

Office of the Inspector General

August 4, 2000

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Deputy Commissioner  
of Social Security

Inspector General

Office of Hearings and Appeals Time and Attendance Policies and Procedures at Hearing Offices (A-06-98-91010)

Attached is a copy of our final report. Our objective was to evaluate adherence to policies and procedures for documenting and recording time and attendance data for payroll purposes by Office of Hearings and Appeals employees, timekeepers and supervisors located in Hearing Offices nationwide.

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

James G. Huse, Jr.

Attachment

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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**OFFICE OF HEARINGS AND  
APPEALS TIME AND  
ATTENDANCE POLICIES AND  
PROCEDURES AT  
HEARING OFFICES**

**August 2000**

**A-06-98-91010**

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**AUDIT REPORT**

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# **EXECUTIVE SUMMARY**

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## **OBJECTIVE**

The objective of this audit was to evaluate adherence to policies and procedures for documenting and recording time and attendance (T&A) data for payroll purposes by Office of Hearings and Appeals (OHA) employees, timekeepers and supervisors located in Hearing Offices (HO) nationwide.

## **BACKGROUND**

The OHA has approximately 1,150 administrative law judges and 5,600 support staff in 140 permanent and temporary HOs nationwide. In Fiscal Year 1998, OHA spent more than \$517 million in salaries and benefits. Social Security Administration's (SSA) automated Mainframe Time and Attendance System (MTAS) is used to record and maintain T&A data. T&A data is used to track leave balances and pay employees once it has been verified by the timekeeper and certified by a duly appointed supervisor. Although SSA became an independent agency on March 31, 1995, management still uses the U. S. Department of Health and Human Services Guide For Timekeepers as its primary guide to T&A management. SSA and OHA management have also issued a number of memoranda to further clarify and manage employee and timekeeper actions.

In addition to the Guide For Timekeepers and SSA guidance, the General Accounting Office (GAO) issues criteria for recording, maintaining and approving T&A data. To ensure accuracy, the GAO Policy and Procedures Manual for Guidance of Federal Agencies and GAO Revisions to Title 6 on Pay, Leave, and Allowances require that the completed T&A records be approved by the supervisor. Verification must ensure that recorded attendance is reasonable and allowable and, to the best of the supervisor's knowledge, is true, correct and accurate in accordance with applicable laws, regulations, policies and guidelines.

## **RESULTS OF REVIEW**

Supervisors, timekeepers and employees in HOs do not always adhere to T&A procedures. T&A practices in HOs require improvement in the following areas to ensure the integrity of the system: (1) supervisory compliance with T&A responsibilities; (2) timekeeper compliance with T&A policies and procedures; (3) accuracy of employee T&A records; and (4) other matters relating to a lack of controls over the T&A process. Some examples of the practices and controls that require improvement are:

- Supervisory T&A Responsibilities - Supervisors in five of the seven HOs reviewed had not adequately approved the Serial Time and Attendance Roster - SSA Form 30 (T&A Roster) and in three of the seven HOs, supervisors had not always approved or documented the Serial Overtime or Holiday Work Attendance Roster - SSA Form 29 (Overtime Attendance Roster). In two HOs reviewed, supervisory pre-approval documentation of overtime was not maintained properly and in three of the HOs, supervisory pre-approval of credit hours was not always maintained.
- Timekeeper Compliance with T&A Policies and Procedures - In two of the HOs reviewed, timekeepers had not signed the T&A or Overtime Attendance Rosters. In one of the HOs, Application for Leave - Standard Form 71 (Leave Application) supported only 9 percent of the leave taken for the pay period tested.
- Accuracy of Employee T&A Records - Information was not always posted and, in some cases, not posted properly from the T&A and Overtime Attendance Rosters to the MTAS. We also found numerous mathematical errors in computing the amount of time worked, including instances where meal breaks were not excluded from the workday.
- Other Matters - Other conditions were noted which also showed a lack of internal control over the T&A process. These included: employee "sign in" and "sign out" times on the T&A and Overtime Attendance Rosters were not always in chronological order; changes to the T&A and Overtime Attendance Rosters were not always annotated; timekeepers and supervisors used T&A and Overtime Attendance Rosters that they also approve; and, one HO used unauthorized T&A and Overtime Attendance Rosters.

We attributed many of the errors found during our review to the lack of formal MTAS training for timekeepers and the outdated and sometimes conflicting criteria used. In addition, management oversight of the T&A process should be improved.

## **RECOMMENDATIONS**

We recommend that OHA:

- Issue instructions to supervisors on the importance of their responsibilities for authorizing work hours and leave, and reviewing and certifying that T&A records reflect actual hours worked and leave taken.
- Instruct timekeepers and supervisors to retain T&A documentation in accordance with SSA retention requirements.
- Require that HOs use only SSA approved T&A and Overtime Rosters.

