



SOCIAL SECURITY

MEMORANDUM

Date: June 26, 2002

Refer To:

To: The Commissioner

From: Inspector General

Subject: Follow-up Evaluation of the Use of Official Time for Union Activities at the Social Security Administration (A-13-01-11005)

The attached final report presents the results of our evaluation. Our objective was to assess the corrective actions the Social Security Administration (SSA) had taken to address recommendations in our July 1998 report, *Use of Official time for Union Activities at the Social Security Administration (A-13-97-72013)*. Specifically, we examined the actions SSA took to improve the recording and reporting of official time and SSA's related management oversight.

Please comment within 60 days from the date of this memorandum on corrective action taken or planned on each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in blue ink, appearing to read "James G. Huse, Jr.", written in a cursive style.

James G. Huse, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**FOLLOW-UP EVALUATION OF
THE USE OF OFFICIAL
TIME FOR UNION ACTIVITIES
AT THE SOCIAL SECURITY ADMINISTRATION**

June 2002

A-13-01-11005

**EVALUATION
REPORT**



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

Executive Summary

OBJECTIVE

The objective of our review was to assess the corrective actions the Social Security Administration (SSA) has taken to address recommendations in our July 1998 report, *Use of Official time for Union Activities at the Social Security Administration (A-13-97-72013)*. Specifically, we examined the actions SSA took to improve the recording and reporting of official time¹ and SSA's related management oversight.

BACKGROUND

In June 1996, the House Committee on Ways and Means conducted hearings on labor union activities at SSA. During the hearings, the General Accounting Office provided the results of its review of the time and costs associated with union activities at SSA. Based on its limited verification of hours spent on union activities as reported by SSA, the General Accounting Office reported that official time was underreported. The General Accounting Office testified that "...it is not possible to estimate the actual time spent agencywide for any reporting period because of limitations in SSA's reporting systems."² Consequently, Congress requested that we provide a more in-depth examination of the use of official time and associated costs.

In 1998, we reported the results of our audit of SSA's Fiscal Year (FY) 1996 official time use and costs. We concluded that management oversight weaknesses and problems associated with SSA's processing and reporting of official time prevented the Agency from producing reliable reports. We made specific recommendations for improving the recording, reporting, and management oversight of official time (Appendix A).

In March 2000, we responded to a request from the Committee on Ways and Means, Subcommittee on Social Security, concerning the status of corrective actions SSA had taken to address our 1998 report. As part of our response, we informed the Subcommittee that we would initiate a follow-up review of SSA's reported corrective actions. We reviewed actions taken in response to 8 of 10 recommendations.³ Since the Agency was limited in its ability to respond to one recommendation and did not agree with the other recommendation, we did not review SSA's actions related to these matters. This report provides the results of our follow-up review.

¹ Official time is granted by negotiation of a bargaining agreement for time during which an SSA employee is performing union-related activities rather than performing Agency-assigned work.

² GAO/HEHS-97-3 report.

³ Of the 10 recommendations contained in the report, we reviewed Agency actions intended to address report recommendations 1, 3, 4, 5, 6, 7, 8, and 10.

Each year, as requested by the House Appropriations Committee Report 105-205, Federal agencies report labor union-related activities and costs to Congress. In FY 2000, SSA reported that it used about 403,500 official time hours for union-related activities at a cost of approximately \$13.5 million. The Agency also reported that 1,864 union representatives used official time. Of these, 127 union representatives “spent 100 percent of their time on union activities.”⁴

SSA's Oversight of Official Time Use

The Office of Labor-Management and Employee Relations (OLMER) within the Deputy Commissioner’s Office of Human Resources at SSA Headquarters administers the Agency’s labor-management and employee relations program. OLMER also represents the Agency in labor union negotiations; develops Agency-wide policies and procedures for the use of official time; oversees the recording, reporting, and management of official time; and reports official time use and costs to Congress.

RESULTS OF REVIEW

SSA took action to address certain recommendations contained in our July 1998 report, *Use of Official Time for Union Activities at the Social Security Administration* (A-13-97-72013). Although SSA has taken action to address the recommendation concerning the retention of official time records, the Agency's policy did not comply with Federal requirements.

CONCLUSION AND RECOMMENDATION

SSA has taken action to address our July 1998 recommendations to improve the recording, reporting, and management oversight of official time use. For example, the Agency created a special team to provide management oversight of official time. Such actions indicate the Agency continues to make progress toward improving its accountability of official time use and costs. Although SSA did take action to address our recommendations, a noteworthy deficiency still exists concerning the retention of official time records. The Agency's policy for the retention of time and attendance records should comply with Federal requirements. Consequently, we recommend that SSA:

1. Update its policies to comply with Federal requirements to ensure that time and attendance records are retained for 6 years.

