

REVIEW OF GSA'S TELEWORK PROGRAM
REPORT NUMBER A050197/O/F/F07005
NOVEMBER 14, 2006



U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

Date: November 14, 2006

Reply to: Acting Deputy Assistant Inspector General
Attn of: Finance and Administrative Audit Office (JA-F)

Subject: Review of GSA's Telework Program
Report Number A050197/O/F/F07005

To: Gail T. Lovelace
Chief Human Capital Officer
Office of the Chief Human Capital Officer (C)

This report presents the results of our review of GSA's Telework Program. The objectives of this review were to determine if GSA has developed adequate procedures for implementation of the Telework Program, if those procedures were operating effectively, and if proper management and monitoring is in place to oversee the program. To accomplish our objective we interviewed Office of the Chief Human Capital Officer (CHCO) officials and Regional Telework Coordinators, performed a survey of the Telework Program through the use of questionnaires, recalculated the number of GSA associates participating in the program as reported to the Office of Personnel Management for 2003 and 2004, tested payroll and travel records for a selected sample of teleworkers, and reviewed policies and procedures applicable to GSA's Telework Program.

Based on our review of GSA's Telework Program, we found that the CHCO should take steps to ensure that the policies and procedures established for the Telework Program are fully implemented throughout the agency. During our review we determined that GSA's Telework Program was not consistently implemented in the three regions selected for testing. Additionally, our testing found that monitoring controls were not sufficient to ensure that GSA accurately determined and reported the number of participants in GSA's Telework Program. Furthermore, we found GSA's Telework guidance inconsistent with the current guidelines contained in the Federal Register.

If you have any questions regarding this report, please contact me on (202) 501-0006.

A handwritten signature in cursive script, appearing to read "Anthony W. Mitchell".

Anthony W. Mitchell
Acting Deputy Assistant Inspector General for Auditing
Finance and Administrative Audit Office (JA-F)



**Review of GSA's Telework Program
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EXECUTIVE SUMMARY

Purpose

The objective of our review on GSA's Telework Program was to determine whether GSA had developed adequate procedures for the implementation of the Telework Program, if those procedures are operating effectively, and whether there is proper management and monitoring in place to oversee the program.

Background

Telework provides associates the opportunity to work from home or at a telecommuting center on an occasional or recurring basis. Telework programs have become increasingly widespread in the Federal government since the Federal Flexible Workplace Pilot Project, co-directed by the General Services Administration (GSA) and the Office of Personnel Management (OPM), identified a number of benefits to teleworking, including improvement in employee productivity and retention, reduced transportation costs and traffic congestion, and improved air quality. In Fiscal year 2001, the Department of Transportation and Related Agencies Appropriation Act included a provision that "Each executive agency shall establish a policy under which eligible employees of the agency may participate in telecommuting to the maximum extent possible without diminished employee performance." In response to this Act, GSA has established a goal to be a leader in the development and overall use of flexible workplace programs, including telework.

Results-in-Brief

Our review of GSA's Telework Program found that the program has not been consistently implemented throughout the three regions selected for testing. Furthermore, the monitoring controls put into place to track the number of associates participating in the Telework Program are not sufficient to ensure the accuracy of externally reported data. Finally, GSA's telework guidance is inconsistent with the Federal telework guidelines published in the Federal Register.

Recommendations

We recommend that GSA's Office of the Chief Human Capital Officer (CHCO) take the following steps to help ensure GSA effectively implements, monitors, and manages the Telework Program:

- Implement an agency-wide training program, outlining telework expectations, procedures, and policies for Regional Coordinators, Telework Supervisors, and Teleworkers to create a Telework Program that is administered consistently throughout the organization.

- Implement monitoring controls by developing an agency-wide tracking system or database to identify associates who are participating in the telework program.
- Review current telework guidance and update as necessary in accordance with recent guidance issued by OPM.
- Review the official duty station of full time teleworkers to ensure the associates are receiving the correct locality pay.

INTRODUCTION

Background

Telework provides associates the opportunity to work from home or at a telecommuting center on an occasional or recurring basis. Working jointly to promote a governmentwide telework initiative, GSA and OPM have identified a number of benefits to telework including: improvement in employee productivity and retention, reduced transportation costs and traffic congestion, and improved air quality. In addition, a telecommuting program provides an alternative workplace in the event of national and local emergencies.

Over the past several years, Congress has sought to encourage government agencies to increase employee participation in telework through legislation. For instance, the Department of Transportation and Related Agencies Appropriations Act, 2001 (P.L.106-346) required each executive agency to establish a policy under which eligible employees may participate in telework to the maximum extent possible without diminished employee performance. Additionally, the Consolidated Appropriations Act, 2005 (P.L. 108-447) mandated that \$5,000,000 of appropriated funds would be withheld if certain agencies did not certify that telecommuting opportunities were made available to 100 percent of their eligible workforce.

