

**AUDIT REPORT
12-01**

**Selected Aspects of GPO Time and Attendance
and Payroll Administration**

November 16, 2011

**Date**

November 16, 2011

To

Chief Human Capital Officer

Chief Financial Officer

From

Assistant Inspector General for Audits and Inspections

Subject

**Final Report on Audit of Selected Aspects of GPO Time and Attendance and Payroll Administration
Report Number 12-01**

Enclosed please find the subject final report. Please refer to the Executive Summary for the overall audit results. Our evaluation of your response has been incorporated into the body of the report following each recommendation and the response is included in its entirety at Appendix C. Appendix D to the report contains additional OIG comments that respond to management's comments.

We consider management's comments responsive to only six of the report's 11 recommendations. Recommendation 4 will be closed upon issuance of this report. Recommendations 1, 3, 6, 10, and 11 are resolved but will remain open pending completion of the agreed upon corrective actions. With respect to recommendations 2, 5, 7, 8, and 9, we do not consider your comments responsive for the reasons detailed in the body of this report. Those recommendations are therefore considered unresolved. We ask that you reconsider your position on each of the unresolved recommendations and provide us with an updated response to each of those recommendations within 30 days from the issuance of this report.

The status of each recommendation upon issuance of this report is included in Appendix E. The final report distribution is in Appendix F.

We appreciate the courtesies extended to the audit staff. If you need additional information or would like to arrange a meeting to discuss this final report, please contact Mr. Karl Allen, Supervisory Auditor at (202) 512-0277, or me at (202) 512-2009.

A handwritten signature in black ink that reads "Kevin J. Carson". The signature is written in a cursive style with a large, sweeping initial "K".

Kevin J. Carson
Assistant Inspector General for Audits and Inspections

Enclosure

cc:

Assistant Public Printer, Operations

Assistant Public Printer, Superintendent of Documents

Chief of Staff

General Counsel

Chief Information Officer

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Office of Inspector General

Report Number 12-01

November 16, 2011

Selected Aspects of GPO Time and Attendance and Payroll Administration

Executive Summary

Background

At the request of U.S. Government Printing Office (GPO) senior management, the Office of Inspector General (OIG) performed an audit of various components of the Agency's time and attendance and payroll administration. Management expressed concern that the Agency was not always complying with certain statutes and directives related to payroll processing. Agency management also expressed concern about the excessive use of Leave Without Pay (LWOP) and employee Absence Without Leave (AWOL) throughout the Agency.

Objectives

The objectives of the audit were to determine whether GPO complied with applicable laws, rules, regulations, guidance, and GPO Directives/Instructions related to the:

- Request and approval of LWOP;
- Management of AWOL;
- Calculation and administration of bi-weekly and annual pay limitations;
- Request, approval, calculation, and administration of advanced annual leave; and
- Calculation, payment, and administration of the GPO Goal Sharing Program.

An additional audit objective, to evaluate GPO's management and control of overtime, will be addressed as part of a separate, ongoing audit.

Results of Audit

GPO did not always comply with applicable guidance related to time and attendance and payroll administration. Specifically, the audit identified that:

- Ineffective management controls related to requesting and approving LWOP contributed to GPO employees taking nearly 15,000 LWOP days, or over 57 person-years of lost production time in 2009 and 2010 (Finding A);
- GPO employee AWOL and the lack of effective corrective actions by GPO managers resulted in over 10,000 hours of lost productivity in 2009 and 2010 (Finding B);
- GPO had no controls in place to detect instances of employees exceeding bi-weekly pay limitations resulting in 340 violations of the limitations in 2009 and 2010 and overpayments to GPO employees of \$372,717 (Finding C);
- GPO was inappropriately advancing annual leave to otherwise ineligible employees (Finding D); and
- The GPO Office of Human Capital did not use an accurate methodology to calculate 2009 goal-sharing bonuses, resulting in incorrect payments for a small number (2 percent) of GPO employees (Other Observations).

Recommendations

We made a total of 11 recommendations to management, that if implemented, will strengthen internal controls over employee time and attendance and payroll administration which will result in increased employee productivity; and significant cost savings by reducing LWOP, AWOL, violations of the bi-weekly pay limitations, and annual leave expense.

Management's Response

GPO management concurred with six of the report's 11 recommendations and has either taken or proposed responsive corrective actions. Management did not concur with five recommendations. We have requested management to reconsider their position on these five recommendations and provide us with an updated response.

Introduction

Title 44, United States Code (USC), Section 305, states that the Public Printer “may employ journeymen, apprentices, laborers, and other persons necessary for the work of the Government Printing Office at rates of wages and salaries, including compensation for night and overtime work, he considers for the interest of the Government and just to the persons employed. . . .” At GPO, the responsibility for hiring and paying employees is a shared effort among the Office of Human Capital (HC), Office of Finance and Administration, and GPO’s line managers. These personnel work with assistance from the U.S. Office of Personnel Management (OPM) for personnel policy support and with the U.S. Department of Agriculture’s National Finance Center (NFC), which is GPO’s service provider for payroll processing. The NFC also maintains GPO’s official records of employee leave accrual, usage, and balances.

GPO employee levels and payroll for fiscal years 2009 and 2010 were as follows:

Fiscal Year	Employees (at year end)	Personnel Compensation
2009	2,329	\$242,477,000
2010	2,300	\$234,623,000

Table 1. GPO Payroll Data 2009 and 2010

Personnel compensation consists of wages and salaries, including overtime premium and night differential, as well as the Agency’s share of contributions towards Federal Employees Health Benefits, Federal Employees’ Group Life Insurance and Federal Government civilian employee retirement programs.

Findings and Recommendations

Finding A. Excessive Use of Leave Without Pay

GPO employees have incurred an excessive amount of Leave Without Pay (LWOP). Specifically, during 2009 and 2010, employees used a total of 14,839 days of LWOP, or over 57 person-years of lost productive time. Two factors contributed to the excessive use of LWOP including:

- managers continuously approving LWOP without obtaining and maintaining the required supporting documentation to justify LWOP use; and
- weaknesses with WebTA, GPO's time and attendance system, which prevented both line managers and senior management from effectively managing the use of LWOP.

The excessive use of LWOP resulted in GPO budgeting and incurring administrative costs and overtime to maintain and supplement the work of staff on LWOP that was not contributing to GPO's mission.

GPO LWOP Policy.

Chapter 8 of GPO Instruction 645.13, "GPO Leave Regulations," July 25, 1988, defines LWOP as "approved absence from duty in a nonpay status granted upon an employee's request and at the discretion of the appropriate approving official." The instruction further states that supervisors may grant LWOP for discretionary reasons such as personal emergencies or sickness, or mandatory reasons such as an employee awaiting adjudication of a claim filed with the Office of Workers' Compensation Programs.

