

Office of Inspector General

**Review of the Office of the
Secretary
Time and Attendance Practices
A09-05**



July 2009

FEDERAL MARITIME COMMISSION



FEDERAL MARITIME COMMISSION
Office of Inspector General
Washington, DC 20573-0001

July 20, 2009

Office of Inspector General

TO: Karen V. Gregory
Secretary

FROM: 
Adam R. Trzeciak
Inspector General

Subject: Review of Office of the Secretary's Time and Attendance Practices

The Office of Inspector General (OIG) conducted a review of the Office of the Secretary's (OS) Time and Attendance (T&A) practices. The primary objectives of internal control in a T&A system are to ensure that the system complies with applicable legal requirements, supports reporting of reliable financial information, and operates effectively and efficiently. The objective of this review was to assess whether OS complied with agency policies and government regulations concerning employee time and attendance.

The OIG selected T&A records for three employees to test payroll procedures and processes used in OS. One of the employees selected was the lead timekeeper. All records pertained to the 2008 leave year.

The OIG found that OS has implemented controls to ensure the integrity of the T&A process. The Secretary approves all leave requested by staff. Leave is recorded on agency forms which are reviewed by the Secretary before being provided to the timekeeper to record in the payroll system. OS has designated an alternate timekeeper who records the lead timekeeper's T&A. We identified no instances of fraud in the use or administration of leave.

On the other hand, we identified instances of noncompliance with select agency policies and procedures that could ultimately impact the integrity of the T&A process if not corrected. For example, employees did not routinely submit leave requests on OPM Form 71, *Request for Leave or Approved Absence*. In total, we identified 223 hours of leave used without a leave slip by the three sampled employees.

The audit also raised some concerns regarding the administration of compensatory ("comp") time and worker's compensation leave. Specifically, documentation to support earned "comp" time was not available in the payroll file and worker's compensation leave was used without Department of Labor required approvals.

Other observations and findings, and recommendations to address them, are provided in the attached report. We thank OS staff for its help and cooperation during the audit.

cc: Deputy Director, Office of Administration
Special Assistant, Office of Administration
Director, Office of Financial Management
Director, Office of Human Resources

Review of the Office of the Secretary Time and Attendance Practices

The Office of Inspector General (OIG) completed a review of time and attendance (T&A) practices in the Federal Maritime Commission's (FMC) Office of the Secretary (OS). This audit was part of a coordinated review of T&A practices in five Commission bureaus and offices. The audit objective was to assess whether OS complies with agency policies and government regulations concerning T&A reporting.

Background

The FMC has a Service Level Agreement with the U.S. Department of Agriculture, National Finance Center (NFC), to process agency time and attendance records and to pay its employees. The System for Time and Attendance Reporting (STAR), a web-based application, is used by timekeepers to prepare and transmit attendance reports to the NFC as a first step in pay and leave administration. Employees are responsible for accurately recording their time and attendance and certifying the accuracy of their T&A records. Supervisors are responsible for approving work schedules, leave requests and certifying T&A biweekly submissions.

The FMC's Office of Financial Management (OFM) issued Standard Operating Procedures () for T&A in July 2007 and again in April 2008. The SOPs identify procedures and responsibilities relating to the documentation and transmission of the agency's T&A records and processes. The agency also provides guidance to its employees in Commission Order (CO) 64, *Employee Absence and Leave* (December 3, 2004), and CO 92, *Work Schedules*, (December 15, 2003). CO 92 requires employees to document their work schedules on FMC-110, *Employee Request for Work/Telework Schedule* (See Appendix A) and the actual hours worked on FMC-109, *Employee Arrival and Departure Record*.¹ (See Appendix B)

Employee requests for leave (sick, annual or other) are to be made to the supervisor on Office of Personnel Management (OPM) Form 71, *Request for Leave or Approved Absence* (i.e., leave slip) in advance of the proposed leave (See Appendix C). The supervisor can approve, disapprove or modify the request. When the supervisor approves the leave slip it is provided to the timekeeper to reconcile with other supporting documents at the end of the pay period. The employee's signature on the leave request form is a strong control over leave abuse, as it certifies that the *leave/absence requested is for the purpose(s) indicated... and that falsification of information on the form may be grounds for disciplinary action, including removal*. OPM Form 71 provides employees with the option to include their social security number (SSN) on the form when requesting leave. However, in September 2006, the Commission notified its staff that this identifier was no longer needed to process the leave requests.

¹ Employees on compressed work schedules are required to complete FMC-109, however the agency recommends that all employees use the form to document time and attendance.

Timekeepers and alternates are designated by the Director of the office/bureau on FMC-81, *Designation of Authorized Representative* (See Appendix D). The alternate timekeeper is responsible for entering time and attendance information when the primary timekeeper is not available. To ensure that no individual enters his/her own T&A information into STAR the alternate timekeeper also enters the primary timekeeper's T&A bi-weekly. The OS has one timekeeper and one alternate timekeeper.

