

Audit Report

Social Security Administration
Employees Who Received Salary
Increases While Working Under an
Opportunity to Perform Successfully
Plan



MEMORANDUM

Date: September 14, 2017 **Refer To:**

To: The Commissioner

From: Acting Inspector General

Subject: Social Security Administration Employees Who Received Salary Increases While Working Under an Opportunity to Perform Successfully Plan (A-04-17-50208)

The attached final report presents the results of the Office of Audit's review. The objective was to identify Social Security Administration employees who received a promotion or Within-grade Increase while working under an Opportunity to Perform Successfully plan.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.

A handwritten signature in black ink that reads "Gale Stallworth Stone".

Gale Stallworth Stone

Attachment

Social Security Administration Employees Who Received Salary Increases While Working Under an Opportunity to Perform Successfully Plan

A-04-17-50208



September 2017

Office of Audit Report Summary

Objective

To identify Social Security Administration (SSA) employees who received a promotion or Within-grade Increase (WIGI) while working under an Opportunity to Perform Successfully (OPS) plan.

Background

SSA's General Schedule employees receive WIGIs periodically based on the basic pay rate from one step of a grade to the next higher step of that grade. SSA policy states that employees must be in good standing and performing successfully (summary level 3.0) on their Performance Assessment and Communication System appraisal to be eligible for a WIGI or promotion. SSA considers employees to be performing at the not successful level (summary level 1.0) while they are under an OPS plan. While under an OPS plan, SSA employees are ineligible for a promotion or WIGI.

We obtained and matched SSA data on WIGIs and promotions awarded and OPS plans issued for Fiscal Years (FY) 2011 through 2016.

Findings

SSA improperly awarded a WIGI or promotion to 32 of 497 employees who were working under an OPS plan during FYs 2011 through 2016. For one employee, SSA awarded two WIGIs (in 2012 and 2013). Accordingly, SSA made 33 improper awards (32 WIGIs and 1 promotion) during our review period.

The improperly awarded WIGIs and promotion resulted in overpayments. In March 2017, SSA told us it had processed corrective actions for the 22 employees who received a WIGI in FYs 2011 through 2015. The Department of the Interior, SSA's payroll provider, determined their overpayments were over \$22,000. In September 2017, SSA told us that it was taking corrective action on the nine employees who improperly received a WIGI and one who received a promotion in FY 2016.

SSA stated that multiple systems involved in the performance assistance process did not interface, which caused it to incorrectly issue the WIGIs and promotion. SSA's process relied on management to manually enter data into these systems and keep the appropriate parties informed of necessary actions.

Recommendations

We recommend that SSA:

1. Ensure employees' OPS plan data are recorded in the Workload Management System and require that all management and hiring officials review Federal Personnel and Payroll System data before they process personnel actions, including WIGIs and promotions, during any OPS period.
2. Recover the overpayments from the 22 employees who received WIGIs while working under an OPS plan during FYs 2011 through 2015.
3. Complete corrective actions and recover the overpayments from the nine employees who received WIGIs and one employee who received a promotion in FY 2016 while working under an OPS plan.

SSA agreed with our recommendations.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
FPPS	Federal Personnel and Payroll System
FY	Fiscal Year
OIG	Office of the Inspector General
OPS	Opportunity to Perform Successfully
PACS	Performance Assessment and Communication System
PPM	Personnel Policy Manual
SSA	Social Security Administration
WIGI	Within-grade Increase

OBJECTIVE

Our objective was to identify Social Security Administration (SSA) employees who received a promotion or Within-grade Increase (WIGI) while working under an Opportunity to Perform Successfully (OPS) plan.

BACKGROUND

Most SSA employees work under the General Schedule pay system.¹ The General Schedule has 15 grades—1 being the lowest and 15 the highest. A promotion is the movement from one grade to the next higher grade. Each grade has 10 steps. Each step increase, referred to as a WIGI, raises the employee's salary by about 3 percent. An employee is normally advanced to the next step of a given grade provided his/her performance is at the successful level and he/she has completed the required waiting period.² Also, SSA may award a WIGI (maximum of one per year) to employees who have outstanding (or equivalent) performance ratings.