⁴ An employee using official time to perform representational activities for 75 percent or more of all work hours is considered a full-time union representative.

AGENCY COMMENTS

SSA agreed with our recommendation. In addition, the Agency provided technical and editorial comments. The full text of the Agency's comments is included in Appendix C.

OIG RESPONSE

We reviewed the Agency's formal comments and agree with the editorial changes. In addition, we agree in part, with the technical comments related to the *Other Matters* and have made the appropriate changes.

SSA stated in its technical comments that its record retention schedules are in full compliance with the National Archives and Record Administration's guidelines that Time and Attendance rosters be kept 6 years. Further, the Agency stated that it maintains its retention schedules in the Operational and Administrative Records Schedules System (OARS) on the SSA Digital Library (<http://library.ba.ssa.gov/quicklist.htm>). We were unable to verify this information.

Moreover, the Agency stated that the problem cited in our report refers to an addendum made to the 1998 *Official Time/Partnership Yearbook* instructing supervisors of Union Representatives to maintain official time forms for 3 years. We disagree with the Agency. We based our review on the Agency's records retention policy for time and attendance, which is denoted in the Department of Health and Human Services' Guide for Timekeepers. During our review, staff in the Center for Policy and Staffing, within the Office of Personnel Operations, identified the Department of Health and Human Services' Guide as containing the Agency's official time and attendance record retention policy.

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Acronyms

AFGE	American Federation of Government Employees
COBOL	Common Business Oriented Language
CSRA	Civil Service Reform Act of 1978
FY	Fiscal Year
OLMER	Office of Labor-Management and Employee Relations
OUTTS	Official Union Time Tracking System
LRS	Labor Relations Specialist
LRL	Labor Relations Liaison
MOU	Memorandum of Understanding
OPM	Office of Personnel Management
OARS	Operational and Administrative Records Schedules System
PART	Program Analysis and Research Team
RO	Regional Office
SSA	Social Security Administration
UR	Union Representative

INTRODUCTION

OBJECTIVE

The objective of our review was to assess the corrective actions the Social Security Administration (SSA) has taken to address recommendations in our July 1998 report, *Use of Official time for Union Activities at the Social Security Administration* (A-13-97-72013). Specifically, we examined the actions SSA took to improve the recording and reporting of official time and SSA's related management oversight.

BACKGROUND

In June 1996, the House Committee on Ways and Means conducted hearings on labor union activities at SSA. During the hearings, the General Accounting Office testified that "... SSA underreported the official time spent on union activities. Further, it is not possible to estimate the actual time spent Agencywide for any reporting period because of limitations in SSA's reporting systems."⁵ Consequently, Congress requested that we provide a more in-depth examination of the use of official time and associated costs.

In 1998, we reported the results of our audit of SSA's Fiscal Year (FY) 1996 official time use and costs. We concluded that management oversight weaknesses and problems associated with SSA's processing and reporting of official time prevented the Agency from producing reliable reports. We made specific recommendations for improving the recording, reporting, and management oversight of official time (Appendix A).

In March 2000, we responded to a request from the Committee on Ways and Means, Subcommittee on Social Security, concerning the status of corrective actions SSA had taken to address our 1998 report. As part of our response, we informed the Subcommittee that we would initiate a follow-up review of SSA's reported corrective actions.

Each year, as requested by the House Appropriations Committee Report 105-205, Federal agencies report labor union-related activities and costs to Congress. In FY 2000, SSA reported that it used about 403,500 official time hours for union-related activities at a cost of approximately \$13.5 million. The Agency also reported that 1,864 union representatives (UR) used official time. Of these, 127 employees "spent 100 percent of their time on union activities."⁶

⁵ GAO/HEHS-97-3 report.

⁶ An employee using official time to perform representational activities for 75 percent or more of all work hours is considered a full-time UR.

Unions at SSA

The Civil Service Reform Act of 1978 (CSRA)⁷ authorized official time use and provided a basis for Federal agency and labor unions to negotiate collective bargaining agreements.

The CSRA:

- gives employees a statutory right to use official time to attend contract negotiations and negotiate whether labor URs are granted official time for other labor and management activities, such as conducting and receiving training;
- permits Federal agencies to provide the labor unions routine services and facilities at the agency's expense; and
- prohibits official time use for internal union business, such as soliciting members.

SSA employees are represented by four labor unions. Each union's collective bargaining agreement specifies the number of URs it is allowed. As of December 2000, SSA had a total of 2,462 URs. The American Federation of Government Employees (AFGE) has 2,283 URs, Association of Administrative Law Judges/International Federation of Professional and Technical Engineers has 147 URs, National Treasury Employees Union has 31 URs, and National Federation of Federal Employees has 1 UR. Use of official time is limited to URs.