- Ensure that all supervisors, timekeepers and employees receive formal training in MTAS and T&A responsibilities.
- Periodically review timekeeper and supervisor T&A practices at HOs.
- Request that SSA develop a single comprehensive set of policies and procedures for T&A activities.

## **AGENCY COMMENTS**

In response to our draft report, SSA agreed with all of the report's recommendations and has begun taking action to implement each recommendation. (See appendix H for the full text of SSA's comments to our draft report).

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# **INTRODUCTION**

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## **OBJECTIVE**

The objective of this audit was to evaluate adherence to policies and procedures for documenting and recording time and attendance (T&A) data for payroll purposes by Office of Hearings and Appeals (OHA) employees, timekeepers and supervisors located in Hearing Offices (HO) nationwide.

## **BACKGROUND**

The OHA has approximately 1,150 administrative law judges (ALJ) and 5,600 support staff in 140 permanent and temporary HOs nationwide. In Fiscal Year (FY) 1998, OHA spent more than \$517 million in salaries and benefits. Social Security Administration's (SSA) automated Mainframe Time and Attendance System (MTAS) is used to record and maintain T&A data. T&A data is used to track leave balances and pay employees once the data is verified by the timekeeper and certified by a duly appointed supervisor.

Although SSA became an independent agency on March 31, 1995, management still uses the U. S. Department of Health and Human Services (HHS) Guide For Timekeepers as its primary guide to T&A management. The SSA and OHA management also issued a number of memoranda to further clarify and manage employee and timekeeper actions.

In addition to the HHS Guide For Timekeepers and SSA guidance, the following criteria is also used by timekeepers and supervisors to record, maintain and approve T&A data.

- General Accounting Office (GAO) Policy and Procedures Manual for Guidance of Federal Agencies
- GAO Revisions to Title 6 on Pay, Leave, and Allowances
- HHS Timekeeping Manual for Timekeepers/Supervisors
- SSA Mainframe Time and Attendance System Training Manual
- SSA Mainframe Time and Attendance System User Manual
- Personnel Manual For Supervisors – SSA

In accordance with GAO guidelines, the completed T&A records must be approved by the supervisor, and in an automated environment, checked by system edits and other tests for verification. Verification must ensure that recorded attendance is reasonable and allowable and, to the best of the supervisor's knowledge, is true, correct, and accurate in accordance with applicable laws, regulations, policies and guidelines. Approvals should be based on personal observation, work output, timekeeper

verification, data checks against other independent resources, reliance on other controls, or a combination of these methods.

## **SCOPE AND METHODOLOGY**

To accomplish our objective, we:

- Reviewed applicable T&A policies;
- Interviewed 9 HO timekeepers, 7 ALJs and 17 Supervisors to determine if they were following the procedures specified in applicable regulations and guidelines;
- Used a multistage sample design to select the timekeepers to be reviewed. In FY 1998, there were 140 timekeeper numbers and 27 pay periods of data per timekeeper. This yielded 3,780 timekeeper-pay period clusters. We randomly selected 8 of the 3,780 timekeeper-pay period clusters. Because of the way we defined the clusters, a timekeeper number could be selected more than once. Our random sample resulted in the selection of eight pay periods from seven HOs: one pay period at six HOs, and two pay periods at one HO;
- Reviewed applicable T&A and leave documents. Specifically, we reviewed the Serial Time and Attendance Roster - SSA Form 30 (T&A Roster), the Serial Overtime or Holiday Work Attendance Roster - SSA Form 29 (Overtime Attendance Roster) and the Application For Leave - Standard Form 71 (Leave Application);
- Made unannounced visits to each of the selected HOs to verify that employees were present if they had signed in on that day's T&A Roster; and
- Compared the information reported on the reviewed documentation to each employee's MTAS record to determine whether T&A and leave data were reported and recorded correctly on a consistent basis.

To meet our objective, we did not have to review the application and systems controls over the MTAS or the Federal Payroll Personnel System (FPPS). FPPS is the system which processes MTAS and it is under the control of the Department of Interior (DOI). DOI's Inspector General is currently auditing the FPPS.

We performed our audit work in Billings, Montana; Fort Smith, Arkansas; Grand Rapids, Michigan; Hartford, Connecticut; Jackson, Mississippi; Jericho, New York; and Portland, Oregon. We conducted our audit between September 1998 and October 1999. We conducted our audit in accordance with generally accepted government auditing standards.

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# **RESULTS OF REVIEW**

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Supervisors, timekeepers, and employees in HOs do not always adhere to T&A procedures. T&A practices in HOs require improvement in the following areas to ensure the integrity of the system: (1) supervisory compliance with T&A responsibilities; (2) timekeeper compliance with T&A policies and procedures; (3) accuracy of employee T&A records; and (4) other matters relating to a lack of controls over the T&A process.

