



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

September 23, 2020

OFFICE OF THE
CHIEF FINANCIAL OFFICER

MEMORANDUM

SUBJECT: Response to the Office of Inspector General Audit Report, Report No. 20-P-0063, *"Outdated EPA Leave Manual and Control Weaknesses Caused Irregularities in the Office of Air and Radiation's Timekeeping Practices,"* dated December 19, 2019

FROM: David A. Bloom, Deputy Chief Financial Officer
Office of the Chief Financial Officer

**DAVID
BLOOM**

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DAVID BLOOM
Date: 2020.09.23
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TO: Sean O'Donnell, Inspector General
Office of the Inspector General

Thank you for the opportunity to respond to the issues and recommendations in the subject audit report. The following is a summary of the Office of the Chief Financial Officer's actions in response to the audit, along with its position on Recommendation 3.

As stated in your memorandum, *"Response to Corrective Actions for Office of Inspector General Report No. 20-P-0063,"* dated August 25, 2020, Recommendations 1, 2, and 5, assigned to the Office of Mission Support, as well as Recommendation 4 assigned to the Office of Air and Radiation have been completed; therefore, no additional response on those recommendations will be provided. For recommendation 3, assigned to the OCFO, your report acknowledged that policies were in place but indicated further improvements could be made. The OCFO has modified its position and concurs.

OVERALL POSITION

OCFO concurs with the OIG on Recommendation 3.

BACKGROUND ON RECOMMENDATION 3

As stated in the OCFO's response to the draft report, the OCFO believes adequate policies and procedures are currently in place to address prior period pay adjustments. However, the OCFO has updated Resource Management Directives System No. 2540-08-P1, Payroll, Time and Attendance Reporting, issued June 27, 2019, to provide clarification on specific responsibilities for timely submission of accurate time and attendance, and has taken some additional actions to strengthen agency communication and systems for leave reconciliation.

Since the OCFO's September 5, 2019 response to the draft report, the OCFO has performed actions to continue defining time frames for time and attendance and for reinforcing previously implemented internal controls. On August 30, 2019, the OCFO provided a Leave Reconciliation Report to all PeoplePlus Coordinators for all regional and program offices. The Leave Reconciliation Report is

available to all supervisors and timekeepers to generate as needed and identifies each organization's timecard reconciliation anomalies. This report also helps in identifying discrepancies between an employee's timecard and leave requests submitted using the leave management module within PeoplePlus.

In addition, the OCFO conducts monthly meetings the first Wednesday of each month with the agency PeoplePlus Coordinators and stakeholders to provide information on any policy or system updates. During the December 2019 monthly PeoplePlus Coordinator meeting, the OCFO discussed the PeoplePlus Leave Management processes, which included the Leave Reconciliation Report and other related time and attendance topics. In efforts to review and strengthen controls continuously over our processes, the OCFO also communicates with PeoplePlus Coordinators and stakeholders through the Office of the Controller's *The Source* publication and through direct engagement as needed.

Most recently, in reviewing the leave reconciliation process, it was highlighted that the latest PeoplePlus version defaulted supervisory review to only the current pay period. This meant supervisors had to specifically request prior pay periods to see any pending approvals. In August 2020, the OCFO updated PeoplePlus to bring forward any pending approvals for supervisory review, as a default. This will facilitate keeping approvals up to date.

AGENCY'S RESPONSE TO FINAL REPORT RECOMMENDATIONS

Agreements

No.	Recommendation	Assigned to:	High-Level Corrective Action(s)	Estimated Completion Date
3	Implement a policy that defines time frames for time and attendance adjustments, and implement controls in PeoplePlus to prevent adjustments, without prior approval, after the established time frames.	OCFO	Concur. The OCFO updated Resource Management Directives System No. 2540-08-P1 , Payroll, Time and Attendance Reporting on 6/27/2019 to provide clarification on the timely submission of accurate time and attendance. RMDS 2540-08-P1 timeframes provide that prior pay period adjustments should be completed as soon as the employee returns to work status or as early as the first Tuesday of the pay period. All corrections should be input and approved no later than the second Wednesday of the pay period. All adjustments must be attested to by the employee or entered and verified on behalf of the employee and approved by the approving official before transmittal to the payroll	8/10/2020 Completed

			<p>provider for processing. To ensure compliance with RMDS 2540-08-P1, the OCFO performs annual A-123 payroll reviews, and in 2021, the A-123 payroll review will include the PeoplePlus exception reports to verify compliance with the established timeframes contained in the policy.</p> <p>In addition, the OCFO has taken the following actions:</p> <ul style="list-style-type: none"> • Developed and provided the Leave Reconciliation Report to all program and regional Office PeoplePlus Coordinators and stakeholders for their respective offices. • Reinstated the PeoplePlus Coordinator monthly meeting. The Leave Management process, including the Leave Reconciliation Report and other timekeeping topics, are discussed with PeoplePlus Coordinators and stakeholders at these monthly meetings occurring the first Wednesday of each month. • Changed default settings for approved time to enable time approving officials to revert back to October 1, 2017. 	<p>August 2019 Completed</p> <p>September 2019 Completed</p> <p>August 2020 Completed</p>
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CONTACT INFORMATION

If you have any questions regarding this response, please contact the OCFO's Audit Follow-up Coordinator, Andrew LeBlanc, at leblanc.andrew@epa.gov or (202) 564-1761.

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