To facilitate the implementation of a telework program within GSA, revisions were made to Chapter 12 of the *GSA Time and Leave Administration Handbook* (GSA Order OAD P 6010.4) in September 1996. Under the provisions of the amended policy, the Personnel Policy and Planning Division (CPP) was given responsibility for the implementation and administration of GSA's Telework Program. In addition, a National Telework Coordinator was established to organize the Telework Program within GSA. The National Telework Coordinator relies on Regional Coordinators to provide a listing of program participants in their respective regions which is used to compile GSA's annual telework survey submitted to OPM.

GSA has established eligibility criteria for the agency's Telework Program to ensure that telework is beneficial for the associate and the agency. In order to be considered for the program, an associate's duties should be such that they can be effectively performed at an alternative worksite. The associate must demonstrate through job performance that they are qualified to participate in the program. Specifically, an associate's most recent performance rating must be at least fully successful. Final approval for participation in the program is determined at the discretion of management.

Objective, Scope, and Methodology

The objective of our audit was to answer the following questions:

Has GSA developed adequate procedures for implementation of the Telework Program within the agency?

Are those procedures operating effectively to manage the program?

Is proper management and monitoring in place to effectively oversee the Telework Program?

To accomplish our audit objectives we:

- Reviewed GSA policies and procedures applicable to GSA's Telework Program.
- Interviewed CHCO Officials and Regional Telework Coordinators.
- Performed a survey of GSA's Telework Program through the use of questionnaires issued to a randomly generated sample selection of fifty teleworkers per region selected for testing and their supervisors.
- Recalculated the number of GSA associates participating in the Telework Program, as reported to OPM for 2003 and 2004.
- Tested payroll and travel records for a selected sample of teleworkers.

Based on a review of the telework rosters prepared by the regions during 2005, we chose to perform testing for those regions which reported the highest number of telework participants, including the New England, Southeast Sunbelt, and National Capital Regions. For our testing of payroll and travel records, we also included teleworkers from the Greater Southwest Region in our sample. The audit was conducted from May 2005 to February 2006 in accordance with generally accepted government auditing standards.

RESULTS OF AUDIT

We found that the CHCO should take steps to ensure that the policies and procedures established for the Telework Program are fully implemented throughout the agency. During our review we determined that GSA's Telework Program was not consistently implemented in the three regions selected for testing. Additionally, our testing found that monitoring controls were not sufficient to ensure that GSA accurately determined and reported the number of participants in GSA's Telework Program. Furthermore, we found GSA's Telework guidance inconsistent with the current guidelines contained in the Federal Register.

Telework Program Not Consistently Implemented

The official GSA telework policy developed by the CHCO has not been consistently implemented across the three regions selected for testing. Specifically, while our testing found that the Telework Program in the New England Region appeared to be implemented effectively, our testing in the Southeast Sunbelt and National Capital Regions identified a number of instances which indicate that the program may not be operating as intended. These instances were attributable to a lack of formal telework training and management resistance to the program.

The *GSA Time and Leave Administration Handbook* requires all associates participating in the Telework Program, as well as their supervisors, to complete training prior to beginning a telework arrangement. This training is provided to ensure that the associates understand the responsibilities and requirements inherent to teleworking. Associates and their supervisors must certify that they have completed this training by signing GSA Form 3656, *Supervisory Employee Checkout List*. Once the associate has received the necessary training, they are responsible for ensuring that a proper work environment is maintained and other responsibilities, such as dependant care, do not interfere with their assigned duties.

To determine whether adequate training was provided to teleworkers, we asked the following question in our survey of telework participants, "Prior to beginning telework, did you receive any telework training?" The majority of the respondents from the National Capital and Southeast Sunbelt Regions indicated that they did not receive this training. Conversely, the majority of respondents from the New England Region indicated that they did receive training.

When asked about telework training, sixty-four percent of the respondents from the Southeast Sunbelt Region and eighty-two percent of the respondents from the National Capital Region informed us that training was not received. This lack of training may have resulted in the misuse of the telework program. For instance, five associates from the National Capital Region reported that they

have used telework as a form of dependant care. Furthermore, we were informed by one Regional Coordinator that no formal telework training had been established for their region. The coordinator stated that, because they did not receive training, they felt unqualified to establish a telework training program for their entire Region.