In OS, the timekeeper relies on the information provided by the employee (i.e. the hours worked/leave used) for STAR system input. The timekeeper also relies upon an internally developed optional form (See Appendix E) which captures much of the same information as the FMC-109, and adds leave codes (for use by the timekeeper) and dates for each day in the pay period. It does not, however, capture the specific arrival and departure times of the employee or certification from the employee that the information is accurate – two key internal controls over misreporting and abuse.

Once the employee's hours worked/leave used are entered into STAR, a report is printed for each employee for that pay period. The timekeeper, employee and the supervisor all certify to the STAR report's accuracy and that leave used was in keeping with federal laws and regulations. It is, therefore, critical that the reports are accurate and supported by detailed records.

Timekeepers are required to maintain each employee's leave on FMC-183, *Annual Attendance Record*, for each pay period (See Appendix F). The maintenance of this form requires the timekeeper to enter the number of annual/sick leave hours an employee uses each day of the pay period. The electronic version of the form automatically calculates the leave balances based on carryover balances at the beginning of the year, the hours an employee accrues each pay period and the number of hours of leave used (when applicable). OFM provides the timekeeper with this form at the beginning of the leave year.

Objectives, Scope and Methodology

According to the Government Accountability Office (GAO), the primary objectives of internal control in a T&A system are to ensure that the system complies with applicable legal requirements, supports reporting of reliable financial information, and operates effectively and efficiently.

The objective of this review was to assess whether OS complied with agency policies and government regulations concerning employee time and attendance. At the time of our audit, OS had a staff of six, including the timekeeper. We selected two employees from the office and the timekeeper for detailed review of their respective leave slips, STAR reports, work schedule requests, employee maintenance data sheets and annual attendance record. The review scope included all pay periods in calendar year (CY) 2008.

We began the review by gaining an understanding of T&A practices used in the OS and compared these practices with OPM and FMC timekeeping rules and regulations. For each

employee in our sample we reviewed STAR reports and reconciled leave taken with leave request forms, and verified that each STAR report contained required certifications (timekeeper, employee and supervisor). We reviewed employee requests for leave to determine whether leave was requested and approved in advance of the leave taken. We also tied leave requests back to the STAR system to verify that leave requested matched leave recorded and inspected each form for Personally Identifiable Information (PII). We reviewed forms FMC-109 and FMC-110 to determine whether they were completed accurately and, when applicable, evidenced supervisory approval. Finally, we reviewed the FMC-183 for accuracy and reconciliation with STAR for the last pay period in the year.²

We conducted the audit in January through June 2009, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on these objectives.

Audit Findings and Recommendations

According to the Government Accountability Office, supervisory approval is a key part of ensuring the propriety of T&A information. The supervisor or other authorized official should review and authorize employees' planned work schedules and applications for leave, and review and approve employee submissions of actual time worked and leave taken.

The Office of the Secretary has taken steps to ensure the propriety of its payroll process. The Secretary approves all leave requests and requires that leave be requested on proper leave request forms. Employees in our sample appropriately excluded social security numbers from leave requests. Both primary and alternate timekeepers have been identified and received targeted training.

OS staff records T&A information on one of two forms: the FMC-109, *Arrival and Departure Record*, or an OS time and leave record. The FMC-109 captures arrival and departure times for each day in the pay period, as well as leave used. The OS "in-house" form does not record daily arrival/departure times, but captures leave used and hours worked for each day in the pay period. FMC policy requires use of the FMC-109, but only for staff working an alternative work schedule. We commend OS for requiring the FMC-109 (or the optional form) from all staff. We found no instances of employees underreporting leave used but we noted that OS staff did not routinely complete required leave slips for leave used.

We identified 67 instances totaling 223 hours of leave used by three employees in our sample without an approved leave request documented in the file. The leave was noted on the FMC-109 or the OS optional form, but, as we discuss below, these forms do not provide the

² Because the OIG relied on timekeepers to supply much of the documentation we audited, we requested the OS staff certify, in writing, that the records were not modified (created, deleted or altered) from the date of our request. The Secretary, primary and alternate timekeeper signed the certification.

same safeguards as the OPM Form 71 and provide no assurances that the leave was requested in advance.

We also identified some minor noncompliance with recordkeeping requirements, which do not cause much risk and are easy to address. For example, the T&A files did not contain employee work schedules for two of the three employees we reviewed and documentation for compensatory time and time-off awards was missing.

We also identified an employee's unauthorized use of worker's compensation leave. The employee and supervisor completed Department of Labor paperwork (DoL) (CA-1, *Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation*) within the required time period from the injury. However, the employee charged worker's compensation leave without DoL approval. Although OS prepared all documentation within the allotted deadlines, the affected employee did not submit the paperwork to DoL for its consideration.