The instruction limits the amount of LWOP that employees can take to 40 hours per year for personal emergencies, 80 hours per year for sickness not requiring hospitalization, and a "reasonable amount" for sickness that requires hospitalization. Supervisors may only grant LWOP for personal emergencies or sickness after the requesting employee has exhausted all annual leave (for personal emergencies) or sick leave (for sickness).

GPO Instruction 645.16, "Family/Medical Leave Without Pay (FMWOP) Under the Family and Medical Leave Act of 1993," August 5, 1993, states that supervisors may also grant up to 12 administrative workweeks of LWOP for:

- the birth of a child of the employee and care for the child;
- the placement of a child with the employee for adoption or foster care and care for the child;

- care for the employee's spouse, child, or parent who has a serious health condition; or
- the employee's inability to perform the functions of his or her job because of a serious health condition.

Although GPO does not pay the salaries of employees on LWOP, the Agency still incurs costs for employee benefits to a certain extent, as well as the administrative costs of maintaining and budgeting for those employees.

Excessive LWOP

GPO employees incurred an excessive amount of Leave Without Pay (LWOP) during 2009 and 2010, essentially equating to over 57 person-years of lost productive time. Table 2 details the number of employees, the hours, the number of days and person-years of LWOP used during calendar years 2009 and 2010.

Year	Number of Employees	Hours	Days	Person-Years¹
2009	378	62,000	7,750	29.8
2010	413	56,715	7,089	27.3

Table 2. LWOP Data for Calendar years 2009 and 2010

Included in the Table above were several individuals who clearly used excessive amounts of LWOP during 2009 and 2010. For example, included in the Table's summary data were a total of fifty employees who each had at least 300 hours of non-mandatory LWOP in 2010. In another instance, an employee in the GPO Office of Operations Support was allowed to take 437 hours of LWOP, without obtaining any written approval or providing any medical certification. Among GPO organization's incurring large amounts of LWOP, the Electrical Branch incurred over 800 days of LWOP in 2009. None of the LWOP incurred by Electrical Branch employees was supported by either written approval or medical certification.

GPO's Managers Did Not Properly Approve LWOP

The excessive use of LWOP occurred because GPO managers continuously approved LWOP without obtaining and maintaining the required supporting documentation. Both GPO Instructions related to LWOP (645.13 and 645.16) require that all requests for LWOP be in writing and be submitted whenever possible at least 1 workday prior to the date for which the LWOP is requested (30 days prior for FMWOP). These instructions further require that employees should submit appropriate medical certificates for all sick LWOP/FMWOP and that supervisors

¹We calculated Person-Years as number of hours divided by 2080.

should maintain adequate records to show their reasons for approving or disapproving requests for LWOP.

To determine if supervisors maintained adequate documentation for approving LWOP, we selected a sample of LWOP for 2009 consisting of (1) all employees (76) who incurred over 30 days (240 hours) of LWOP, and (2) a random 10 percent sample of all other employees (44) who incurred LWOP, for a total sample size of 120 employees. We then contacted each of the sampled employees' supervisors to determine whether proper approval was obtained and supporting documentation was provided and maintained for the LWOP used by the sampled employees.

We identified that for 32 of the 120 personnel with LWOP (26 percent), managers did not have documentation supporting the reason for the request, subsequent approval and if for sick LWOP or FMWOP, the medical need.

WebTA Was Not Effective For Managing LWOP

WebTA, the GPO's automated time and attendance system, had weaknesses that prohibited both line managers and senior management from effectively managing LWOP. Specifically, we found that:

- The WebTA system repeatedly permitted employees to submit a request for annual leave despite employees having exhausted all accrued and advanced annual leave. In these cases, WebTA would record the employee's leave balance as negative, but would still allow the leave request to be processed by the WebTA system. As a result, WebTA did not make the requesting GPO employee's leave-approving official (supervisor) immediately aware that the employee had an elapsed annual leave balance. This resulted in the leave-approving official approving the request being unaware that the requesting employee had no annual leave. In every case, the NFC correctly recorded the employees as LWOP and their pay was reduced accordingly. However, because of this WebTA system issue, a significant portion of GPO employee WebTA leave balances were inaccurate and did not agree with leave balances recorded by NFC².
- The LWOP categories in WebTA's LWOP "Transaction Type" drop-down menu did not match the various LWOP categories in GPO Directives 645.13 and 645.16. These directives allowed for 17 different categories of LWOP, with each category having different requirements for allowability and limits. Despite the 17 categories of LWOP established in the GPO directives, the WebTA system's LWOP "Transaction Type" drop-down menu only offered

²GPO's Independent Public Accountant, in performing its audit of GPO's FY 2010 financial statements also reported that annual leave balances in WebTA did not agree with the annual leave balances reflected by NFC and made recommendations for improvement.

nine LWOP category choices. These nine categories included a generic category “LWOP” of which most LWOP requests were categorized.

Because of the differences between the categories of LWOP established by GPO directives and the different categories of LWOP in WebTA, leave-approving officials were prevented from managing LWOP effectively. For example, GPO Directive 645.13 allows for two different categories of sick leave without pay: (1) a reasonable amount for a major illness that requires hospitalization, and (2) up to 80 hours for an illness that does not require hospitalization. However, WebTA had only one category-“LWOP in lieu of sick.” As a result of these differences, managers were unable to use WebTA to determine the amount of LWOP by category for each requesting employee.

- WebTA contained erroneous data with regard to LWOP. In addition to the inaccuracies in WebTA leave balances and LWOP categories as noted above, we identified that 24 percent of the personnel identified with LWOP balances in WebTA from our sample, had not actually been on LWOP. For example, we identified an employee in the Uniformed Police Division who was incorrectly placed on LWOP for 160 hours when in fact, the individual had actually retired from federal service. The employee was never removed from the WebTA system after retiring. Due to errors such as these, WebTA was unable to generate reliable reports for managing LWOP.

LWOP’s Adverse Impact on Budgeting and Production

Because of the excessive use of LWOP, GPO budgeted for and incurred administrative costs to maintain staff on LWOP who were not actively contributing to GPO’s mission. As shown above in Table 2, GPO was short nearly 30 budgeted-for employees for 2009 and approximately 27 employees for 2010 due to employees being in LWOP status. Moreover, it is likely that excessive LWOP increased the cost of production due to resultant increases in overtime to cover for the missing employees. We intend to further analyze the use of overtime to compensate for employees on LWOP during our ongoing audit of overtime usage at GPO.

Recommendations

1. The Chief Human Capital Officer (CHCO) should request all GPO business unit managers to ensure that all supervisors within their respective areas of responsibility (a) attend training on the proper management of employee time, attendance, and leave, (b) require all applicable documentation prior to approval of LWOP, maintain appropriate records, including documentation of approval, (c) enforce the LWOP time limitations in GPO Instruction 645.13, and (d) review WebTA data for all employees within their respective business units to ensure that all LWOP data is complete and accurate.

Management's Response. Concur. The CHCO will instruct all Business Unit Managing Directors to perform and comply with items (a) through (d).