SSA's Performance Assessment and Communication System (PACS) provides the standards, structure, and actions involved in the employee evaluation process. SSA uses PACS to differentiate between levels of employee performance to recognize high performers and address marginal or failing performers.³ When an employee's performance is marginal or failing, the supervisor must meet with the employee to give specific examples of the performance problem and explain SSA's performance assistance⁴ process. If an employee's performance does not improve to successful, the supervisor must develop and implement a written OPS plan.⁵

¹ General Schedule is the broadest subdivision of the classification system covered by Title 5 (*Federal statutes addressing Government Organization and Employees*). It includes a range of levels of difficulty and responsibility for covered positions from Grades 1 through 15, including supervisory and nonsupervisory positions at all grade levels. Office of Personnel Management, *Introduction to the Position Classification Standards, Section II*, p. 3 (August 2009).

² WIGI step increases are based on an acceptable level of performance and longevity (waiting periods for Steps 2 through 4 is 52 weeks, Steps 5 through 7 is 104 weeks, and Steps 8 through 10 is 156 weeks). It normally takes 18 years to advance from Steps 1 to 10 within a single General Schedule grade if an employee remains in that grade. 5 C.F.R. § 531.405(a)(1) (2011).

³ SSA, *PPM, Performance Assessment and Communication System (PACS)*, ch. S430_1, sec. 5.1 (October 1, 2016).

⁴ Performance assistance is a two-step process to address employees' failing performance and give employees a chance to improve. Supervisors must administer both steps before they rate employees a level 1, not successful, in any element. SSA, *PPM, Performance Assessment and Communication System (PACS)*, ch. S430_1, sec. 5.16 (October 1, 2016).

⁵ SSA, *PPM, Performance Assessment and Communication System (PACS)*, ch. S430_1, sec. 5.17.1 (October 1, 2016).

SSA considers employees to be performing at the not successful level (summary level 1.0) while they are under an OPS plan. These employees are ineligible for a WIGI or promotion.⁶

We obtained data from SSA's Office of the Deputy Commissioner for Human Resources on WIGIs and promotions awarded and OPS plans issued in Fiscal Years (FY) 2011 through 2016. We matched these data to determine whether SSA awarded WIGIs or promotions to employees who were under an OPS plan during these years. See Appendix A for additional information regarding our scope and methodology.

RESULTS OF REVIEW

SSA improperly awarded a WIGI or promotion to 32 of 497 employees who were working under an OPS plan during FYs 2011 through 2016. For one employee, SSA awarded two WIGIs (in 2012 and 2013). Accordingly, SSA made 33 improper awards (32 WIGIs and 1 promotion) during our review period. Table 1 reflects the number of WIGIs and promotion that SSA improperly awarded each FY.

Table 1: Promotion or WIGI Awarded to Employees Who Were Working Under an OPS Plan During FYs 2011 Through 2016

SSA Employees	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
Started an OPS Plan	65	99	81	64	81	107	497
<i>Were Working Under an OPS and Received</i>							
Promotion	0	0	0	0	0	1	1
WIGI	5	4	6	4	4	9	32
Total Promotions/WIGIs	5	4	6	4	4	10	33
Percent of Error	7.7	4.0	7.4	6.3	4.9	9.3	6.6

Source: SSA's Office of the Deputy Commissioner of Human Resources.

Note: Table 1 reflects WIGIs awarded. One employee received two WIGIs. As such, only 31 employees improperly received WIGIs during FYs 2011 through 2016.