These and other findings, along with recommendations to address the noted deficiencies, are provided below.

Finding 1. Leave Documentation Requirements were not Routinely Followed

According to GAO's T&A guidance, *Maintaining Effective Control over Employee Time and Attendance Reporting*, leave approval should be made by the employee's supervisor before the leave is taken. If leave is not approved in advance, because of an unusual or emergency situation, it should be reviewed for approval or disapproval as soon as reasonably possible after it is taken.

Commission Order (CO) 64, *Employee Absence and Leave*, requires employees to request annual and sick leave, compensatory time off, leave without pay, family and medical leave, and other paid absences, on OPM Form 71, *Request for Leave or Approved Absence*. These requests are initiated by the employee and approved (or disapproved) by the employee's supervisor and, except in extenuating circumstances, are to be submitted in advance of leave used. The form is given to the timekeeper (i) to validate that leave taken in a given pay period was approved and (ii) to identify the number of leave hours used in the pay period for entry into STAR.

We reviewed leave requests forms for the three employees in our sample for each pay period in 2008 (26 pay periods). Specifically, we reviewed whether leave was requested in advance using required leave request forms and reconciled to the STAR reports, and whether leave requests unnecessarily contained Personally Identifiable Information (PII), e.g., social security numbers (SSN).

Leave Slips were not Routinely Used to Request Leave in Accordance with OPM and FMC Regulations

The OS requires staff to request all leave on OPM Form 71, but we found that this policy is generally followed, although there is room for improvement. However, even when we identified exceptions, OS staff noted the hours that were used on FMC-109 or the office’s optional form. This “compensating control” helps to ensure that leave is appropriately recorded. OS managers further explained to the OIG that the office head reviews the FMC-109, STAR report and all other leave documentation for each employee at the end of each pay period and that the Secretary approves all leave in advance. Requests may come via e-mail or a handwritten note summarizing a telephone call. OS staff admitted that many of these documents are not maintained and, thus, it would difficult to reconstruct leave usage from the leave files. Table 1. illustrates the number of hours of leave used during the year without the OPM Form71request form:

Table 1. Employee Leave without OPM Form 71

	<i>Number of Occurrences</i>	<i>Number of Hours</i>
Timekeeper	32	58
Staff	0	0
Staff	35	165
Total	67	223

The OIG identified 67 instances, totaling 223 hours of leave charged by two OS staff, where no approved leave slip was provided for leave used. We relied upon the FMC-109/office optional form to reconcile leave taken with leave entered in STAR. Again, we found leave was appropriately recorded in the payroll system for

all leave identified on the optional forms. However, without leave slips signed by the supervisor, coupled with management’s practice to not require leave slips, it is possible that leave used by staff could be unintentionally overlooked (or intentionally withheld), resulting in missed leave deductions.

Recommendation 1. The OIG recommends that the Secretary require staff to make all requests for leave on OPM Form 71, and that such request be made in advance when possible.

Use of Updated OPM Form 71

We reviewed completed leave slips (when available) to determine whether employees used the revised OPM Form 71 and to identify PII.

The Standard Form 71 was provided to federal employees through OPM in December 1997 until OPM re-issued an updated OPM Form 71 in June 2001. The revised OPM Form 71 requires an employee who requests sick leave to indicate the purpose for the leave, when applicable, which includes (i) *illness/injury/incapacitation of requesting employee* and (ii) *care of family member with a serious health condition*. CO 64 requires an employee who invokes his/her right to Family and Medical Leave to provide medical certification. These requirements provide the employee’s supervisor with additional information relating to the use of sick leave.

Two of the three OS employees we reviewed used the discontinued version of the form on 32 out of 54 documents we reviewed, even though the updated form is provided to FMC employees on the intranet and as an appendix in the SOP for timekeepers.

During our exit conference, OS management informed us that it had addressed this finding. Therefore, the OIG is not making a recommendation, however, we will monitor OS implementation during our semiannual audit recommendation update.

Social Security Numbers on Leave Slips

The SSN is a unique identifier issued to U.S. citizens, and to permanent and temporary residents. However, with increased awareness of identity theft and the need to protect PII, the collection of SSNs for routine uses has been significantly curtailed. PII is any information about an individual which can potentially be used to uniquely identify, contact or locate that individual.

In September 2006, the agency issued guidance to staff regarding the use of PII. The guidance stated, in part, that the SSN was no longer required on leave slips and other agency-used forms. Further, the agency disabled the SSN field on the electronic leave request form. None of the three employees used their SSN on any of the leave slips that were provided. We commend the OS staff for safeguarding PII.

Finding 2. Adherence to Agency Policies

The Commission establishes policies and procedures for staff (employees, timekeepers and supervisors) to follow to ensure compliance with government-wide regulations. Review of timekeeping practices used by the employees in our sample revealed inconsistent compliance with agency guidelines in the following areas.