Evaluation of Management's Response. Management's planned action is responsive to the recommendation. The recommendation is resolved but undispositioned and will remain open for reporting purposes pending completion and confirmation of the CHCO's planned actions.

2. The Chief Financial Officer (CFO) should request a modification to the WebTA system to (a) prohibit WebTA from allowing an employee to request annual leave when that employee has a zero advanced and accrued annual leave balance; (b) change the categories in the LWOP Transaction Type drop-down menu to match exactly the categories of LWOP established in GPO Directives 645.13, and 645.16. For example, change "LWOP in lieu of Sick/Injured" to "LWOP-Workman's Compensation" and re-title the generic "LWOP" to "LWOP-Personal Emergency;" and (c) create reports for use by line supervisors responsible for approving leave and LWOP, which identify individuals who exceed pre-established LWOP limits.

Management's Response. Management non-concurred with part (a) stating that the recommended change to WebTA would preclude an employee from requesting mandatory LWOP such as LWOP for military duty or LWOP for an employee awaiting adjudication of a claim filed with the Office of Workers Compensation Programs. Management concurred with part (b) and will make the recommended changes to WebTA by early 2012. Management also concurred with part (c) as the GPO Office of Finance and Administration provides bi-weekly reports of LWOP data to the CHCO and other GPO senior managers.

Evaluation of Management's Response. Management should reconsider its response with respect to recommendation 2(a). The recommendation specifically requested that WebTA prohibit an employee from requesting **annual leave** when the employee has a zero advanced and accrued annual leave balance. Implementing the recommendation will not affect an employee requesting LWOP of any other kind. As a result, the recommendation is unresolved. We ask that management (CFO) reconsider their position on this recommendation only as it relates to prohibiting WebTA from allowing an employee with a zero balance of advanced and accrued annual leave from requesting **annual leave**.

Management's planned action is responsive to recommendation parts 2(b) and 2(c). However, the entire recommendation is considered unresolved pending management's reconsideration of part 2(a).

3. The CHCO should direct that GPO University emphasize that all time, attendance and leave training include LWOP approval and documentation requirements.

Management's Response. Non-concur. Management stated that various training courses for GPO supervisors currently exist to accomplish the action recommended.

Evaluation of Management's Response. While we acknowledge that there are various training courses available, a low percentage of GPO supervisors have attended. Further, the subject of LWOP approval and documentation is not always adequately addressed. For example, OIG staff members attended the GPO's Experienced Managers course in February 2011 and found that the course did not specifically address documentation requirements for LWOP. OIG staff also recently attended the Leave Policies and Procedures course and found that the course did address LWOP documentation procedures. As acknowledged in management's response, only 45 percent of GPO managers and supervisors have taken the Leave Policies and Procedures course. This lack of course attendance by GPO supervisors was clearly apparent during the audit when we found that a significant number of supervisors were not familiar with the proper procedures for requesting, approving, and documenting the use of LWOP. Management's planned action in response to Recommendation 1(a) to ensure that all supervisors within their respective areas of responsibility attend training on the proper management of employee time, attendance, and leave, will meet the intention of this recommendation. This recommendation is therefore considered resolved but undispositioned, and will remain open for reporting purposes pending completion and confirmation of the planned actions for Recommendation 1(a).

Finding B. Lack of Corrective Actions for Absence without Leave

GPO reported over 10,000 hours of employee absence without leave (AWOL) during 2009 and 2010. This high occurrence of AWOL is occurring because GPO managers do not always properly document and take prescribed corrective actions in accordance with GPO policy against employees in an AWOL status. As a result, GPO has incurred a significant amount of administrative costs to retain employees who (1) were not contributing to GPO’s mission, and (2) potentially should have been removed from employment at GPO.

GPO AWOL Policy

GPO Instruction 645.13 defines AWOL as “an absence from duty which is not approved or excused by the employee's supervisor...and (which is) subject to disciplinary action.”

GPO Directive 655.4B, “Corrective Actions,” December 5, 2008, outlines the suggested disciplinary actions for AWOL as follows:

Days AWOL	First Offense	Second Offense	Subsequent Offenses
1 Day or Less	Verbal Warning – Short Suspension	Letter of Warning – Long Suspension	Long Suspension - Removal
Between 2 and 5 Days	Letter of Warning – Long Suspension	Long Suspension – Removal	Removal
More than 5 Days	Short Suspension - Removal	Removal	

Table 3. AWOL Recommended Corrective Actions

GPO Directive 655.4B further requires supervisors to document all verbal warnings using GPO Form 2614, “Employee Record.”

GPO AWOL Data

During 2009 and 2010, GPO incurred over 10,000 hours of employee AWOL. Specifically, GPO reported AWOL for 2009 and 2010 as follows:

Year	Number of Employees	Hours	Days	Person-Years
2009	114	5983	748	2.9
2010	83	4804	600	2.3

Table 4. GPO AWOL Data for 2009 and 2010

Disciplinary Action Not Documented or Taken

In accordance with the provisions of Directive 645.13, each of the employees in Table 3 were absent without approval from their supervisor and based on their AWOL status, were subject to some type of disciplinary action. To determine whether appropriate corrective action was taken, we examined the supporting documentation of a sample of employees whom GPO reported as AWOL. Specifically, we sampled all GPO employees reported as being on AWOL for the period of May 9, 2010 through October 9, 2010 to determine whether management took the proper disciplinary action.

During the period sampled, GPO records reported that 50 individuals were AWOL for a total of 1,331 hours. For 14 of the 50, we found that the employees' supervisor subsequently approved the absence but neglected to update WebTA to change the absence from AWOL to LWOP. Of the remaining 36 employees in the sample that were AWOL between May 9 and October 9, 2010, we found that eight (18 percent) did not receive any disciplinary actions from their supervisor despite being AWOL. In addition, for 3 of the 15 individuals who received a verbal warning, the supervisor did not document the verbal warning as required by Directive 655.4B. Therefore we could not verify that the supervisor actually took the disciplinary action. The following Table provides details of our sample analysis.

Action Type	Number of Employees
Not Actually AWOL	14
Employee Removed	1
Employee Suspension Proposed ³	5
Employee Received Letter of Warning	4
Employee Received Verbal Warning (three of which were not documented)	15
No Disciplinary Action Taken	8
Employee Retired or Left GPO for Other Reason	<u>3</u>
Total Examined	50

Table 5. Results of Examination of AWOL Sample

Included in our sample were a total of 15 employees who were AWOL either (1) 1 day or less in at least three separate pay periods, or (2) 2 or more concurrent days in at least two separate pay periods. According to the suggested disciplinary actions in Directive 655.4B, each of these 15 employees potentially could have been removed from employment for these multiple instances of AWOL. However, because of a lack of adequate documentation maintained by supervisors, we could

³The employee's supervisor initiated a formal proposal to suspend the employee. As of the completion of our audit fieldwork, the formal suspension had not yet been implemented.

not determine why disciplinary action up to including removal from federal service was not taken. Other examples from our sample include:

- An employee who was AWOL a total of 29 hours over four pay periods but was not disciplined by the supervisor.
- An employee who was AWOL a total of 45 hours, but the employee's supervisor took no disciplinary action because of a pending corrective action for another matter.
- An employee who was AWOL a total of 115 hours between May and September 2010, but was only given a formal written warning.