SSA's Oversight of Official Time Use

The Office of Labor, Management, and Employee Relations (OLMER) within the Deputy Commissioner's Office of Human Resources at SSA Headquarters administers the Agency's labor-management and employee relations program. OLMER also represents the Agency in labor union negotiations; develops Agency-wide policies and procedures for the use of official time; and oversees the recording, reporting, and management of official time and reports official time use and costs to Congress.

Before 1998, SSA used variations of a manual reporting process to report official time use and costs. In 1996, SSA piloted the Official Union Time Tracking System (OUTTS). OUTTS is an automated information system intended to track the use of official time. For example, the system tracks bank⁸ and non-bank⁹ official time hours; monitors URs' use of official time for certain activities, and generates management reports. In

⁷ 5 U.S.C. §§ 7101 *et seq.* (2001).

⁸ "Bank time" is official time that is allocated for certain representational activities based on a negotiated bargaining agreement between SSA and the union(s).

⁹ "Non-bank time" is official time that may be used for union activities based on a negotiated bargaining agreement without a cap or limit on the amount of time that can be used by the UR.

July 1998, SSA and AFGE signed a Memorandum of Understanding (MOU) to use OUTTS for recording the official time use of URs located in field offices and teleservice centers. An electronic spreadsheet was used to capture official time by the other Agency components (SSA Headquarter offices, program service centers, and the Offices of Hearings and Appeals) to record and report the use of official time.

On May 10, 2001, SSA and AFGE signed another MOU. It expanded the use of OUTTS for recording and reporting official time use of AFGE-designated URs in all Agency components. As of December 2000, AFGE-designated URs represented 76 percent of all Agency URs. The remaining 24 percent of the Agency's URs¹⁰ official time use was recorded and reported using the electronic spreadsheet.

Recording and Reporting of Official Time Use

OLMER uses labor relations specialists (LRS) and liaisons (LRL) to oversee the recording, reporting, and management of official time use within SSA. LRS are located in Agency regional offices (RO) and verify and report the use of official time for the field offices and teleservice centers using OUTTS. LRLs are located at other Agency locations and record and report official time use by utilizing the electronic spreadsheet.

Both OUTTS and the electronic spreadsheet process require URs to submit official time forms¹¹ to their supervisors for review and approval when they use official time. As of the date of our review, there were three official time forms in use.¹² The location and/or labor union affiliation of the UR determines which form is used. After the supervisor approves the official time form, appropriate information is subsequently entered into either OUTTS or the electronic spreadsheet, whichever system is used.

For official time reporting using OUTTS, OLMER relies on the LRS in the RO to check the accuracy of information reported by the field offices and teleservice centers. Fifteen days upon the end of each fiscal quarter, OLMER provides the LRS with an OUTTS-generated summary report containing official time use for that quarter.¹³ OLMER requests that this information be reviewed for accuracy. Each RO uses whatever process it has developed to verify official time use. Once the review is complete, the LRS signs and sends a response to OLMER verifying the accuracy of the report.

¹⁰ These are URs for the Association of Administrative Law Judges/International Federation of Professional and Technical Engineers; National Treasury Employees Union; and National Federation of Federal Employees.

¹¹ The MOU signed on May 10, 2001 also included an agreement to develop an electronic official time form to eliminate the use of multiple paper forms. No specific time was designated in the MOU for implementation of the electronic official time use form.

¹² URs use an official time form to report official time activity. The form numbers are *SSA-75-U4*, *SSA-75-U4-F* and *SSA-478*.

¹³ Supervisors can input and edit data entered into OUTTS until the 15th day of the month following the close of the quarter.

When the electronic spreadsheet is used to report official time use, OLMER relies on LRLs in the non-field office components to check the accuracy of information contained on the spreadsheet. Within 10 days of the end of each fiscal quarter, LRLs in non-field office components are notified via e-mail to review reported official time use. Attached to the e-mail are (1) an electronic spreadsheet with a UR listing; (2) a form identifying various official time information to be reported; and (3) instructions for the completion of the quarterly report spreadsheet. The LRLs are instructed to enter data, total official time hours reported, and verify active URs. The completed documents are electronically sent to OLMER.

After 15 days upon the close of the quarter, OLMER is the only entity authorized to make changes to reported official time in the OUTTS system. If changes are necessary, the appropriate field office routes the documentation through the regional office with the requested changes. OLMER makes all adjustments to the official time use reported during the fourth quarter of the FY.¹⁴

SCOPE AND METHODOLOGY

To assess the corrective actions taken to address recommendations in our July 1998 report related to recording, reporting, and management oversight of official time, we reviewed applicable laws, policies, procedures, internal reports, and external reports. In addition, we took the following actions.