Employee Request for Work/Telework Schedule

According to CO 92, *Work Schedules*, employees are responsible for completing FMC-110, *Employee Request for Work/Telework Schedule* and submitting it to the supervisor/Director (if applicable) for approval. This enables supervisors to monitor employee arrival and departures. Supervisors are responsible for providing each employee with a copy of the approved or disapproved form FMC-110. This form can be found on the agency's intranet.

One of the three sampled employees, who worked an alternate work schedule (AWS), properly completed the FMC-110. This employee's supervisor approved the schedule. Further, this individual used the revised edition, which includes scheduling for the telework option. The remaining employees did not have a FMC-110 on file.

The OIG recommended that all OS staff update their FMC-110 to reflect their current work hours and obtain approval by the supervisor and/or the Secretary. OS managers told the

OIG that they had already implemented the recommendation. The OIG will monitor OS implementation during our semiannual audit recommendation update.

Employee Arrival and Departure Record

CO 92 requires employees on compressed work schedules (AWS or four 10-hour days) to submit a written record of arrival and departure times on FMC-109, *Employee Arrival and Departure Record*, at the end of each pay period. The form is to be certified by the employee before it is submitted to the timekeeper. Employees working a “regular” work schedule (eight hours per day) are also encouraged to use the form to document hours worked and leave used. When signed by the employee, it provides an audit trail which can be used to validate the accuracy of the T&A.

OS staff uses an optional form/FMC-109 to enter hours worked/leave taken in a pay period. The form contains additional useful information for the employee and timekeeper. For example, OS’s form includes the STAR transaction codes for each type of possible leave, total hours for each day and week, and when the timecards are due. We found all three sample employees provided either form for each pay period in CY 2008, with the minor exception of one employee who provided the form 23 of the 26 pay periods. (This employee was on an alternate work schedule.)

Two of the three employees worked an alternate work schedule. One of the two employees that worked an AWS used FMC-109 and the other used the optional form. The employee that worked an AWS used the optional form for all 26 pay periods. To comply with agency policy we encourage staff that work an alternate work schedule to maintain FMC-109 bi-weekly, or annotate the OS optional form with daily arrival and departure hours.

Finding 3. Certification of STAR

The STAR report is generated by the timekeeper after T&A information has been entered into the STAR system. The STAR report is printed and certified for accuracy by the timekeeper, employee and the supervisor. The T&A SOP states that when an employee is not available to certify the STAR, a notation explaining the employee’s absence shall be made.

Employees and supervisors alike did not always certify all STAR reports. For example, the supervisor did not certify the STAR on 23 occasions while the two staff in our sample did not certify the STAR on 21 occasions (in 52 pay periods). Generally, staff was out of the office (leave, AWS) when the STAR reports were due, which we believe explains many of the missing signatures. But the certifications play an important role in maintaining an effective control environment.

Recommendation 2. We recommend that the Secretary delegate responsibility for certifying the STAR report to the Assistant Secretary when she is out of the office. Also, the OS timekeeper should note the reason an employee was not available to certify on the STAR report.

Finding 4. Maintenance of Other Types of Earned Leave

Employees at the agency can earn compensatory time or a time-off award. Both types of leave must be approved by the supervisor in advance of earning the leave, and both must be documented on OPM Form 71 when used by the employee. Employees are also entitled to workers' compensation when involved in a work-related personal injury.

Compensatory Time

Compensatory time is earned in lieu of overtime pay when permitted under agency flexible work schedule programs for regularly scheduled or irregular or occasional work. Compensatory time is requested and reported on form FMC-70, *Request, Authorization, and Report of Overtime/Compensatory Time*.

The exact compensatory hours worked are to be reported on the FMC-70, and must be approved by the reporting official. This approved form is provided to OFM staff and the timekeeper. An employee cannot use the compensatory hours earned until it is entered by OFM staff into NFC and the timekeeper enters the hours into STAR.

Both GAO's T&A guidance and CO 64, *Employee Absence and Leave*, require that requests for leave approval be approved in advance to allow supervisors time to adjust workload and assignments, and identify hours to be worked. CO 64 also states that requests to use compensatory time are to be submitted to the supervisor for authorization on OPM Form 71.

One of the three staff sampled by the OIG earned seven hours of compensatory time during two pay periods in 2008. The timekeeper did not have supporting documentation (FMC-70) in the file to support time requested and earned, although OFM did have the documents on file. The requests exhibited supervisory approval, but were approved by the requesting and authorizing officials after the compensatory time was earned. When the compensatory time was used by the employee, only five of the seven hours were documented on the OPM Form 71. The remaining two hours were documented on the FMC-109.

Recommendation 3. We recommend the Secretary approve FMC-70 for staff before hours are worked.