Because of the lack of accountability or disciplinary action resulting from GPO employees on AWOL, the Agency is required to budget for and incur administrative costs to maintain personnel who fail to come to work. Further, an employee on AWOL also forces the Agency to potentially expend overtime to cover the responsibilities of an employee on AWOL. Not implementing and documenting the required corrective actions could negatively impact the morale of productive employees who comply with GPO time and attendance regulations. Immediate actions should be taken by management to control and limit the use of AWOL by GPO employees.

Recommendations

4. The CFO should, at the completion of each pay period, produce and provide to all business unit managers a report identifying all employees reported as AWOL during the pay period.

Management's Response. Concur. The GPO Office of Finance and Administration provides bi-weekly reports of AWOL data to the CHCO and other GPO senior managers.

Evaluation of Management's Response. The recommendation is resolved and dispositioned and will be closed upon issuance of this report.

5. The CHCO should direct all GPO business unit managers to ensure that supervisors are aware of, have taken, and documented appropriate disciplinary actions as outlined in Directive 655.4B for employees reported as AWOL.

Management's Response. Management stated that it would comply with this recommendation referencing its response to Recommendation 1.

Evaluation of Management's Response. Management's proposed actions are not responsive to the recommendation. Specifically, management referred to its proposed actions to be taken in response to Recommendation 1; however, those actions concern LWOP only and make no mention of AWOL. This recommendation is therefore considered unresolved. Management (CHCO) should reconsider its position and provide additional comments on how it intends to ensure that supervisors are aware of, have taken, and documented appropriate disciplinary actions as outlined in GPO Directive 655.4B for employees reported as AWOL.

Finding C. Bi-Weekly Pay Limitations Exceeded

During 2009 and 2010, there were 340 instances where a GPO employee's earnings exceeded the bi-weekly salary cap imposed by GPO Directive 640.7D, "General Pay Administration," April 8, 2008⁴. This occurred because GPO did not establish internal controls to validate and manage salary payments in excess of the salary cap. In 2009 and 2010, GPO paid \$372,717 in excess of salary limits. Because those payments were in excess of those authorized under GPO Directive 640.7D, they are considered erroneous payments and are subject to debt claims by GPO⁵.

GPO Directive 640.7D states that Premium pay (overtime, Sunday pay, Holiday pay, etc.) may be paid to a covered employee only to the extent that it does not cause an employee's aggregate pay for any pay period to exceed the maximum rate for a GS-15. Therefore, any employee on a PG-or-equivalent⁶ pay scale is limited on a biweekly basis to gross pay equal to the maximum GS-15 pay. The bi-weekly amounts were \$5,892.30 for 2009 and \$5,980 for 2010.

For 2009 and 2010, we identified 340 instances of PG-or-equivalent employees earning more than the biweekly pay period limitation as shown below:

Year	Number Of Violations	Amount Overpaid
2009	229	\$278,560
2010	111	\$ 94,157

Table 6. 2009 and 2010 Bi-weekly Pay Limitation Violations

The 340 violations did not include employees who received a waiver from this requirement from the Public Printer. The 340 violations resulted in a total overpayment of \$372,717. Although a few of the violations were due to retention agreement payments, the majority of the overpayments were due to premium payments for overtime (all of the 111 violations from 2010 were due to overtime).

Payments in excess of the Agency's pay limitations occurred because GPO did not establish internal controls to validate and manage salary payments in excess of the salary cap. Directive 640.7D does not place responsibility on any particular person or organization for monitoring compliance with the pay limitations. Starting in May, 2010, Office of Finance and Administration (OFA) personnel reviewed the bi-weekly payroll to identify pay limitation violations and then forwarded the information to

⁴The salary caps for white-collar employees under GPO Directive 640.7D mirror the caps imposed by law under 5 U.S.C. § 5547 for agencies other than GPO. In general, the Public Printer has the authority to set pay and wages for employees, including overtime, "he considers for the interest of the Government and just to the persons employed..." 44 U.S.C. § 305.

⁵See GPO Directives 445.19, "Debt Collection Procedures", May 13, 1991, and 445.16B, "Waiver of Claims for Erroneous Payment of Pay or Allowances", August 4, 2003.

⁶PG equivalent pay plans include GI (Investigators), PQ (Day Police Officers), PZ (Night Police Officers) and PU (Night White-Collar).

Human Capital (HC) for collection action. However, we saw no evidence of any subsequent collection actions.

Although the number of violations decreased substantially from 2009 to 2010, violations continued to occur into 2011. In addition, many GPO managers that we interviewed were not familiar with the salary cap requirement and therefore would schedule employees for overtime in amounts that would place the scheduled employee above the biweekly salary cap. Finally, the GPO payroll system did not have controls in place to detect and prevent payments that exceeded the bi-weekly pay limitation. In June 2010, OFA submitted a request to HC requesting that NFC modify the payroll system to set a cap on the bi-weekly earnings limitations for PG and equivalent employees. In March 2011, HC began the process to request NFC to make the change, and in April 2011, GPO management notified us that it had initiated action with NFC to modify the NFC payroll system to prevent salary payments to PG employees in excess of the bi-weekly salary cap.

Recommendations

6. GPO Directive 640.7D should be revised to (a) direct all potential overtime-authorizing officials to ensure that any overtime authorized does not cause an employee to exceed the bi-weekly pay cap; (b) assign a specific person or office the responsibility for monitoring agency compliance with the bi-weekly pay limitations and implementing claims against those who exceed the limitation; and (c) clearly convey the consequences of exceeding the salary caps—such as, managers being subject to corrective action for authorizing pay exceeding the salary cap and employees being subject to debt claims for overpayments.

Management's Response. Concur. Management plans to revise Directive 640.7D to include items (a) through (c).

Evaluation of Management's Response. Management's planned action is responsive to the recommendation. The recommendation is resolved but undispositioned and will remain open for reporting purposes pending the revision of Directive 640.7D.

7. The CHCO, in conjunction with the CFO, should take appropriate action to initiate collections of all amounts paid in excess of the bi-weekly salary cap from all employees who exceeded the bi-weekly limit.

Management's Response. Non-concur. The Chief Financial Officer has no authority to collect the overpayments, even if they violate the bi-weekly pay cap. The United States Code of Federal Regulations (CFR) part 550.111, "Authorization of Overtime Pay", states that if a supervisor officially allows an employee to work overtime, the employee must be compensated for such work. The bi-weekly

certification of an employee's time and attendance in WebTA by the supervisor or manager officially validates each overtime payment.

The answer to the problem of allowing employees to work over the cap is best addressed by holding each supervisor and manager responsible for monitoring their employees leave, time worked, and overtime to ensure that the employee's salary complies with the bi-weekly pay cap rule. This can be accomplished through performance review.