- We interviewed personnel in SSA's OLMER and the Office of Information Management Systems to obtain information concerning actions taken by SSA to address prior audit report recommendations. We also obtained information about the policies, procedures, and practices used in the recording, reporting, and management of official time use.
- We visited a district office in Baltimore, Maryland.¹⁵ We interviewed staff and observed activities related to the recording and reporting of official time use. We also reviewed a random sample of completed official time forms, observed the process for recording official time use in OUTTS, and assessed the record retention of official time forms.
- We assessed the information generated from OUTTS to determine whether the system was able to provide an accurate list of current URs and coding of official time activities; verify official time data are entered; and confirm official time data entries are made for union officers. Of the 127 URs that spent 75 percent or more of their

¹⁴ The same process is used for both OUTTS and the electronic spreadsheet to request changes and make adjustments to reported official time use.

¹⁵ We selected this SSA office based on proximity to SSA's Headquarters.

time on union activities during FY 2000, we selected a random sample of 30 URs¹⁶ to review. For our sample, we matched the official time form information for the fourth quarter of FY 2000 with official time use reported in OUTTS.¹⁷ We used common business orientation language (COBOL) computer programs to match the OUTTS data files and extract pertinent information.¹⁸

- We reviewed procedures used to implement the OUTTS system. For example, we reviewed SSA's validation procedures used for implementing OUTTS requirements. We also examined SSA's authentication of procedures used to accumulate data in OUTTS, and we reviewed the testing of the functional requirements and enhancements.
- We obtained and reviewed policies and procedures that were issued in response to related 1998 audit report recommendations, bargaining agreements, *Official Time/Partnership Activities Yearbook – 1998*, and reports issued annually to Congress concerning official time use and costs.

The work we performed during our review was limited to certain recommendations in our 1998 report.¹⁹ We did not assess corrective actions taken to determine whether official time is being used for appropriate activities and amounts of time²⁰ or the recording and reporting of "Partnership time" as official time.²¹ In addition, we did not perform work related to allegations or suspicions of official time abuse.

We conducted this review in Baltimore, Maryland. The entity reviewed was OLMER within the Deputy Commissioner's Office of Human Resources. We performed our review from March 2001 through June 2001 in accordance with *the Quality Standards for Inspections* issued by the *President's Council on Integrity and Efficiency*.

¹⁶See Appendix B for information concerning the sampling methodology used.

¹⁷ The names of full-time URs and their profile, for example, location, allocated bank hours, used bank hours, and affiliations, are examples of information used for our match.

¹⁸ COBOL Program 1 matched OUTTS' "UR" files with its "name" file. COBOL Program 2 matched the output from program 1 with OUTTS' "profile" and "bank files." COBOL Program 3 matched the output from Program 2 to the OUTTS' "activity file."

¹⁹ See Appendix A. Recommendations 2 and 9 in the 1998 Report were not addressed in this report.

²⁰ Federal Service Labor-Management Relations statute and decisions and the Agency's collective bargaining agreement restricts management discretion in approving or denying official time requests. Management's authority to elicit detailed information concerning requests for official time use is limited.

²¹ SSA did not agree with this recommendation. Before the release of our 1998 report, the Commissioner determined that time spent on Partnership activities should not be considered official time. The Commissioner's decision was based on the premise that Partnership activities do not constitute the type of representational activity defined in the Federal Service Labor-Management Relations statute.

Results of Review

SSA took action to address certain recommendations in our July 1998 report, *Use of Official time for Union Activities at the Social Security Administration* (A-13-97-72013). Of the 10 recommendations contained in the report, we reviewed Agency actions intended to address report recommendations 1, 3, 4, 5, 6, 7, 8, and 10. Although SSA has taken action to address the recommendation concerning the retention of official time records, the Agency's policy did not comply with Federal requirements.

Agency Had Taken Action To Address Certain Report Recommendations

SSA took action concerning recording and reporting of official time

Our 1998 report identified several deficiencies related to the recording and reporting of official time information. In the report, we stated these weaknesses prevented us from determining whether official time use and costs were accurately reported to

Congress. We made 10 specific recommendations for improving the recording, reporting, and management oversight of official time. Of these, highlights of eight recommendations as well as a description of the Agency's corrective actions taken to address the recommendations follow.

Recommendation 1: Improve official time information. We determined that SSA was maintaining an accurate, up-to-date list of URs.²² For the fourth quarter of FY 2000, we determined that the number of URs did not exceed the limitations specified in the bargaining agreements between SSA and the labor unions.