Time-Off Award

According to CO 62, *Performance and Incentive Awards* (August 30, 2004), a time-off award is a future excused absence without charge to leave or loss of pay. Award approval is

initiated on form FMC-79, *Recommendation for Performance or Incentive Award*, by the immediate supervisor for periods not exceeding 8 hours. For longer periods, FMC-79 is reviewed and approved by an official at a higher level than the official who made the initial decision and submitted to the Director of Office of Human Resources (OHR). Use of the time-off award should be documented on the OPM Form 71, under "other paid absences."

Once the award is approved the hours are entered into NFC's database by OHR staff and entered into STAR by the timekeeper. Copies of the approved FMC-79 are provided to the employee, the employee's supervisor, the recipient's timekeeper and OFM. The timekeeper is provided a copy of FMC-79 to enter the hours into STAR. The T&A SOP provides instructions to the timekeeper on the processes of entering the time-off award into STAR. An employee cannot use the time-off award until it has been entered into both systems (NFC & STAR).

For two of three employees that we sampled, we could not locate an FMC-79 in the T&A files. We were able to obtain the documents, however, from OFM. We determined that the FMC-79 was accurately completed, but noted that the 18 hours, when used by the employee, were not requested or documented on OPM Form 71, but were accurately noted on the FMC-109.

Recommendation 4. We recommend the OS timekeeper maintain supporting documents for all transactions entered into STAR.

Worker's Compensation

The Federal Employees' Compensation Act of 1993 is administered by the Office of Workers' Compensation Programs (OWCP) of the U.S. Department of Labor (DoL). It provides compensation benefits to civilian employees of the United States for disability due to personal injury sustained while in the performance of duty or to employment-related disease. The FMC's policy on workers' compensation is found in CO 59, *Occupational Safety & Health* (June 14, 2000).

An employee who sustains a disabling, job-related traumatic injury may request continuation of regular pay for the period of disability not to exceed 45 calendar days. When an injury occurs the employee must complete Form CA-1, *Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation*, (DoL form) within 30 days of the date of injury to receive continuation of pay for a disabling traumatic injury. Until approved by DoL, the employee cannot use Worker's Compensation leave – s/he must use sick or annual leave until approval, then substitute all leave used with the approved OWCP leave. If the claim is ultimately denied by the DoL, the employee will not be able to reimburse his/her sick or annual leave accounts with OWCP leave.

CO 59, *Occupational Safety & Health* provides employees with regulations and guidance to ensure that the work environment fully complies with applicable legislation and regulations governing the occupational safety and health of Federal employees. However, the T&A SOP does not provide specific guidance to timekeepers regarding OWCP leave requirements, processes and DoL determinations.

One of the three employees we sampled suffered an on-the-job injury in March 2008. OS completed Form CA-1 which was then certified by the employee and the immediate supervisor within the required timeframe. The employee used 11 hours of OWCP leave in pay periods 5 and 6. At the time of the injury, the employee had a negative annual leave balance and a beginning balance of 6 hours of sick leave.

According to OWCP regulations, the employee should have used sick or annual leave until DoL approved the claim. (When an employee does not have sufficient annual or sick leave to cover job-related injuries, as occurred in this example, CO 64, *Employee Absence and Leave*, allows an employee to request advance sick leave with proper documentation.) Further, review of the employee's T&A files found no documentation to indicate that DoL approved the claim. The timekeeper, employee and supervisor certified the STAR reports for the charge of OWCP leave.

Our follow up to DoL found that the FMC did not submit a claim request to DoL for this injury. According to the Director, OHR, it is the employee's responsibility to submit the claim to DoL. Once received, DoL then notifies OHR when the claim is accepted. No notification was received for this claimant in OHR. As a result, the employee made an improper charge to OWCP leave. The employee's leave balance should be charged 11 hours of sick leave (or annual leave).

Recommendation 5. We recommend that the timekeeper request OFM to adjust the employee's leave balance to reflect 11 hours of OWCP hours improperly used.

Finding 5. Maintenance of the Annual Attendance Record with Errors

The T&A SOP states that T&A clerk shall record all leave taken during the pay period to the employee's FMC-183, *Annual Attendance Record*, which is available manually or electronically. Each calendar year the timekeeper is provided a blank FMC-183 for this purpose. This record is to be maintained regularly, as it is used to create and verify leave balances, and it is routinely used by OFM to make corrections to the NFC database when errors occur.

We used a modified version of this form to perform a leave audit for the three employees in our sample using balances carried over from the last pay period CY 2007, leave slips, FMC-109 and hours charged on STAR and compared it to the FMC-183 maintained by the timekeeper.³ The modified version had other elements relating to our testing of the records. Only one of the three sample employees' leave balances (sick leave) reconciled with FMC-183, our leave audit and STAR. For the other leave balances for the sampled employees we found discrepancies in annual and sick leave balances that carried over into CY 2009. Adjustments to correct these leave balances must be performed by OFM staff.