Evaluation of Management's Response. Management cites CFR section 550 as its requirement for paying overtime. Although CFR 550.111 provides that agencies shall pay employees for overtime, CFR 550.105 states that an employee may receive premium pay only to the extent that the payment does not cause the total of his or her basic pay and premium pay for any biweekly pay period to exceed the maximum biweekly rate of basic pay payable to a GS-15.

Regardless, we believe that CFR 550.11 is not applicable in this circumstance, as section 550.101 states that it applies only to legislative branch employees covered in subchapter V of 5 USC 55, of which GPO is not included. Of relevance however, is Title 44, USC 305, which states that the Public Printer "may employ journeymen, apprentices, laborers, and other persons necessary for the work of the Government Printing Office at rates of wages and salaries, including compensation for night and overtime work, he considers for the interest of the Government and just to the persons employed. . . ." As GPO Instruction 640.7D is approved by the Deputy Public Printer under the authority of the Public Printer, this is determination regarding compensation under section 44 USC 305. Furthermore, the provisions of the Fair Labor Standards Act (FLSA) generally do not apply either, as all but 23 of the 340 identified bi-weekly salary cap infractions for 2009 and 2010 were incurred by employees who were FLSA-exempt. Because of the conflict between the cited source of criteria, we ask that management reconsider its position and provide us with additional information related to its determination that overtime amounts paid in excess of the bi-weekly salary cap are uncollectible. The recommendation is therefore considered unresolved.

8. The CHCO should direct GPO University to add salary cap information to supervisory courses, as well as educate all employees on the maximum number of premium pay hours employees can be paid during a pay period.

Management's Response. Non-concur. Management stated that it would comply with this recommendation referencing its response to Recommendation 3 regarding the training courses that already exist for leave administration.

Evaluation of Management's Response. Management's comments are not responsive to the recommendation. Specifically, management refers to its response to Recommendation 3 in which it outlines the various courses offered to employees that deal with leave administration, however; there is no mention of bi-weekly

salary cap administration in that response. At the current time, salary cap management is not covered in any course offered by GPO University. The recommendation is therefore considered unresolved. We request management (CHCO) provide additional information on how it intends to address bi-weekly salary cap management as part of the supervisory training courses.

9. The CFO and CHCO should ensure that the NFC payroll system is modified to prevent payment to PG and equivalent employees in excess of GPO's bi-weekly pay limitations.

Management's Response. Non-concur. Management plans to have the NFC payroll system modified to implement an aggregate pay cap for annual salary only. Management suggests supervisors and managers be properly trained and held accountable perhaps through their annual performance plans. Management states that this may be the most effective way to rein in errant payments.

The CFO has been distributing bi-weekly pay cap reports to the business unit managers since last year. The reports serve to make managers aware of the total amount of overtime that can be worked per employee, to prevent overpayments.

Evaluation of Management's Response. Management's comments are not responsive to the recommendation. An aggregate pay cap for annual salary not only doesn't address the issue of payments in excess of the bi-weekly pay cap in a timely manner, but also could create a situation where an employee's annual pay could hit the cap before the end of the year. During the course of the audit, GPO officials from the Office of Finance and Administration informed us that they planned to implement controls through the NFC payroll system as a means to prevent employees from exceeding the bi-weekly salary cap. Management had even gone as far as to initiate an agreement with NFC to implement the bi-weekly pay cap at a cost to GPO of only \$22,600. Had the bi-weekly salary cap been in effect during 2009 and 2010, GPO could have prevented over \$372,000 in overpayments to employees.

The recommendation is therefore considered unresolved. We request that management (CFO and CHCO) provide additional information specifically addressing why the modification to the NFC payroll system will not include a control to prevent salaries from exceeding the bi-weekly pay cap.

Finding D. Annual Leave Advanced Improperly

GPO improperly advanced annual leave to employees who had incurred more than 80 hours of LWOP in the previous year. This occurred because GPO had no time and attendance system controls in place to prevent annual leave from being advanced to ineligible employees. As a result, GPO increases its risk of potentially incurring the cost of annual leave for employees who are at risk of not earning it while reducing incentives to employees to refrain from using excessive amounts of LWOP.

GPO Instruction 645.13, "GPO Leave Regulations," July 25, 1988, states that GPO employees who are career status and have at least one year of service may be advanced the total number of hours of annual leave that they are expected to earn by the end of the current leave year. The instruction does not permit annual leave to be advanced to an employee if they had 80 or more total hours of unpaid status in the prior leave year due to AWOL, suspension, or LWOP resulting from personal emergencies, sick leave, education, parental leave, education or maternity (but not including FMLA leave). WebTA automatically advances annual leave to all employees at the beginning of each leave year.

We analyzed a judgmentally selected sample of the 12 employees with the highest amounts of LWOP at the end of 2009, all with an annual leave balance of less than negative 18 hours, and we identified that 4 (33 percent) were improperly advanced annual leave in 2010. One employee, whom GPO reported as being 148 hours AWOL in 2009, was still advanced annual leave at the beginning of 2010. That employee then used 19 hours of advanced annual leave in Pay Period 2 of 2010, bringing their accumulated annual leave balance to negative 35 hours.

WebTA did not identify employees who were ineligible for advanced annual leave and thus it was the responsibility of line management to identify such employees. However, because WebTA was not descriptive enough to allow managers to identify leave balances associated with each LWOP category as defined in GPO Directive 645.13 (and as described in Finding A), WebTA was not effective for allowing managers to effectively manage annual leave advancements.

Without adequate controls in place, GPO increases its risk of advancing leave to employees who may not earn it. Since annual leave is a benefit that is earned by employees each pay period, advancing annual leave to employees who may not work for a full year (i.e., more than 80 hours of LWOP) increases GPO's risk of incurring unearned annual leave expenses. In addition, by incorrectly advancing annual leave, the Agency undermines incentives for employees to refrain from using LWOP.

Recommendations

10. The CHCO should (at the end of each leave year) produce an annual list of personnel who are not eligible for advanced annual leave and forward that list to all business unit managers directing them to ensure that no personnel on the list are advanced annual leave.

Management's Response. Concur. The Office of Finance and Administration will produce an annual list of personnel who are not eligible for advanced leave. The assistance of the Office of Human Capital will be needed to develop and issue the list on a timely basis.

Evaluation of Management's Response. Management's proposed action is responsive to the recommendation. The recommendation is resolved but undispositioned and will remain open for reporting purposes pending completion of the proposed action.

11. The CFO should take the necessary action to modify WebTA to prevent the system from advancing annual leave to employees who are not eligible per GPO Instruction 645.13.

Management's Response. Concur. Management will revise WebTA to address the advanced leave issue sometime during fiscal year 2012

Evaluation of Management's Response. Management's proposed action is responsive to the recommendation. The recommendation is resolved but undispositioned and will remain open for reporting purposes pending the revision of WebTA.