Recommendation 3: Monitor the coding or categorizing of the type of UR activity so activities that have limits are not improperly reported as an unlimited activity. Before the release of our July 1998 report, SSA issued a memorandum to its supervisors instructing supervisors to monitor URs' coding/categorizing of union-related activities to prevent exceeding limits on certain activities. In addition, the employee unions' collective bargaining agreements specify that the supervisor should receive sufficient general information when official time is used, to ensure the activity is one for which official time would be authorized. However, URs are not required to discuss details of the activity with the supervisor.

We verified that OUTTS monitors the limits placed on official time use by national, regional and local allocations. OUTTS can issue alerts to supervisors when URs are close to exhausting the allocation of official time available for use. We did not determine whether all supervisors using the electronic spreadsheet for recording and

²² We did not perform procedures to determine whether only authorized URs received supervisory approval for the use of official time.

reporting of official time use complied with the guidance for monitoring URs' coding/categorizing of union-related activities. Review of official time use by the URs in our sample using OUTTS and the electronic spreadsheet indicated all were within the limitations specified for official time use.

In addition, the Program Analysis and Research Team (PART) conducts periodic official time reviews of Agency components reporting official time use. SSA established PART to provide management oversight of the Agency's official time use. As an oversight function, PART examines a sample of official time forms for accuracy and interviews the supervisors concerning official time reporting issues.

Recommendation 4: *Improve procedures to ensure that allegations or suspicions of abuse are resolved in a timely manner.* After the issuance of our report, SSA negotiated collective bargaining agreements that contain provisions for handling allegations and suspicions of abuse. OLMER reports it relies on the bargaining agreement provisions to administer the process for handling such allegations or suspicions. Further, the Deputy Commissioner for Human Resources issued guidance to reinforce bargaining agreement provisions dealing with official time issues and suspicions or allegations of official time abuse. The guidance established a process for discussing such allegations and advising supervisors of the disposition of their referrals of suspected abuse situations.

Recommendation 5: *As recommended, OUTTS can confirm receipt of official time recorded within the system.* However, SSA relies on LRLs to ensure that official time use is accurately entered onto the electronic spreadsheet. Upon the close of each FY quarter, PART forwards official time use reports to LRLs. After reviewing the reports, policy requires that LRS and LRLs notify PART of any adjustments to the official time recorded in OUTTS or on the electronic spreadsheet. As previously stated, PART is the only entity authorized to make changes in reported official time after the close of the FY quarter. If changes are needed, PART makes all requested adjustments to official time at the end of the FY. When PART reviews information contained in the OUTTS-generated or electronic spreadsheet-generated quarterly reports, the LRS and LRLs are contacted if official time use is not reported.

Recommendation 6: *Improve controls to ensure that official time records are accurately summarized and reported.* SSA implemented OUTTS to track the time URs spent on union activities. When OUTTS is used to record and report official time use, PART issues OUTTS-generated summary reports for the fiscal quarter to the LRS. Also, at the end of the FY, reports containing all official time use and adjustments for the FY are issued to the LRS for review. To determine whether the information contained in the reports is accurate, the LRS are asked to reconcile information contained in the report with official time records. After reconciling the information, the LRS' notify PART of any needed adjustments.

For OUTTS and the electronic spreadsheet process, OLMER states that each location uses its own, self-developed process for the reconciling of the summary report.

Recommendation 8: We also recommended in our 1998 report that SSA *develop policies and procedures to ensure official time is consistently reported for union officers.* In August 1998, SSA and AFGE signed an MOU requiring union officers to complete an official time form each week. OLMER reports the official time use of URs, including union officers, on a quarterly basis to SSA's Office of Budget, Division of Finance. The Division of Finance uses this information to calculate the Agency's cost for the use of official time.

Recommendation 10: In our 1998 report, we recommended that SSA *establish a mechanism to evaluate official time use benefits, disadvantages, and impact on service to the public.* SSA complied with the Office of Personnel Management's (OPM) request for Calendar Year 1998 official time data by using OLMER's information for compiling and reporting official time use. Further, SSA's management stated that OLMER's system for collecting and reporting official time use enables the evaluation of official time use benefits and its impact on the Agency's service to the public. In its 1998 report to OPM, SSA did not report any disadvantages regarding the use of official time.

In reviewing SSA's annual reports to Congress from FY 1998 to FY 2000, we found the Agency has complied with certain reporting requirements.²³ SSA provided information on official time costs associated with union activities, the benefits of official time use, and information concerning official time use affecting service to the public. However, we did not find disadvantages of official time use included in any documentation or statements provided to Congress. We did not independently verify the accuracy of the information reported to OPM in November 1998 or the information reported to Congress from 1998 to 2000.

²³ As requested by the House Appropriations Committee Report 105-205, SSA submits an annual report to Congress on official time use and costs of union activities.