The results of the OIG's leave audit are provided on the following page:

³ A leave audit reconciles opening leave balances, leave earnings and usage, with closing leave balances for a predetermined time period.

Table. 2 Leave Audit Results

	<i>OS Timekeeper</i>	<i>Employee 1</i>	<i>Employee 2</i>
Annual Leave – STAR	214	176	4
Annual Leave – FMC-183	214	172	16
Annual Leave – Leave Audit	222	145	4
Difference	8	(27)	(12)
Sick Leave – STAR	510	198	4
Sick Leave – FMC-183	510	198	4
Sick Leave – Leave Audit	502	225	4
Difference	(8)	27	0

The GAO Standards for Internal Controls states *transactions should be promptly recorded to maintain their relevance and value to management in controlling operations and making decisions.* The CO 64, also states *timekeepers will keep accurate records and supervisors will carefully*

monitor the use of advance annual leave. With incorrect leave balances, employees may be using leave that they are not entitled too.

Recommendation 6. We recommend the timekeeper maintain the Annual Attendance Record for CY 2008 to reflect reconciliation based on leave slips, FMC-109 and STAR reports, to ascertain the correct leave balances for its employees and provide FMC-183 to OFM for corrections in NFC and STAR.

Memorandum

TO : Inspector General

DATE: July 16, 2009

FROM : Secretary

SUBJECT : Response of OS Management to the OIG's Audit Report on OS Time and Attendance Practices

This memorandum constitutes management's response to the subject OIG Audit Report transmitted in draft form on May 21, 2009. Subsequently, the OIG conducted an exit conference to discuss the report's findings, and on June 6, 2009, transmitted a slightly modified report. The OIG's modifications did not alter the initial draft report message.

The OIG found that the OS has taken steps to ensure the integrity of the T&A process and safeguards personally identifiable information. The Audit Report noted that the Secretary approves all leave requests and requires that leave be requested on proper leave request forms (Audit Report at 3). The OIG commended the OS for requiring all OS staff to use Form FMC-109 or its optional "in-house" form to document leave use, regardless of whether a staff member is on an alternative work schedule (*Id.* at 3). The Audit Report also noted that while there were some instances of non-compliance with select agency policies and procedures and some minor recordkeeping issues that did not cause much risk and were easy to correct, the Audit did not identify any instances of fraud in the use or administration of leave (*Id.* at 4 and draft OIG cover memo transmitting the Audit Report).

In the report and in the exit conference, the OIG noted the OS's supplemental office procedures and documentation designed to record and track staff arrival and departure. In addition to the required and optional forms used to capture staff leave use, the OS uses a shared electronic office calendar to capture employee leave, training, and other events. It also uses email messages to document leave, and the Secretary routinely notes staff leave on her personal calendar. These measures as well as use of required and optional forms for documenting leave use, evidences a staff approach that takes seriously the importance of the Commission's time and attendance regulations.

The OS concurs with the OIG's recommendations even though they are not designed to address a determination of waste, fraud or abuse. Below are our comments.

- 1. The OIG recommends that the Secretary require staff to make all requests for leave on OPM Form 71, and that such request be made in advance when possible.**

We concur with the recommendation. All staff have been reminded of the need to use Form 71, and to use this form to request leave in advance when possible. However, we note that in every instance when a staff member requests leave, a decision was/is made by the supervisor in advance of leave use, as to whether the leave will be approved or not. This is the case especially when family matters or extenuating circumstances prevent a staff member from preparing and submitting Form 71 prior to taking leave.

- 2. We recommend that the Secretary delegate responsibility for certifying the STAR report to the Assistant Secretary when she is out of the office. Also, the OS timekeeper should note the reason an employee was not available to certify on the STAR report.**

We concur with the recommendation and have taken the necessary steps to give the Assistant Secretary authority to both approve leave and certify the STAR report. This has been in place since early calendar year 2009 with the appointment of the new Assistant Secretary. Please note that during the time period for which the audit was conducted, the Commission's Secretary position was vacant for 9 months, and with the appointment of the Assistant Secretary to the Secretary position, the Assistant Secretary position was vacant for the remainder of the audit period.

- 3. We recommend the Secretary approve FMC-70 for staff before hours are worked.**

We concur with the recommendation and have reminded staff of the procedures applicable and proper documentation for requesting and using compensatory time earned.

- 4. We recommend the OS timekeeper maintain supporting documents for all transactions entered into STAR.**

We concur with the recommendation and have discussed it with the current timekeeper. OS management also anticipates training and shifting this responsibility to a new staff member in the very near future.

- 5. We recommend that the timekeeper request OFM to adjust the employee's leave balance to reflect 11 hours of OWCP hours improperly used.**

We concur with the recommendation and have directed the timekeeper to make the specified adjustments to the employee's leave balance.