## **SUPERVISOR T&A RESPONSIBILITIES**

The primary objective of the T&A system is to ensure that the employees' hours in pay status or absences are properly reported. More specifically, GAO's Policy and Procedures Manual for Guidance of Federal Agencies states, "...supervisors are accountable for...the work time and absence of employees for whom they are responsible...." Furthermore, supervisors are charged with the responsibilities of: (1) getting leave supporting documents from employees; (2) reviewing timekeeper performance regularly; and (3) certifying that the timekeeper is proficient in performance of timekeeping duties.

### **Supervisory Approval of T&A Rosters**

Supervisors are responsible for approving T&A Rosters. Such approvals represent that actual work schedules recorded by employees or timekeepers are, to the best of the approving official's knowledge, true, correct and accurate. Supervisors are also certifying that the work schedules are in accordance with applicable laws, regulations and legal decisions. The approving officials acknowledge awareness and understanding of their responsibilities when approving T&A data. In manual systems, which are used at OHA's HOs, approvals are usually shown by the individual's signature or initial on a hard-copy document.<sup>1</sup>

Supervisors in five of the seven HOs we reviewed had not adequately approved the T&A Roster. In three of the HOs, the T&A Rosters had no supervisory approval and the supervisory approval rate at the remaining two HOs were 33 percent and 89 percent. (See the following table.)

While we were on site at each of the seven HOs, we selected one day to verify the attendance of employees who had signed in on that day's T&A Roster. All employees who signed in on the T&A Roster were at work.

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<sup>1</sup> Revisions to Title 6 on Pay, Leave, and Allowances (GAO/AIMD-96-001c), March 1996, 3.6 A.

## **Supervisory Approval of Overtime Attendance Rosters**

In addition, in three of the seven HOs reviewed, supervisors had not adequately approved the Overtime Attendance Rosters. Overtime Attendance Rosters at two of the three HOs had no supervisory approval and 62 percent of the Overtime Attendance Rosters at the third HO were approved. The reasons given for not approving the Overtime Attendance Rosters were that supervisors were unaware of the requirements or knew that the roster should be signed, but for an unknown reason, did not sign them. The remaining four HOs had all of the Overtime Attendance Rosters approved by a supervisor.

**Supervisory Approval Percentages<sup>2</sup>**

<b>HO #</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5a</b>	<b>5b</b>	<b>6</b>	<b>7</b>
T&A Roster	89	33	0	0	0	0	100	100
OT Roster	100	100	62	0	0	0	100	100

Because the T&A and Overtime Attendance Rosters were not adequately approved, the supervisors were unable to document that the T&A information was accurate and in accordance with applicable laws and regulations.

## **Supervisory Pre-Approval of Overtime**

Overtime worked at the HOs reviewed was not always pre-approved or documentation was not always maintained. There were a total of 1,077 hours of overtime worked during the 8 pay periods reviewed. Of the total overtime hours worked, 236 hours were pre-approved and 841 hours were not pre-approved. The 841 hours were approved after the overtime was worked, which is not in accordance with SSA policy. In order to quantify the hours not pre-approved, we applied each employee's pay rate to the applicable hours. The amount of overtime not pre-approved totaled \$22,658 (see Appendix A).

In addition, two of the seven HOs did not maintain pre-approval documentation. One of the HOs had pre-approvals for all overtime worked and the remaining four HOs had pre-approvals ranging from 9 percent to 99 percent of the overtime hours worked. The percentages of pre-approved overtime is shown in the following table. Overall, written pre-approval was available for 22 percent of the overtime for the seven pay periods with overtime and written pre-approval was not available for 78 percent of the overtime.

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<sup>2</sup> HOs 5a and 5b represent two pay periods at the same HO.

## Overtime Pre-approval Percentages

HO #	1	2	3	4	5a	5b	6	7
Pre-approval	99	29	0	9	NA	25	0	100

Officials at two of the seven HOs reviewed explained that pre-approval forms had been prepared but had been discarded. The supervisors stated that they did not realize that the overtime documentation was a part of T&A records. SSA policy requires retention of T&A records for no less than 3 years.<sup>3</sup> Officials at the two HOs told us that they currently require overtime approvals and provided us with an example. Officials at the remaining five HOs with either partial or no documentation either had not prepared approvals or could not locate them.