SSA created a special team to oversee official time use

In August 1999, SSA established PART to provide management oversight of the Agency's official time use. PART issues official time policies and procedures and is responsible for compiling and reporting SSA's official time use and costs to Congress. In addition, PART conducts monthly teleconference discussions²⁴ with LRS and LRLs about official time recording and reporting and performs periodic reviews (*Official Time Reviews*)²⁵ of official time use.

When performing its ad hoc reviews, PART examines completed official time forms and conducts interviews with supervisors. The Team documents its findings and makes recommendations to improve any detected deficiencies. If recurring errors are detected, PART reviews the recording and reporting of specific offices' official time use.

During our review, we observed a PART teleconference discussion and reviewed *Official Time Review* reports for FYs 1999 through 2001. The monthly teleconference calls provide an efficient way to convey current information on official time use and discuss relevant union-related issues. In addition, the *Reviews* provide SSA management an assessment of official time use and offer recommendations to improve cited deficiencies.

SSA's Record Retention Policy Did Not Comply With Federal Requirements

Although SSA took action to address our July 1998 recommendations to improve the recording, reporting, and management oversight of official time use, a noteworthy deficiency still exists concerning the retention of official time records. In our 1998 report, we recommended that *SSA establish a uniform retention policy for official time records*. At that time, we stated that documents needed to be maintained to verify data on official time records and may be necessary to resolve any allegations or suspicion of misuse.

In 1999, to reinforce SSA's official time use record retention policy, OLMER issued an addendum to the *1998 Official Time/Partnership Yearbook*.²⁶ The Yearbook required supervisors of URs to maintain official time forms for a 3-year period or for longer periods of time, if litigation is pending on the issue or if the matter is in the administrative

²⁴ PART schedules monthly conference calls with all LRSs and the LRLs to discuss issues relating to official time use and the implementation of OUTTS, and it responds to any concerns relating to union-related activities.

²⁵ As of September 2001, PART has completed seven reviews. In FYs 1999 and 2000, three reviews and three follow-up reviews were completed in the same areas: (1) Headquarters, (2) Philadelphia region and (3) Chicago region. One review was conducted in FY 2001 in the Seattle regional office.

²⁶ The *Official Time/Partnership Activities Yearbook* consolidated all policies and procedures on official time use into one central location.

or judicial process. The 3-year period for retaining the forms conformed to SSA's policy for the retention of time and attendance records.

Within the Government, the preservation of records is critical to ensure that each agency's records contain accurate and complete documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency. The National Archives and Records Administration is responsible for establishing policies that govern the retention and destruction of Federal agencies' records. National Archives and Records Administration's policy, *General Records Schedule 2, Payroll and Administration Records, Time and Attendance*, sections 7 and 8, establishes Federal regulations for the retention and destruction of time and attendance records. The *General Records Schedule 2* states that time and attendance documents and associated input records can be destroyed after a General Accounting Office audit is conducted, or when 6 years has expired, whichever occurs first.

Although the addendum to the *1998 Official Time/Partnership Yearbook* complied with SSA policy, SSA's policy for the retention of time and attendance records does not comply with Federal requirements concerning the retention of time and attendance documents and associated input records. As a result, the Agency may not be keeping official time records for the required period to substantiate official time use and costs.

Conclusion and Recommendation

SSA has taken action to address our July 1998 recommendations to improve the recording, reporting, and management oversight of official time use. For example, the Agency created a special team to provide management oversight of official time. Such actions indicate that the Agency continues to make progress toward improving its accountability of official time use and costs. Although SSA did take action to address our recommendations, a noteworthy deficiency still exists concerning the retention of official time records. The Agency's policy for the retention of time and attendance records should comply with Federal requirements.

Consequently, we recommend that SSA:

1. Update its policies to comply with Federal requirements to ensure that time and attendance records are retained for 6 years.

AGENCY COMMENTS

SSA agreed with our recommendation. In addition, the Agency provided technical and editorial comments. The full text of the Agency's comments is included in Appendix C.

OIG RESPONSE

We reviewed the Agency's formal comments and agree with the editorial changes. In addition, we agree in part, with the technical comments related to the *Other Matters* and have made the appropriate changes.

SSA stated in its technical comments that its record retention schedules are in full compliance with the National Archives and Record Administration's guidelines that Time and Attendance rosters be kept 6 years. Further, the Agency stated that it maintains its retention schedules in the Operational and Administrative Records Schedules System (OARS) on the SSA Digital Library (<http://library.ba.ssa.gov/quicklist.htm>). We were unable to verify this information.