- 6. We recommend the timekeeper maintain the Annual Attendance Record for CY 2008 to reflect reconciliation based on leave slips, FMC-109 and STAR reports, to ascertain the correct leave balances for its employees and provide FMC-183 to OFM for corrections in NFC and STAR.**

We concur with the recommendation and have directed the timekeeper to maintain and reconcile the Annual Attendance Record for CY 2008 against specified documentation for the 3 sampled employees, verify and confirm their correct leave balances, and provide FMC-183 to OFM for corrections in NFC and STAR for these employees. In addition, we have directed the timekeeper to maintain and reconcile the Annual Attendance Record for CY 2008 against specified documentation for all other OS staff, verify and confirm their correct leave balances, and provide FMC-183 to OFM for any other corrections needed in NFC and STAR for these employees.


Karen V. Gregory
Secretary

**FEDERAL MARITIME COMMISSION
EMPLOYEE REQUEST FOR WORK/TELEWORK SCHEDULE**

To: _____

- I request a regular work schedule.
- I request that the following flexible hours be established for me.

Arrival time : _____

Departure time : _____

- I request that the following compressed work AND/OR telework schedule be approved for me. Please indicate 8-hour day, day off, or telework day, as appropriate. If requesting episodic teleworking, designate work hours and check the episodic teleworking line.

First week of pay period.

Monday	:	_____	a.m. to	_____	p.m.
Tuesday	:	_____	a.m. to	_____	p.m.
Wednesday	:	_____	a.m. to	_____	p.m.
Thursday	:	_____	a.m. to	_____	p.m.
Friday	:	_____	a.m. to	_____	p.m.

Episodic teleworking

Second week of pay period.

Monday	:	_____	a.m. to	_____	p.m.
Tuesday	:	_____	a.m. to	_____	p.m.
Wednesday	:	_____	a.m. to	_____	p.m.
Thursday	:	_____	a.m. to	_____	p.m.
Friday	:	_____	a.m. to	_____	p.m.

Employee's Signature

Date

SUPERVISORY RECOMMENDATION

- Approve
- Approve as modified
- Disapprove (justification attached)

Supervisor's Signature

Date

- Approved
- Approved as modified
- Disapproved

Bureau or office director's signature

Date

cc: Employee
Timekeeper

FEDERAL MARITIME COMMISSION

Employee Arrival and Departure Record

Name _____

Pay Period Beginning _____ Ending _____

DAY	ARRIVAL TIME	DEPARTURE TIME	LEAVE (hours)	
			ANNUAL	SICK
MONDAY				
TUESDAY				
WEDNESDAY				
THURSDAY				
FRIDAY				
MONDAY				
TUESDAY				
WEDNESDAY				
THURSDAY				
FRIDAY				

I hereby certify the accurateness of this information.

Employee Signature

Date

Request for Leave or Approved Absence					
1. Name (Last, first, middle)				2.	
3. Organization					
4. Type of Leave/Absence					5. Family and Medical Leave
Check appropriate box(es) and enter date and time below)	Date		Time		Total Hours
	From	To	From	To	
<input type="checkbox"/> Accrued annual leave					
<input type="checkbox"/> Restored annual leave					
<input type="checkbox"/> Advance annual leave					
<input type="checkbox"/> Accrued sick leave					
<input type="checkbox"/> Advance sick leave					
Purpose: <input type="checkbox"/> Illness/injury/incapacitation of requesting employee <input type="checkbox"/> Medical/dental/optical examination of requesting employee <input type="checkbox"/> Care of family member, including medical/dental/optical examination of family member, or bereavement <input type="checkbox"/> Care of family member with a serious health condition <input type="checkbox"/> Other					
If annual leave, sick leave, or leave without pay will be used under the Family and Medical Leave Act of 1993 (FMLA), please provide the following information: <input type="checkbox"/> I hereby invoke my entitlement to family and medical leave for: <input type="checkbox"/> Birth/Adoption/Foster care <input type="checkbox"/> Serious health condition of spouse, son, daughter, or parent <input type="checkbox"/> Serious health condition of self					
Contact your supervisor and/or your personnel office to obtain additional information about your entitlements and responsibilities under the FMLA. Medical certification of a serious health condition may be required by your agency.					
<input type="checkbox"/> Compensatory time off					
<input type="checkbox"/> Other paid absence (specify in remarks)					
<input type="checkbox"/> Leave without pay					
6. Remarks					
7. Certification: I certify that the leave/absence requested above is for the purpose(s) indicated. I understand that I must comply with my employing agency's procedures for requesting leave/approved absence (and provide additional documentation, including medical certification, if required) and that falsification of information on this form may be grounds for disciplinary action, including removal.					
7a. Employee signature				7b. Date signed	
8a. Official action on request <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved (If disapproved, give reason. If annual leave, initiate action to reschedule.)					
8b. Reason for disapproval					
8c. Signature				8d. Date signed	
Privacy Act Statement Section 6311 of title 5, United States Code, authorizes collection of this information. The primary use of this information is by management and your payroll office to approve and record your use of leave. Additional disclosures of the information may be: To the Department of Labor when processing a claim for compensation regarding a job connected injury or illness; to a State unemployment compensation office regarding a claim; to Federal Life Insurance or Health Benefits carriers regarding a claim; to a Federal, State, or local law enforcement agency when your agency becomes aware of a violation or possible violation of civil or criminal law; to a Federal agency when conducting an investigation for employment or security reasons; to the Office of Personnel Management or the General Accounting Office when the information is required for evaluation of leave administration; or the General Services Administration in connection with its responsibilities for records management.					
Public Law 104-134 (April 26, 1996) requires that any person doing business with the Federal Government furnish a social security number or tax identification number. This is an amendment to title 31, Section 7701. Furnishing the social security number, as well as other data, is voluntary, but failure to do so may delay or prevent action on the application. If your agency uses the information furnished on this form for purposes other than those indicated above, it may provide you with an additional statement reflecting those purposes.					