Other Observations

During the audit, we identified the following issue related to GPO's Goal Sharing Program. The issue, previously reported by GPO's Independent Public Accountant during the 2010 Agency financial statement audit, is being presented for management's consideration and disposition as it determines necessary.

GPO incorrectly paid some of the 2009 GPO goal sharing payments. This occurred because GPO Human Capital (HC) personnel did not use an accurate methodology to calculate the goal sharing bonuses. As a result, GPO incorrectly paid about 2 percent of eligible employees. Specifically, HC's calculation methodology caused at least 17 (2 percent) of 1003 employees to receive incorrect goal sharing bonuses. We identified erroneous payments in the amount of \$381 in overpayments and \$206 in underpayments.

Appendix A. Objectives, Scope, and Methodology

We performed the audit from August 2010 through May 2011 at the GPO Central Office in Washington, D.C. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that will 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 our audit objectives.

Objectives

The objectives of the audit were to determine whether GPO's payroll operation complied with applicable laws, rules, regulations, guidance, and GPO Directives/Instructions related to the:

- Request and approval of LWOP;
- Management of AWOL;
- Request, approval, calculation, and administration of advanced annual leave;
- Calculation and administration of bi-weekly and annual pay limitations; and
- Calculation, payment, and administration of the GPO Goal Sharing Program.

We are addressing an additional audit objective, to evaluate GPO's management and controls over overtime, as part of a separate ongoing audit.

Scope and Methodology

To obtain a general understanding of GPO's payroll processing procedures we researched Federal and GPO criteria on pay and leave including:

- Title 44, United States Code, Chapter 3, "Government Printing Office;"
- GPO Instruction 645.13, "GPO Leave Regulations," July 25, 1988;
- GPO Directive 645.16, "Family/Medical Leave Without Pay (FMWOP) Under the Family and Medical Leave Act of 1993", August 5, 1993;
- GPO Directive 655.4B, "Corrective Actions," December 5, 2008;
- GPO Directive 640.7D, "General Pay Administration," April 8, 2008; and
- GPO Instruction 665.22, "GPO Goal Sharing Program," August 10, 2004.

Appendix A

We also discussed GPO payroll administration policies and issues with GPO senior management including:

- Chief Management Officer;
- Chief Human Capital Officer;
- Associate General Counsel;
- Chief Financial Officer;
- Controller;
- Manager, Cash Management Services;
- Director, Labor Relations; and
- Managing Director, Plant Operations.

To determine whether GPO complied with applicable laws, rules, regulations, guidance, and GPO Directives/Instructions related to LWOP, we:

- Obtained from GPO management, a WebTA report of all GPO LWOP, by individual, by pay period, for 2009 and 2010.
- From the WebTA report, developed a sample of LWOP for 2009 of (1) all employees who incurred over 240 hours (76 employees), and (2) a random 10 percent sample of all other employees who incurred LWOP for a total of 120 employees. The sample represented 32 percent of all those incurring LWOP and 72 percent of total LWOP hours.
- Tested the sample by contacting each of the sampled employees' supervisors to obtain all available approval and supporting documentation and discussing the results.

To determine whether GPO complied with applicable laws, rules, regulations, guidance, and GPO Directives/Instructions related to AWOL, we:

- Obtained from GPO management, a WebTA report of all GPO AWOL, by individual, by pay period, for 2009 and 2010.
- Examined the supporting documentation for a sample of employees whom GPO reported as AWOL for the period of May 9, 2010 through October 9, 2010.

To determine whether GPO complied with applicable laws, rules, regulations, guidance, and GPO Directives/Instructions related to pay limitations we obtained

from GPO management, reports of employee salaries and overtime for 2009 and 2010. We also requested copies of all waivers for that requirement for both years. We then compared those amounts to the annual and bi-weekly pay limitations for both years and calculated the overpayments using the criteria in GPO Directive 640.7D.

To determine whether GPO complied with applicable laws, rules, regulations, guidance, and GPO Directives/Instructions related to advanced annual leave, we calculated and identified the type of LWOP for a judgmentally selected sample of the 12 employees with the highest amounts of LWOP at the end of 2009 and then determined if GPO advanced those employees annual leave.

To determine whether GPO complied with applicable laws, rules, regulations, guidance, and GPO Directives/Instructions related to GPO's goal sharing program we recalculated the number of non-overtime paid duty hours for employees and determined their correct goal sharing payout.

Management Controls Reviewed

The objectives of our audit were to review and evaluate the management controls associated with the management of leave and pay. The details of our examination of management controls, the results of our examination, and noted management control deficiencies are contained in the report narrative. Implementing the recommendations in this report should improve those management control deficiencies.

Computer-generated data

We relied on computer-generated data during this audit. Specifically, we relied on employee time and attendance and leave data obtained from the WebTA system. We assessed the reliability of the data but did not test general system and application controls. In order to test leave and attendance data reliability, we compared data from WebTA to NFC provided data; discussed leave issues with supervisors; discussed entry procedures, discrepancies and system data transfers with system administrators; and compared electronic entries to available manual records. From these tests, we determined that the data was unreliable but nevertheless usable. This occurred because employees, supervisors and timekeepers are incorrectly entering time; the WebTA system breaks rules when calculating usable leave while NFC systems do not; and supervisors are not making corrections when necessary.

Appendix B. Acronyms Used in the Report

AWOL	Absence Without Leave
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officer
GPO	Government Printing Office
GS	General Schedule Pay Plan
FMLA	Family and Medical Leave Act
HC	Human Capital
LWOP	Leave Without Pay
NFC	National Finance Center
OFA	Office of Finance and Administration
OIG	Office of Inspector General
OPM	Office of Personnel Management
PG	Printing Grade Pay Plan
SF	Standard Form
WebTA	Web Time and Attendance System

Appendix C. Management's Response

U.S. GOVERNMENT PRINTING OFFICE
ASSEMBLED BY QUALITY ASSURANCE DIRECTORATE, OFFICE OF THE CHIEF OF STAFF

Memorandum

Date: 27 September 2011

Subject: Chief Human Capital Officer's (CHCO) Response to Audit of Selected Aspects of GPO Time and Attendance and Payroll Administration

To: Assistant Inspector General for Audits and Inspections

Findings:

- A) *Excessive Use of Leave Without Pay*
 - *GPO's Managers Did Not Properly Approve LWOP; and*
 - *WebTA Was Not Effective For Managing LWOP.*
- B) *Lack of Corrective Actions for Absence without Leave*
- C) *Bi-Weekly Pay Limitations Exceeded*
- D) *Annual Leave Advanced Improperly*

Comments: Management believes that the IG findings represent a limited understanding of LWOP, its causes and ongoing actions taken by agency management :

See Appendix D,
OIG Comment 1

See Appendix D,
OIG Comment 2

See Appendix D,
OIG Comment 3

- Finding (A) does not distinguish between LWOP that is controllable through management techniques and LWOP that is required by statute, rule, or regulation, and without considering mitigating circumstances, subjectively labels as "clearly excessive" all individuals who "used over 300 hours of LWOP in FY2010".