In contrast to the response from the Southeast Sunbelt and National Capital Regions, ninety-four percent of the respondents from the New England Region replied that they had received telework training. The telework committee members in the New England Region, informed us that this training, provided to new associates during orientation, details the eligibility requirements for the Telework Program. Training is also provided for the Lotus Notes database, which is used to complete necessary telework documentation.

Written responses provided by teleworkers from the Southeast Sunbelt and National Capital Regions, as well as, interviews with the Coordinators from these regions, indicated there is a perception of a lack of management support which may have led associates to feel discouraged from participating in the Telework Program. According to one Regional Coordinator, top management should place a greater emphasis on program participation to increase lower management support of the Telework Program.

Monitoring Controls Not Sufficient to Ensure the Accuracy of Reported Data

The monitoring controls used by the CHCO to track the number of associates participating in GSA's Telework Program were not sufficient to ensure the accuracy of the data reported externally to OPM. Furthermore, monitoring controls were not adequate in two of the three regions selected for testing to verify the accuracy of the data they are reporting to the CHCO.

The Department of Transportation and Related Agencies Appropriations Act, 2001 (P.L.106-346) required each Executive agency to establish a policy under which eligible employees of the agency may participate in telecommuting to the maximum extent possible without diminished employee performance. As a result, OPM has required in past years that each agency report both the number of employees eligible for telework and the number of employees actually participating in the Telework Program. To compile this report, GSA's National Telework Coordinator requests that each Regional Coordinator submit telework eligibility and participation data for their region. To ensure that proper monitoring occurs, the *GSA Time and Leave Administration Handbook* requires that once management approves an associate's request to participate in the agency's Telework Program, the associate must complete and sign a telework agreement form (GSA Form 3654). This form, which is required to be renewed annually, outlines the associate's assignments and performance expectations. A copy of the completed renewal agreement must be submitted to the National Telework coordinator or to the designated Regional Coordinator. In addition, to assist the

National Telework Coordinator in monitoring the number of associates who participate in the Telework Program, the *GSA Time and Leave Administration Handbook* states that the Regional Coordinators should submit on a semi-annual basis a listing of all program participants.

We found that the telework data used to compile the GSA submissions for OPM's 2003 and 2004 telework surveys was unreliable. OPM requires agencies to report eligibility data for core and situational teleworkers, as well as the number of actual participants in the program. In order to determine this information, the National Coordinator went through a series of steps beginning with requesting and obtaining eligibility and participation data from Regional Coordinators. This information was compiled through various means of communication (i.e., phone conversations, emails, and fax) and consisted largely of anecdotal information and estimates. Next, the National Coordinator took the total number of GSA associates based upon a "Selected Workforce Statistics" report derived from CHRIS for the given year and subtracted out all Wage Grade associates to determine the total number of GSA associates who were eligible for the Telework Program. The National Coordinator then applied percentages to stratify this total by those eligible for core or situational telework due to unclear definitions in distinguishing between associates who are eligible for core/situational telework and those who are ineligible. In our attempts to recalculate the information reported to OPM, we were unable to verify the accuracy of the data.

In addition, we found a lack of sufficient monitoring controls in two of the three regions selected for testing. This lack of monitoring controls became apparent when we issued questionnaires to associates reported as teleworkers by the Regional Coordinators in the Southeast Sunbelt and National Capital Regions. We received responses from a number of associates stating that they were not participating in the Telework Program. Through our discussions with Regional Coordinators in the Southeast Sunbelt and National Capital Regions, we learned that while they are attempting to obtain a copy of all agreements to ensure that they are renewed annually, they did not maintain copies of the telework agreements as required by the *GSA Time and Leave Administration Handbook*. Without a centralized means of identifying all associates participating in the Telework Program, the CHCO is unable to accurately determine and report the number of teleworkers.

In contrast to the Southeast Sunbelt and National Capital Regions, the Telework Committee in the New England Region utilizes a database to track the number of associates participating in the program. During our site visit to the New England Region, we were given a demonstration of this database, which contains a listing of all teleworkers participating in the New England Region's Telework Program, the telework contract each program participant is required to complete, as well as all other requisite telework forms. Additionally, to ensure contracts are renewed annually, the database generates an email notifying committee members when an associate's telework contract has expired. In our opinion, the database serves as a sufficient monitoring control to enable the New England Region to

accurately determine the number of teleworkers in their region and to report the number of participants to the National Coordinator. GSA may consider utilizing a similar database to improve the monitoring controls over the agency-wide Telework Program.

GSA's Telework Guidance is Inconsistent with the OPM Guidelines

GSA's telework guidance has not been updated in 10 years and its' guidance on determining an employee's official duty station are inconsistent with guidelines published in the Federal Register. Additionally, this lack of consistency may result in associates being assigned the wrong duty station and being paid at an incorrect rate.