Moreover, the Agency stated that the problem cited in our report refers to an addendum made to the 1998 *Official Time/Partnership Yearbook* instructing supervisors of Union Representatives to maintain official time forms for 3 years. We disagree with the Agency. We based our review on the Agency's records retention policy for time and attendance, which is denoted in the Department of Health and Human Services' Guide for Timekeepers. During our review, staff in the Center for Policy and Staffing, within the Office of Personnel Operations, identified the Department of Health and Human

Services' Guide as containing the Agency's official time and attendance record retention policy.

Other Matters

In 1998, we recommended that SSA improve its management controls to ensure that official time use is accurately summarized and reported. At that time, we suggested that SSA reconcile various official time information and identify duplicate reporting of official time use. During this review, we determined that official time information is reconciled when OUTTS and the electronic spreadsheet process are used to record and report official time.

Of the 30 URs included in our sample, we compared the FY 2000 fourth quarter official time forms (7,607 hours) for 22 URs to the official time use recorded in OUTTS (7,746 hours). We identified discrepancies in our comparison for 10 URs. For these URs, we identified the underreporting of 241 hours and the overreporting of 102 hours in OUTTS. When summed, these discrepancies resulted in a total of 139 hours of official time not reported. The estimated cost of these hours is about \$4,000.

For the same time period, we also compared official time forms to the electronic spreadsheet used to record and report official time for the remaining eight URs in our sample. We identified 256 hours over reported on the spreadsheet. The estimated cost of these hours is approximately \$7,000.

As a result of the above discrepancies, about \$11,000 (395 hours) in official time cost was incorrectly reported. Of this amount, the Agency overreported \$7,000 in official time costs and underreported \$4,000 in official time costs.

During our comparison of the official time forms and the reported official time, we also noted the following.

- Official time forms were missing for the period reviewed.
- Official time forms were not signed and authorized by the supervisor.

Although the discrepancies noted during our review are not significant, we are providing this information to SSA for its use in taking corrective actions, as it deems necessary and appropriate, to improve the accuracy of the official time costs reported to Congress.

Appendices

Prior Office of the Inspector General Audit

In 1998, we completed an audit on the *Use of Official Time for Union Activities at the Social Security Administration (A-13-97-72013)*. We concluded that management oversight weaknesses and problems associated with SSA's processing and reporting of official time prevented the Agency from producing reliable reports. We made specific recommendations for improving the recording, reporting, and management oversight of official time. Listed below are the 1998 report recommendations.

Recommendation 1

Maintain accurate, up-to-date listings of union representatives (UR), as required by the collective bargaining agreement to ensure that:

- a) Supervisors only approve requests for the use of official time for authorized URs.
- b) The number of authorized URs does not exceed the limitations specified in the collective bargaining agreements at any given time.

Recommendation 2

Improve its management oversight to help determine whether official time is used for appropriate activities and appropriate amounts of time. To accomplish this objective, SSA should:

- a) Instruct supervisors to have official time forms filled out as precisely as possible using existing codes and sub-codes where applicable. If more diligent completion of the official time forms still does not enable supervisors to make an informed decision as to the appropriateness of the activity or the time requested or used for that activity, SSA should pursue revisions of the forms toward that end during negotiations on future collective bargaining agreements.
- b) Instruct supervisors of National Treasury Employees Union URs to use the prescribed official time forms in accordance with the terms of the collective bargaining agreement.
- c) Remind all supervisors that official time must be approved in advance of its usage.
- d) Periodically verify a sample of official time used to ensure that official time records are accurate.

Recommendation 3

Monitor the coding or categorizing of the type of UR activity so that activities that have limits are not improperly reported as *an* unlimited activity. To accomplish this objective, SSA should require that information on the official time record specifying the type of activity be completed time be used, the user must specify the activity for which the official time is used, and periodically test such records for accuracy.

Recommendation 4

Improve procedures to ensure that allegations or suspicions of abuse are resolved in a timely manner. Procedures should address time frames for union cooperation in providing requested documents, a specific document retention schedule for union copies of official time forms, and a process to address situations where time frames are not met or the union does not cooperate. Also, supervisors should be advised of the disposition of their referrals whenever appropriate.

Recommendation 5

Improve controls to ensure that official time data are complete. There should be confirmation of receipt when official time reports are submitted. Also, a followup by appropriate labor relation's staff should be required for any period in which a report was not filed.

Recommendation 6

Improve controls to ensure that official time records are accurately summarized and reported. SSA should:

- a) Reconcile individual official time records to summary reports and reconcile component and/or regional summary reports to the Agency-wide report before it is provided to the Office of Personnel Management and the Congress.
- b) Compare official time records that have been submitted by supervisors to any records that may have been previously reported or calculated into the totals to identify duplicate reporting of official time.
- c) Compare the official time records to the amounts summarized and entered in the automated system (YY system) for processing official time.

