

# VIII Appendices

## Appendix A – FY 2006 Performance Measures and Results

The OCC's FY 2006 performance measures, workload indicators, customer service standards, and results are presented below.

Strategic Goal	Performance Measure Workload Indicator Customer Service Standard	FY 2003	FY 2004	FY 2005	FY 2006	
					Target	Actual [1]
I. A safe and sound national banking system						
	Percentage of national banks with composite CAMELS rating of 1 or 2	94%	94%	94%	90%	<b>95%</b>
	Rehabilitated problem national banks as a percentage of the problem national banks one year ago (CAMELS 3, 4 or 5)	32%	40%	44%	40%	<b>46%</b>
	Percentage of national banks that are categorized as well capitalized	99%	99%	99%	95%	<b>99%</b>
	Percentage of critically undercapitalized banks on which responsible action is taken within 90 calendar days after they become critically undercapitalized	100%	100%	N/A [2]	100%	100%
	Average survey response that the report of examination clearly communicated examination findings, significant issues and the corrective actions management needed to take [3]	1.26	1.30	1.28	≤ 1.75	1.30
II. Fair access to financial services and fair treatment of bank customers						
	Percentage of national banks with consumer compliance rating of 1 or 2	96%	96%	94%	94%	<b>94%</b>
	Percentage of qualified intermediate small banks to which the OCC offers to provide consultation on the Community Reinvestment Act and community development opportunities	100%	100%	100%	100%	100%
	Percentage of consumer complaints closed within 60 calendar days of receipt [4]	N/A	N/A	N/A	Baseline	36%
	Number of consumer complaints opened/closed during the fiscal year [4]	N/A N/A	N/A N/A	N/A N/A	Baseline Baseline	31,827 32,945
III. A flexible legal and regulatory framework that enables the national banking system to provide a full, competitive array of financial services						
	Percentage of external legal opinions issued within established time frames	87%	87%	86%	86%	89%
	Number of external legal opinions issued during the fiscal year	92	119	119	120	70
	Percentage of licensing applications and notices filed electronically	8%	34%	38%	40%	36% [5]
	Number of licensing applications and notices filed electronically during the fiscal year	182	893	1,256	1,600	1,367
	Percentage of licensing applications and notices completed within established time frames	97%	96%	96%	95%	94% [6]
	Number of licensing applications and notices completed during the fiscal year	1,918	2,477	2,128	2,000	2,425
	Average survey rating of the overall licensing services provided by OCC [7]	1.14	1.20	1.19	≤ 1.5	1.2

Strategic Goal	Performance Measure Workload Indicator Customer Service Standard	FY 2003	FY 2004	FY 2005	FY 2006	
					Target	Actual [1]
IV. An expert, highly motivated, and diverse workforce that makes effective use of OCC resources						
	Total OCC costs relative to every \$100,000 in bank assets regulated	N/A	N/A	N/A	Baseline	<b><i>\$8.84</i></b>

[1] FY 2006 performance numbers shown in bold italics are estimates. Some performance data is obtained from quarterly call reports from banks. The September 30, 2006 call reports are not due until 30 or 45 days after the end of the period. Additionally, examinations concluded late in the fiscal year are not finalized for another 30 to 60 days. As a result, complete fiscal year data is not yet available, therefore, estimates have been reported.

[2] There were no critically undercapitalized national banks in FY 2005.

[3] The examination survey is based on a five-point scale, in which 1 indicates complete agreement and 5 indicates complete disagreement.

[4] In FY 2006 OCC revised reporting on the consumer complaints measure and related workload indicators to exclude inquiries and appeals at the recommendation of the General Accountability Office. As such, prior year reporting is no longer presented because the data is not comparable and FY 2006 is shown as the baseline year.

[5] The OCC did not meet the target of receiving 40 percent of all licensing application and notice filings electronically (36 percent actual) because of the unexpected filing of 208 branch applications from a single national bank that preferred paper filings over electronic filings. These 208 branch application filings contributed to a 40 percent increase in branch application filings for the district licensing unit responsible for this bank, compared with branch application filings during the previous year.