The improperly awarded WIGIs and promotion resulted in overpayments. In March 2017, SSA told us it had processed corrective actions for the 22⁷ employees who received a WIGI in FYs 2011 through 2015. The Department of the Interior, SSA's payroll provider, determined their overpayments were over \$22,000. In September 2017, SSA told us it was taking corrective

⁶ SSA, *PPM, Performance Assessment and Communication System (PACS)*, ch. S430_1, sec. 5.17.4 (October 1, 2016).

⁷ SSA awarded two WIGIs (in 2012 and 2013) to one employee. As such, SSA improperly awarded 23 WIGIs to 22 employees during FYs 2011 through 2015.

action on the nine employees who improperly received a WIGI and one who was promoted in FY 2016.⁸

When an employee is working under an OPS plan, SSA requires that the supervisor delay his/her appraisal until the OPS plan is completed.⁹ Additionally, if, during that time, a WIGI becomes due, the supervisor prepares a PACS appraisal with a not successful (summary level 1.0) rating.¹⁰ Once the supervisor issues an appraisal, he/she can deny the WIGI.¹¹ During this time, the employee is also not eligible for consideration for a promotion.¹² SSA policy is subject to the provisions of Union/Management contracts, which take precedence for bargaining unit employees.¹³ The American Federation of Government Employees' and National Federation of Federal Employees' agreements mirror SSA's Personnel Policy Manual (PPM) concerning WIGIs and promotional eligibility of employees working under an OPS plan.¹⁴

SSA stated that multiple systems involved in the performance assistance process did not interface, which caused it to incorrectly issue the WIGIs and promotion. One of the systems SSA personnel used to process WIGI personnel actions was the Department of the Interior's Federal Personnel and Payroll System (FPPS).¹⁵ SSA's process relied on management to manually enter data into these systems and keep the appropriate parties informed of necessary actions. When SSA places an employee on an OPS plan, the following occur.

- Employee Relations staff tracks the plan by entering the data into established repositories, which, before FY 2016, varied by region/location. In FY 2016, SSA replaced these repositories with a single system called the Workload Management System.
- The employee's supervisor enters the not in good standing (effective date of level 1.0 rating) and return to good standing dates (effective date of return to at least a summary level 3.0 rating) into the PACS Web-based application.

⁸ As of September 2017, SSA had not received from the Department of the Interior the overpayment calculations for the one promotion and nine WIGIs improperly awarded in FY 2016.

⁹ SSA, *PPM, Performance Assessment and Communication System (PACS)*, ch. S430_1, sec. 5.17.4 (October 1, 2016).

¹⁰ See Footnote 9.

¹¹ See Footnote 9.

¹² See Footnote 9.

¹³ SSA, *PPM, Performance Assessment and Communication System (PACS)*, ch. S430_1, Heading (October 1, 2016).

¹⁴ *National Agreement between the American Federation of Government Employees (AFGE) and Social Security Administration*, Articles 21 and 22, July 16, 2012; and *Agreement between Social Security Administration and National Federation of Federal Employees*, Articles 16 and 18, June 30, 2006.

¹⁵ FPPS is an integrated database that is a single source for all personnel and payroll data. It provides for real-time, online editing and updating of data.

- The employee's supervisor denies a WIGI if it comes due while the employee is on the OPS plan or unsuccessfully completed the OPS without having achieved at least a summary level 3.0 rating of record after a period of 120 days.
- When an employee applies for a new position, the Human Resources staffing specialist relies on the employee to truthfully answer whether he/she is on an OPS plan.

According to SSA, its personnel payroll system did not have established controls to detect and prevent the completion of either WIGI or promotion actions for employees who are under OPS plans or are otherwise not in good standing.

CONCLUSIONS

SSA inappropriately promoted or awarded WIGIs to 32 employees who were under an OPS plan during FYs 2011 through 2016. This occurred because SSA has multiple systems in its performance assistance process that did not interface and inadequate internal controls to verify employees' eligibility for promotion or step increases. Moving forward, SSA should ensure all personnel performance actions are documented and eligibility verified before awarding employees' WIGIs or promotions.