The *GSA Time and Leave Administration Handbook*, issued September 26, 1996, contains the guidelines under which GSA's Telework Program is currently run. The guidance states, "Regardless of where the employee spends the majority of work hours, the conventional Federal office, for purposes of flexible workplace arrangements, remains the official duty station." This policy is inconsistent with recent guidelines published in the May 31, 2005, Federal Register Vol. 70 No. 103, Rules and Regulations, § 531.605 (d) (1) which states "For an employee covered by a telework agreement who is scheduled (while in duty status) to report at least once a week on a regular and recurring basis to the regular worksite for the employee's position of record, the regular worksite is the official worksite. However, for an employee whose work varies on a daily basis, the employee need not report at least once a week to the established official worksite (where the employee's work activities are based) as long as the employee is performing work within the locality pay area for that worksite at least once a week on a regular and recurring basis. An agency must determine a telework employee's official worksite on a case-by-case basis. (2) If an employee covered by a telework agreement does not meet the requirements of paragraph (d) (1) of this section, the employee's official worksite is the location of the employee's telework site."

To determine whether GSA is meeting the requirements of the Federal Register guidance, we conducted a duty station analysis based upon a judgmentally selected sample of associates whose home addresses were 75 miles from their official duty station. There were 10 associates who met the criteria for testing. Our analysis found one instance where an associate may have been assigned an incorrect duty station. GSA's personnel files cite the associate's official duty station as Washington, DC. However, the associate teleworks full-time from home in Berlin, MD and does not report to the Washington office on a weekly or recurring basis. Based upon the guidance issued by the Federal Register, this associate's pay rate should be based on the Berlin, MD work site, which according to OPM's General Schedule and Locality Pay tables, is categorized as "Rest of U.S."

By utilizing guidance developed at the inception of the Telework Program, GSA may have designated the associate the wrong duty station, resulting in the associate receiving an excess amount of locality pay. Our testing uncovered only one instance where an associate may be assigned an incorrect duty station. However, it is possible that there are additional cases where this is occurring.

While GSA continues to be a leader in the establishment of telework criteria and programs in the Federal government, there are areas in which GSA's Telework Program could be improved. Our review found problems with nationwide implementation of telework, controls over the program, and outdated telework guidance. It is our opinion that these issues prevent GSA from receiving the maximum benefit of the Telework Program.

RECOMMENDATIONS

Based upon our review of GSA's Telework Program, we recommend that the Chief Human Capital Officer:

- 1) Implement an agency-wide training program, outlining telework expectations, procedures, and policies for Regional Coordinators, Telework Supervisors, and Teleworkers to create a Telework Program that is administered consistently throughout the organization.
- 2) Implement monitoring controls by developing an agency-wide tracking system or database to identify associates who are participating in the Telework Program.
- 3) Review the agency's current telework guidance and update as necessary in accordance with recent guidance issued by OPM.
- 4) Review the official duty station of full time teleworkers to ensure the associates are receiving the correct locality pay.

MANAGEMENT COMMENTS

Management's response dated November 8, 2006 states that they plan to implement the four recommendations included in the report and have incorporated tracking, training, and communication issues regarding the Telework Program in their organizational performance plan for Fiscal Year 2007. A copy of management's comments is provided in its entirety in Appendix A.

INTERNAL CONTROLS

As discussed in the Objective, Scope, and Methodology section of this report, we wanted to determine if proper management and monitoring was in place to effectively oversee the GSA's Telework Program. We found that the CHCO should strengthen its controls over the monitoring of the Telework Program to ensure that the program is implemented consistently throughout GSA.



NOV 08 2006

MEMORANDUM FOR JEFFREY C. WOMACK
ACTING DEPUTY ASSISTANT INSPECTOR GENERAL
FOR AUDITING
FINANCE AND ADMINISTRATIVE AUDIT OFFICE (JA-F)

FROM:

GAIL T. LOVELACE 
CHIEF HUMAN CAPITAL OFFICER

SUBJECT:

Draft Report on the Office of Inspector General's
Review of GSA's Telework Program

Thank you for the opportunity to review and comment on the draft report. We plan to implement the four recommendations included in the report, and in fact have included update and modernization of agency telework policy, which is intended to incorporate tracking, training, and communication issues, in our organizational performance plan for fiscal year 2007. We look forward to the issuance of your final report on this matter.

If you have any questions, please contact Marge Higgins in the Human Capital Policy and Program Management Division at (202) 501-3764 or marge.higgins@gsa.gov.

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