Recommendation 7

Establish a uniform retention policy for official time records. These source documents need to be maintained to verify the data on official time records and may be necessary to resolve any allegations or suspicion of misuse.

Recommendation 8

Develop policies and procedures to ensure official time is consistently reported for union officers. This will correct the inconsistent reporting which has caused an overstatement of the salary costs for some union officers.

Recommendation 9

Revise its policies and procedures for recording Partnership Time so that URs, as well as SSA supervisors, know which of the activities should be reported as “partnership” or official time. Official time records should be revised to reflect these changes.

Recommendation 10

To comply with Office of Personnel Management’s request for Calendar Year 1998 data on official time, SSA should establish a mechanism to evaluate the benefits and disadvantages of official time and its impact on SSA’s service to the public.

Sampling Methodology

In Fiscal Year 2000, there were 1,864 union representatives (URs) who used official time. Of those, 127 URs spent 75 percent or more of all work hours using official time. We randomly selected 30 of the 127 URs for our sample. For the 30 URs, we reviewed the official time records and applicable data entries: 22 URs recording and reporting official time use in Official Union Time Tracking System (OUTTS) and 8 URs recording official time on electronic spreadsheets. We selected and reviewed information from the fourth quarter of Fiscal Year 2000 because it was the most recent time period for which official time information was available.

We did not determine whether official time use was appropriately recorded and reported for the 1,864 URs. Using the sample of 30 URs, we assessed the recording and reporting capabilities associated with OUTTS and the electronic spreadsheet processes. For our sample, we determined whether OUTTS and the electronic spreadsheets' "data fields" recorded and reported official time use information.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: April 8, 2002 **Refer To:** S1J-3

James G. Huse, Jr.
Inspector General

From: Larry Dye /s/
Chief of Staff

Subject: Office of the Inspector General (OIG) "Follow-up Evaluation of the Use of Official Time (OT) for Union Activities at the Social Security Administration"
(A-13-01-11005)—INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report content and recommendation are attached.

Staff questions may be referred to Laura Bell on extension 52636.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) “FOLLOWUP EVALUATION OF THE USE OF OFFICIAL TIME (OT) FOR UNION ACTIVITIES AT THE SOCIAL SECURITY ADMINISTRATION (SSA)” A-13-01-11005

We appreciate the opportunity to comment on the draft report. Overall, we found value in the report contents and recommendation. We are also providing technical comments that should be incorporated into the final report.

Recommendation 1

SSA should update its policies to comply with Federal requirements to ensure that time and attendance records are retained for 6 years.

Comment

We agree. The Office of Human Resources (OHR) highlighted the change in the official time (OT) documentation retention period at the March 13, 2002, monthly OT conference call. OHR also documented the change in a formal memorandum to all concerned parties, which was released on March 29, 2002. We have enclosed a copy for your information.

Technical Comments

Retention Policy

OIG stated in the draft report that the Agency's policy for the retention of time and attendance records should comply with Federal requirements and recommended that SSA update its policies to ensure that time and attendance records are retained for 6 years.

The Agency's records retention schedules are in full compliance and agree with National Archives and Records Administration's guidelines that Time and Attendance rosters be kept for 6 years. SSA's retention schedules are maintained in the automated system referred to as OARS ("Operational and Administrative Records Schedules System") on the SSA Digital Library (<http://library.ba.ssa.gov/quicklist.htm>).

The problem cited in the OIG report refers to an addendum made to the "1998 Official Time/Partnership Yearbook" instructing supervisors of Union Representatives (UR) to maintain official time forms for a 3-year period. The final report should reflect that the Agency's retention policies are correct and that the Agency will take remedial action concerning information published in the 1998 Official Time Partnership Yearbook.

Other Matter

After examination and comparison of the data on the 30 union reps sampled through the use of official time forms and the automated OUTTS system, we understand how OIG reached the total discrepancy of 395 hours. However, we do not believe the comparison should be identified as it is in this section. The discrepancy in the number of hours should not be portrayed as a difference, or as either under reporting or over reporting. It is incorrect to say that \$11,000 in official time cost was not reported to Congress. At the very least, if the hours are reported as currently shown, the 256 hours minus the 139 hours amount to a difference of 117 hours (\$4,000).

OIG Contacts and Staff Acknowledgments

OIG Contacts

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Acknowledgments

In addition to those named above:

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Sandra Westfall, Analyst-in-Charge

Steve Weal, Senior Auditor

Donna Parris, Auditor

Charles Zaepfel, Computer Specialist

For additional copies of this report, please visit our web site at www.ssa.gov/oig or contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-1375. Refer to Common Identification Number A-13-01-11005.

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Total	97

Overview of the Office of the Inspector General

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The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency.

Office of Executive Operations

OEO supports the OIG by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

Office of Investigations

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.