014, and we appreciate the thoughtful approach you have taken in your assessment of the situation.

GSA concurs with the findings and recommendations in the draft Memorandum. We have been working to reduce these discrepancies. In addition to the 17 percent reduction that you have identified from December 2014 through March 2015, we have been able to reduce discrepancies by an additional 48 percent over the last 4 months. The number of total discrepancies has dropped from the 51,390 on March 26 that you reported in the draft Memorandum to 26,940 on August 8.

GSA agrees with your recommendation to enhance our general controls over both systems in order to continue our progress resolving discrepancies in time and attendance between ETAMS and ALOHA. As you note in your conclusion, we do not plan to modify the ALOHA/ETAMS interface at this time because of our intention to migrate to a new, integrated human resources, pay, and time and attendance system. We have developed a three-part plan to implement your recommendations and improve our general controls in this area.

Improved notification of discrepancies:

- GSA will implement, with a target date of December 3, 2015, a bi-weekly email to all certifiers notifying them of discrepancies between ALOHA and ETAMS leave records, and providing instructions on how to view the discrepancies report in ALOHA to enable them to resolve the issue.
- GSA will implement, also by the December 3, 2015 target date, a pop-up notification alerting individuals of ALOHA/ETAMS discrepancies when they open ALOHA, and requiring them to click an acknowledgement of their responsibility to resolve these variances before they are allowed into the system.

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## Appendix A – Management Comments (cont.)

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- In addition, GSA will create, beginning in September 2015, monthly summary reports for each Service and Staff Office (SSO), alerting the Head of each SSO of all individuals with a variance so they can hold their staff accountable for resolving the discrepancies. None of these alerts or reports would contain PII or other sensitive information.

### Increased training:

- GSA has begun development of formal, mandatory on-line training modules, complete with end-of-course knowledge assessments, on reconciliation of leave requests and balances in ALOHA and ETAMS for all employees, supervisors, certifiers and timekeepers. We plan to launch this training by March 31, 2016 through GSA's On-Line University (OLU).
- In the interim, GSA will offer the following periodic training for employees, supervisors, certifiers and timekeepers:
  - Beginning in mid-October, GSA will offer training the Wednesday after the start of each new pay period, making training on the reconciliation of leave requests and balances in ALOHA and ETAMS available to all new hires on the third day of their employment at GSA, as well as to other staff on a refresher basis. This training will provide specific information on the importance of avoiding discrepancies between ALOHA and ETAMS, and on how to check reports and correct any discrepancies. The importance of taking this training will be communicated and instructions on how to take it will be provided. Current employees will be notified regularly of the training as well.
  - Beginning in mid-November, GSA will offer monthly training for supervisors, certifiers and timekeepers to provide additional training on the reconciliation of leave requests and balances in ALOHA and ETAMS. The forums for this training may include webinars and the use of supervisory forums such as the Supervisor's Lounge. All HSSOs will be asked to ensure that their supervisors and timekeepers take this training.

### Review of policies and general controls regarding time and attendance

- In order to improve general controls and prepare for the migration to a new human resources, pay, and time and attendance system, GSA will review current policies and guidance on time and attendance, including use of ALOHA and ETAMS, to improve or develop additional manual controls that can further reduce discrepancies and errors, and ensure that errors that do occur are identified and corrected expeditiously. This review will be completed and recommendations provided by March 31, 2016, with changes developed and implemented by June 1, 2016.

Thank you again for your assessment and recommendations. The OIG draft Audit Recommendation was extremely helpful to us in developing the above plan, and I look forward to continued consultation with OIG as we implement the steps described above.

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## ***Appendix B – Memorandum Distribution***

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Administrator (A)

Chief Financial Officer (B)

Branch Chief, GAO/IG Response Branch (H1C)

Assistant Inspector General for Auditing (JA)

Deputy Assistant Inspector General for Investigations (JI-D)