FEDERAL MARITIME COMMISSION

DESIGNATION OF AUTHORIZED REPRESENTATIVE

INSTRUCTIONS: A new form must be completed and forwarded to the Office of Financial Management whenever the designee or alternate changes.

NAME OF DESIGNEE (Print above, last name first)	SIGNATURE OF DESIGNEE
NAME OF ALTERNATE (Print last name first)	SIGNATURE OF ALTERNATE
ORGANIZATIONAL AREA OF RESPONSIBILITY	
DESIGNEE (or Alternate) IS AUTHORIZED TO <input type="checkbox"/> 1. CERTIFY/APPROVE TIME AND ATTENDANCE CARDS <input type="checkbox"/> 2. ACT IN THE CAPACITY OF TIME AND ATTENDANCE CLERK. <input type="checkbox"/> 3. REQUEST/APPROVE TRAVEL AUTHORIZATIONS, TRAVEL VOUCHERS AND LOCAL TRAVEL REIMBURSEMENTS. <input type="checkbox"/> 4. OTHER (SPECIFY) _____ _____	ADMINISTRATIVE LIMITATIONS This cancels previously issued FMC-81
SIGNATURE AND TITLE OF OFFICIAL AUTHORIZED TO DESIGNATE REPRESENTATIVE Signature _____ Title _____	DATE

Employee Name:	From: Jan. 7 2008					Pay Period No. 1					Note:		
	To: Jan. 18, 2008												
	TC Code	Mon	Tue	Wed	Thu	Fri	Totals Week 1	Mon	Tue	Wed	Thu	Fri	Totals Week 2
Regular Hours Worked	01												
Annual Leave	61												
Donated Annual Leave	61/61												
Sick Leave	62												
Family Friendly Sick	62/62												
Holiday/Admin/Jury Duty	66												
LWOP	71												
Comp Time	64												
Dates		Jan 7	Jan 8	Jan 9	Jan 10	Jan 11		Jan 14	Jan 15	Jan 16	Jan 17	Jan 18	

Timecards Due: January 21, 2008

ANNUAL LEAVE RECORD - 2009

Pay Period	A - Annual							S - Sick							H - Holiday							Annual Leave	Sick Leave	Comp Hours									
	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT				Earned	Used	Balance	Earned	Used	Balance	Earned	Used	Balance
1 Jan 4 - Jan 17																																	
2 Jan 18 - Jan 31			H							H																							
3 Feb 1 - Feb 14																																	
4 Feb 15 - Feb 28																																	
5 Mar 1 - Mar 14																																	
6 Mar 15 - Mar 28																																	
7 Mar 29 - Apr 11																																	
8 Apr 12 - Apr 25																																	
9 Apr 26 - May 9																																	
10 May 10 - May 23																																	
11 May 24 - Jun 6																																	
12 Jun 7 - Jun 20																																	
13 Jun 21 - Jul 4																																	
14 Jul 5 - Jul 18																																	
15 Jul 19 - Aug 1																																	
16 Aug 2 - Aug 15																																	
17 Aug 16 - Aug 29																																	
18 Aug 30 - Sep 12																																	
19 Sep 13 - Sep 26																																	
20 Sep 27 - Oct 10																																	
21 Oct 11 - Oct 24																																	
22 Oct 25 - Nov 7																																	
23 Nov 8 - Nov 21																																	
24 Nov 22 - Dec 5																																	
25 Dec 6 - Dec 19																																	
26 Dec 20 - Jan 2																																	

Form FMC-183 (Front)

Last, First, MI

Leave Cat. Code

Service Comp Date