Controllable	CATEGORY	HOURS	%
Y	AWOL and other WOP attributed to employees who were removed from GPO or left GPO in lieu of disciplinary action	3,484.50	4.80%
Y	Other AWOL	2,887.00	3.98%
N	WOP attributed to employee death or disability retirement	4,684.00	6.46%
N	OWCP LWOP	17,271.50	23.80%
Y	Student LWOP	4,882.50	6.73%
Y	Other Family/Medical LWOP	9,438.75	13.01%
N	Military LWOP	1,384.00	1.91%
N	Suspension	2,169.00	2.99%
N	Union Business LWOP	364.50	0.50%
Y	Sick LWOP not otherwise attributed for	12,748.25	17.57%
Y	LWOP not otherwise attributed for	13,245.75	18.25%
TOTAL LWOP for FY10		72,559.75	100.00%

See Appendix D,
OIG Comment 5

- Finding (B) did not include or consider counseling as an action taken against employees, most likely because there are few records documenting this action. For example, of the 2,887 hours of Other AWOL, ER can associate disciplinary action with 846 of those hours (29%) – although ER is generally not informed of verbal warnings and counseling performed consistent with the Article VIII, Section 2 of the GPO Labor-Management Agreement.

See Appendix D,
OIG Comment 6

Certain recommendations for corrective actions to instances of not following established policy were to reiterate policy, where deeper seeking for root causes could yield corrections that are more productive. Fundamentally, the root cause of not following policy is not correctable by more policy but by correcting failures to follow policy that already exists.

Recommendation 1:

The Chief Human Capital Officer (CHCO) should request all GPO business unit managers to ensure that all supervisors within their respective areas of responsibility:

- (a) attend training on the proper management of employee time, attendance, and leave,*
- (b) require all applicable documentation prior to approval of LWOP, maintain appropriate records, including documentation of approval,*
- (c) enforce the LWOP time limitations in GPO Instruction 645.13, and*
- (d) review WebTA data for all employees within their respective business units to ensure that all LWOP data is complete and accurate.*

Response 1:

Management **will comply** with this recommendation. By **30 Oct 2011**, the Chief Human Capital Officer (CHCO) will instruct all Business Unit Managing Directors to perform and comply with the elements itemized in (a)-(d) and to perform appropriate disciplinary actions as needed.

Recommendation 3:

The CHCO should direct that GPO University emphasize that all time, attendance and leave training include LWOP approval and documentation requirements.

Response 3:

Management **does not concur**. Training currently exists and is used to accomplish the action recommended. There are currently 335 supervisors at GPO, and according to training records:

(a) Supervisor Series:

1. *Primer (Fundamentals)* (1-day course for those with less than two years of GPO supervisory experience designed as interim training in advance of an available 5-day Fundamentals of Supervision course) 20% of this course is devoted to leave administration and 85% of supervisors and managers have taken this course;
2. *Fundamentals of Supervision* (5-day course required for supervisors with less than two years of GPO supervisory experience) 20% of this course is devoted to leave administration and 95% of supervisors and managers have taken this course;

- 3. *Experienced Managers* (3-day course required for those with more than two years of GPO supervisory experience) 25% of this course is devoted to leave administration and 65% of supervisors and managers have taken this course;
- 4. *Leave Policies and Procedures* (1-day course recommended for all GPO supervisors) 100% of this course is devoted to leave administration and 45% of supervisors and managers have taken this course.
- (b) Employee Relations (ER) staff periodically offers Informational Briefings (1.5-hour sessions) to supervisors as a whole or to specific Business Units. 100% of the *Leave Entitlements and Leave Abuse* briefing is devoted to FMLA, Leave Administration, and Leave Abuse and 30% of supervisors and managers have taken this course.

Recommendation 5: *The CHCO should direct all GPO business unit managers to ensure that supervisors are aware of, have taken, and documented appropriate disciplinary actions as outlined in Directive 655.B for employees reported as AWOL.*

Response 5: Management **will comply** with this recommendation (see response to recommendation 1).

Recommendation 6: *GPO Directive 640.7D should be revised to:*
(a) *direct all potential overtime-authorizing officials to ensure that any overtime authorized does not cause an employee to exceed the bi-weekly pay cap;*
(b) *assign a specific person or office the responsibility for monitoring agency compliance with the bi-weekly pay limitations and implementing claims against those who exceed the limitation; and*
(c) *clearly convey the consequences of exceeding the salary caps—such as, managers being subject to corrective action for authorizing pay exceeding the salary cap and employees being subject to debt claims for overpayments.*

Response 6: Management **concurs** with this recommendation. By **1 Mar 2012**, the Directive will be revised to include items (a)-(c).

Recommendation 8: *The CHCO should direct GPO University to add salary cap information to supervisory courses, as well as educate all employees on the maximum number of premium pay hours employees can be paid during a pay period.*

Response 8: Management **does not concur** (see response to recommendation 3).

Thank you for this opportunity to comment on the draft report.


William T. Harris
Chief Human Capital Officer

**Management's Response to the Draft Audit Report on Selected Aspects of GPO
Time and Attendance and Payroll Administration**

Finding A. Excessive use of LWOP

Management's response:

(a) The CFO does not concur with the finding that WebTa should preclude anyone without any leave from entering a request for leave. As stated in your report, there are various types of leave without pay, some of which are acceptable. This recommended change would not allow a person on military LWOP to have time entered, nor OWCP LWOP, etc. Therefore, it is still incumbent upon the managers to review their employee's leave. In addition, the managers are supposed to reconcile all of the leave for their employees with Payroll on a monthly basis. The monthly and bi-weekly leave reconciliation has been the practice for over 30 years, before webTa was implemented, and should still be practiced.

(b) The CFO concurs that the WebTa system needs to be redesigned, so that the drop down list of leave types will include every type of LWOP presented to employees for selection. This change has been forwarded to the KRONOS developers as a Problem Tracking Report (PTR) under the current 3.8 version and it will be required for inclusion in the 4.0 version currently scheduled for upgrade in early 2012.

(c) Finance prepares a bi-weekly report of LWOP, overtime, and AWOL, and furnishes this to HC. HC is responsible, along with the business unit managers, for monitoring and addressing LWOP, overtime, and AWOL usage at GPO.

Finding B. Lack of Corrective Actions for Absence without Leave

Management's response:

As stated, Finance prepares a bi-weekly report of LWOP and AWOL that is furnished to HC. HC is responsible, along with the business unit managers, for monitoring and addressing LWOP and AWOL usage at GPO. The status of actions undertaken by managers for AWOL and LWOP are best addressed by HC and the managers for compliance with the governing leave and conduct regulations.

Finding C. Bi-Weekly Pay Limitations Exceeded

Management's response:

The GPO put in a PTR with the National Finance Center (NFC) to enter an aggregate pay cap in the NFC payroll system to prevent over payments, last year. The pay cap will be implemented by NFC in pay period 20 of this year.