[6] This year, several applications that initially appeared to be routine in nature required additional processing time due to unique circumstances that became apparent in the course of application review, for example, branch applications with historical preservation issues. This caused the OCC performance on this measure to be marginally below target.

[7] The licensing survey is based on a five-point scale, in which 1 indicates outstanding and 5 indicates significantly deficient.

## Appendix B – Financial Performance Measures

The following is a discussion of OCC’s financial performance measures and the results achieved during FY 2006.

### Prompt Payment

The Prompt Payment Act and the OMB Circular A-125 require agencies to make payments on time, pay interest penalties when payments are late, and take discounts only when payments are made on or before the discount date. The OMB’s goal is a prompt payment rate of greater than 98 percent. The OCC’s prompt pay rate was 99.9 percent

in FY 2006 as compared to 99.6 percent in FY 2005. In FY 2006, the OCC was offered 96 vendor discounts for a total of \$63,176. The OCC took 92 percent of the discounts offered saving a total of \$57,809. Table 9 summarizes the OCC’s prompt payment performance for FYs 2006 and 2005.

**Table 8: Prompt Payment Performance, FY 2006 and 2005**

	FY 2006 Amount	FY 2005 Amount	FY 2006 Number	FY 2005 Number
Invoices paid	\$114,074,064	\$81,266,691	28,869	22,472
Invoices paid late	\$698,940	\$2,247,318	36	81
Interest penalties paid	\$221	\$1,198	23	53

### Electronic Funds Transfer

The use of Electronic Funds Transfer (EFT) rather than a paper check for payments provides greater control over payment timing and reduces payment cost. During FY 2006, the OCC continued to maximize the use of payment

mechanisms as required by the Debt Collection Improvement Act of 1996. Table 10 summarizes EFT usage for FYs 2006 and 2005.

**Table 9: Electronic Funds Transfer Performance, FY 2006 and 2005**

	FY 2006	FY 2005
Vendor payments	99.6%	99.5%
Employee payments	100.0%	100.0%

### Erroneous Payments

The erroneous payments program meets the criteria of IPIA to support the Department of the Treasury’s strategic goal, “Ensure Professionalism, Excellence, Integrity and Accountability in the Management and Conduct of the Department of the Treasury.” The OCC analyzed payments (excluding payroll) made during FY 2006 and identified 89 erroneous payments totaling \$140,120. Erroneous payments

are identified and monitored daily to ensure prompt recovery. The underlying causes and contributing factors are identified quickly, and control measures are implemented to prevent additional erroneous payments. The OCC corrected and recovered all erroneous payments made during the year.

**Methodology for Identifying Improper Payments**

The OCC conducts both pre-payment reviews and post-payment audits to identify improper or erroneous payments. The OCC conducts a 100 percent pre-payment review of all supplier invoices and payment files prior to transmission to Treasury. As part of its sensitive payments program, the OCC conducts a 100 percent pre-payment review of executive and international travel vouchers and relocation payments, thereby helping to prevent erroneous payments. The OCC uses a sampling approach to audit travel vouchers and data-mining techniques to detect potential erroneous payments for post-payment audit activities. Immediately upon their identification, the OCC initiates collection activity to ensure recovery of funds. Also, the OCC is conducting a business process improvement review of the non-payroll process to bring about efficiencies and to determine the need for additional controls.

Based on the analyses, the OCC has concluded that erroneous payments do not exceed the Treasury threshold, which is both 2.5 percent of non-payroll payments and \$10 million. The OCC is compliant with the Erroneous Payments and Recovery Act of 2001 and the IPIA.

**Other Significant Financial Management Measures**

The OCC continued to meet the Treasury-mandated monthly 3-day close requirement throughout FY 2006. Financial Management reconciled all accounts each month, completing 98.4 percent within 7 workdays, supporting the delivery of the monthly Financial Status Reports to management within 8 workdays. In addition, the OCC's delinquency rate for individually billed government travel cards continued to be less than 1 percent of the total balance outstanding.

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