RECOMMENDATIONS

We recommend that SSA:

1. Ensure employees' OPS plan data are recorded in the Workload Management System and require that all management and hiring officials review FPPS data before they process personnel actions, including WIGIs and promotions, during any OPS period.
2. Recover the overpayments from the 22 employees who received WIGIs while working under an OPS plan during FYs 2011 through 2015.
3. Complete corrective actions and recover the overpayments from the nine employees who received WIGIs and one employee who received a promotion in FY 2016 while working under an OPS plan.

AGENCY COMMENTS

SSA agreed with our recommendations. The Agency's comments are included in Appendix B.



Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed pertinent sections of the Social Security Administration's (SSA) *Personnel Policy Manual* and union agreements¹ related to employee performance evaluation and salary.
- Obtained a list of employees whom SSA had awarded promotions and Within-grade Increases (WIGI) in Fiscal Years (FY) 2011 through 2016 and employees who worked under an Opportunity to Perform Successfully (OPS)² plan during these years.
- Matched SSA's list of 182,643 WIGIs and 76,803 promotions awarded in FYs 2011 through 2016 to 497 employees who were working under an OPS plan during these years.

Our review of internal controls was limited to gaining an understanding of employees working under OPS plans to whom SSA awarded WIGIs or promotions. We conducted our audit from November 2016 through July 2017 at the Office of Audit in Atlanta, Georgia. We did not verify the completeness of the OPS plan data SSA provided for our review since to do so would have required that we review all SSA employee files to identify which employees were on an OPS plan in FYs 2011 through 2016. Instead, we requested OPS plan data from SSA. To obtain these data, SSA requested OPS plan data from each of its components because SSA did not maintain a database of all OPS plans at the time of our audit. Hence, our results are limited to the 497 employees SSA identified as being on an OPS plan.

The SSA entities audited were the Offices of Personnel and Labor Management and Employee Relations under the Office of the Deputy Commissioner for Human Resources. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

¹ *National Agreement between the American Federation of Government Employees (AFGE) and Social Security Administration*, Articles 21 and 22, July 16, 2012; and *Agreement between Social Security Administration and National Federation of Federal Employees*, Articles 16 and 18, June 30, 2006.

² An OPS plan is a formal process for performance improvement and a written plan developed by the supervisor.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: August 22, 2017 **Refer To:** S1J-3

To: Gale S. Stone
Acting Inspector General

From: Stephanie Hall /s/
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Social Security Administration Employees Who Received Salary Increases While Working Under an Opportunity to Perform Successfully Plan” (A-04-17-50208)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“SOCIAL SECURITY ADMINISTRATION EMPLOYEES WHO RECEIVED SALARY
INCREASES WHILE WORKING UNDER AN OPPORTUNITY TO PERFORM
SUCCESSFULLY PLAN” (A-04-17-50208)**

GENERAL COMMENTS

We continue to stress to our managers and supervisors the importance of following established policies when determining if an employee is eligible for a Within Grade Increase (WIGI) or promotion. We provide training throughout the year with a focus on the Performance Assessment and Communication System and the performance assistance process. To ensure all managers and supervisors understand the procedures to follow when an employee is due a WIGI but is working under an Opportunity to Perform Successfully (OPS) plan, we developed an Interactive Video Teletraining that will air during the week of August 28, 2017. We will require all managers and supervisors to view this training.

Recommendation 1

Ensure employees' OPS plan data are recorded in the Workload Management System and require that all management and hiring officials review FPPS data before they process personnel actions, including WIGIs and promotions, during any OPS period.

Response

We agree.

Recommendation 2

Recover the overpayments from the 22 employees who received WIGIs while working under an OPS plan during FYs 2011 through 2015.

Response

We agree.

Recommendation 3

Complete corrective actions and recover the overpayments from the nine employees who received WIGIs and one employee who received a promotion in FY 2016 while working under an OPS plan.

Response

We agree.

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