The CFO has been distributing bi-weekly pay cap reports to the business unit managers, since last year. The reports serve to make managers aware of the total amount of overtime that can be worked per employee, to prevent overpayments.

Response 7. With regards to the collection of overpayments, the CFO does not concur because the CFO has no authority to collect overtime payments, even if they constitute violations of the bi-weekly pay cap. In accordance with the governing regulations, 5 CFR§550.11, **Authorization of Overtime**, if a supervisor or manager officially allows an employee to work overtime, the employee must be compensated for said work. The WebTa system requires supervisors to certify each employee's time and attendance, ergo supervisors or manager's certification officially validates each overtime payment.

The answer to the problem of allowing employees to work over the cap is best addressed by holding each supervisor and manager responsible for monitoring their employees leave, time worked, and overtime to ensure that the employee's salary complies with the bi-weekly pay cap rule. This can be accomplished through performance review.

The GPO does not have a bi-weekly pay cap on the blue collar employees salaries, so there is no limitation on the overtime that can be worked. There are also white collar workers that must be allowed to work over the bi-weekly pay cap as a routine part of their jobs. For example, employees that perform press inspections are required to work many hours that may result in a violation of the bi-weekly pay cap. This is an example of an acceptable exception to the regulation.

Response 9 The GPO put in a PTR with the NFC to implement an aggregate pay cap to be completed and in effect by pay period 20 of 2011 (October, 2011). The aggregate pay cap is being put in place for the annual salary only. Therefore, Management suggests that the supervisors and managers be properly trained and be held accountable perhaps through their annual performance plans. This may be the most effective way to reign in errant overpayments.

The CFO has been distributing bi-weekly pay cap reports to the business unit managers since last year. The reports serve to make managers aware of the total amount of overtime that can be worked per employee, to prevent overpayments.

Finding D. Annual Leave Advanced Improperly

Management's response:

The CFO agrees that Finance is responsible for producing an annual list of personnel who are not eligible for advanced leave. However, Finance does not maintain control over the names of employees in the Family Medical Leave Act, Military Leave, Office of Workmen's Compensation, union LWOP time, and any other type of approved LWOP. The assistance of the Human Capital will be required to provide this information so that a complete list may be developed and issued on a timely basis.

See Appendix D,
OIG Comment 6

Appendix C

The CFO agrees that the WebTa system should be modified to correctly apply advanced leave in accordance with the governing regulations GPO Instruction 645.13. The advanced leave issue will be addressed in the upgrade of the WebTa from 3.5 to 4.0 that is scheduled to take place in fiscal year 2012.

It is noteworthy that the official leave records are kept at NFC.


STEVE SHEDD
Chief Financial Officer

Appendix D. Office of Inspector General Comments on Management's Response

GPO management provided the following comments in response to the draft report. The OIG's response to each of the comments is also presented.

Management's Comment. Management believes that the IG findings represent a limited understanding of LWOP, its causes and ongoing actions taken by agency management.

1. OIG Comments. The objectives of our audit, as presented to management in both the audit announcement memorandum and draft audit report, were to determine whether GPO complied with applicable laws, rules, regulations, guidance, and GPO Directives/Instructions related to the request and approval of LWOP. Our objective was not to analyze employee's reasons for requesting LWOP or to determine how and why individual managers choose to accept or deny LWOP, but rather how the Agency documented unpaid hours. Based on a lack of documentation, we were not able to determine why managers chose to accept LWOP for sickness, personal emergencies or any other non-mandatory LWOP.

Management's Comment. Finding A subjectively labels as "clearly excessive" all individuals who "used over 300 hours of LWOP in FY2010.

2. OIG Comments. We believe that approximately 15,000 days of LWOP in a 2 year period is clearly excessive for an agency the size of GPO. While conducting the audit, many of the GPO line supervisors that we interviewed informed us that LWOP was indeed a continuing problem and that there was a culture of LWOP misuse throughout the Agency. The 50 GPO employees who had accumulated over 300 hours of LWOP during 2010 had at least 300 hours of non-mandatory LWOP and an average of 710 hours of LWOP.

Management's Comment. Management provided a chart breaking down the categories of LWOP for Fiscal year 2010 by hours and controllability.

3. OIG Comments. Some notes on management's chart:

- The LWOP categories cited by management in the chart did not match the LWOP categories available in WebTA—GPO's primary tool for managing time and attendance. Management's implementation of Recommendation 2 should resolve that issue.
- The chart covers "fiscal year" 2010, our audit covered calendar year 2010 as described throughout the report. Therefore it is not valid to use the chart as a means of comparison with the audit data presented in the report.

Appendix D

- Employee suspensions are just that, they are not LWOP per GPO Directive 645.13 Chapter 8.
- Contrary to management’s categorization, Union Business LWOP is a controllable type of LWOP per 645.13 Chapter 8, paragraph 7 which states:

7. Other Types of LWOP Which **May** Be Approved

a. Union Business (ULWOP). A union representative or official **may be** granted a **reasonable** amount of ULWOP to perform his or her official union duties.

- By using management’s categorization of LWOP, approximately 64 percent of the 72,600 hours of LWOP are controllable, which equates to over 5,800 days of lost production time under potential management control during FY 2010.

Management’s Comment. Finding (B) did not include or consider counseling as an action taken against employees, most likely because there are few records documenting this action.

4. OIG Comments. We considered counseling and verbal warnings—the term used in our report, to be the same thing. We agree with management’s comment that there are few records documenting this action as we stated in Finding B, and which was our basis for Recommendation 5.

Management’s Comment. Fundamentally, the root cause of not following policy is not correctable by more policy.

5. OIG Comments. Our audit recommendations do not call for more policy but to apply sufficient management attention and management controls to ensure that established policy is followed consistently throughout the Agency.

Management’s Comment. The GPO does not have a bi-weekly pay cap on blue collar employees’ salaries, so there is no limit on the overtime that can be worked. There are also white collar workers that must be allowed to work over the bi-weekly pay cap as a part of their jobs.

6. OIG Comments. As stated in the report, we did not include in the calculation of bi-weekly salary cap violations, either blue collar workers or any white collar workers who received an exemption from the bi-weekly pay cap.

Appendix E. Status of Recommendations

Recommendation	Resolved	Unresolved	Open/ECD*	Closed
1	X		10-30-11	
2		X		
3	X		10-30-11	
4	X			11-16-2011
5		X		
6	X		3-1-12	
7		X		
8		X		
9		X		
10	X		3-30-12	
11	X		3-30-12	

*Estimated Completion Date.

Appendix F. Report Distribution

Public Printer
Assistant Public Printer, Operations
Chief of Staff
General Counsel
Chief Financial Officer
Chief Human Capital Officer
Chief Information Officer
Chief Technology Officer
Director, Congressional Relations
Managing Director, Plant Operations
Managing Director, Security and Intelligent Documents
Security Director

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