According to the GAO Policy and Procedures Manual For Guidance of Federal Agencies, "Approval must be granted for overtime before the work has been performed when feasible and, when not feasible, as soon as possible after the work has been performed."<sup>4</sup> Other Federal regulations require "Overtime work in excess of any included in a regularly scheduled administrative workweek may be ordered or approved only in writing by an officer or employee to whom this authority has been specifically delegated."<sup>5</sup> In addition, SSA's Personnel Manual For Supervisors states that "Officials having delegated authority must order or approve employees to work overtime in advance of its being performed."<sup>6</sup>

A more recent memorandum, from the Associate Commissioner for Hearings and Appeals, dated March 27, 1998 states that "Second-line supervisors must approve employees to work overtime in advance of it being performed.... After approval, the forms should be retained with the sign-in rosters or in a separate folder for Overtime Approval."<sup>7</sup>

We believe that internal controls were in place for the approval of overtime but were not being followed.

## Supervisory Pre-Approval of Credit Hours

The HOs reviewed did not always have pre-approvals for credit hours worked. There was a total of 334 credit hours worked during the 8 pay periods reviewed. The HOs had written pre-approval for 112 credit hours and no written pre-approval for 222 hours. In order to quantify the hours with no written pre-approval, we applied each employee's pay rate to the applicable hours and the amount totaled \$5,176 (see Appendix B).

<sup>3</sup> HHS' Timekeeping Manual for Timekeepers/Supervisors (August 1993) Chapter 1- Page 14.

<sup>4</sup> Revisions to Title 6 on Pay, Leave, and Allowances (GAO/AIMD-96-001c), March 1996, 3.6 B.

<sup>5</sup> 5 CODE OF FEDERAL REGULATIONS 550.111 (January 1, 1998 Revision)

<sup>6</sup> Personnel Manual For Supervisors—SSA, Chapter S550, Subchapter 1, Section IV B.

<sup>7</sup> Associate Commissioner for Hearings and Appeals Memorandum, March 27, 1998, *Office of Hearings and Appeals Overtime Procedures – ACTION*.

In addition, three of the seven HOs reviewed did not maintain documentation for the pre-approval of employees to work credit hours. The remaining four HOs had some pre-approval documentation as shown in the following table. Overall, written pre-approval was available for 34 percent of the credit hours worked at the seven HOs and was not available for 66 percent of the credit hours worked.

**Credit Hour Pre-approval Percentages**

HO #	1	2	3	4	5a	5b	6	7
Pre-approval	38	0	0	0	55	46	18	59

Of the three HOs that could not provide documentation, officials at two HOs explained that pre-approval forms had been prepared but had been discarded. The supervisors did not realize that the credit hour documentation was part of T&A records. SSA requires retention of T&A records for no less than 3 years. Officials at the two HOs told us that they currently require credit hour approvals and provided us with an example. In addition, one HO did not have pre-approval documentation because its Regional office had provided directions that written approval was not necessary. The remaining five HOs with some documentation either had not prepared approvals in all cases or could not locate them.

According to the Timekeeping Manual for Timekeepers/Supervisors, "Employees must have their supervisor's approval in advance to earn and use credit hours." The Agreement Between the Office of Hearings and Appeals and the National Treasury Employees Union requires that an employee will complete a request to work credit hours on or prior to the workday credit hours are to be worked. The National Agreement Between American Federation of Government Employees (AFGE) and SSA requires that an employee will complete a request to work credit hours prior to the workday credit hours are to be worked. The request is to be submitted to the employee's supervisor. In addition, a memorandum from the Chief ALJ on March 12, 1997, states that "In order to work credit hours on any given day, employees must receive advance approval.... This policy applies to all ALJs, bargaining unit, and non-bargaining unit employees. There are no exceptions to this policy."

We believe that internal controls were in place for the approval of credit hours but they were not being followed.

### **Supervisory Certification of MTAS Data**

The certification process is a crucial internal control that provides the opportunity for the supervisor to identify errors and correct T&A entries before they are entered into the MTAS. Supervisors are responsible for reviewing and certifying T&A entries prior to submission for payment through the MTAS and the payroll system.

Our review showed that not all supervisors performed a detailed review of T&A data during the certification process. The primary reason for the supervisor not making a detailed review was that he or she depended on the timekeeper to maintain accurate records. Although it is a timekeeper's responsibility to maintain records, it is the supervisor's responsibility to properly certify records to identify any errors that might be made by the timekeeper. As discussed in other sections of the report, various instances of work and leave were incorrect and recorded in the MTAS. The adherence to the proper internal control of certification would have resulted in a reduction of T&A errors.

## **TIMEKEEPER COMPLIANCE WITH T&A POLICIES AND PROCEDURES**

Timekeepers were not always complying with T&A policies and procedures that require them to verify and attest by signature all T&A and Overtime Attendance Rosters. Further, some T&A records were not properly safeguarded. In addition, T&A and Overtime Attendance Rosters were not properly completed, which resulted in T&A errors.

### **Verification of T&A and Overtime Attendance Rosters**

Timekeepers are required to sign and enter their timekeeper number on the preprinted signature line located at the bottom of the T&A and Overtime Attendance Rosters to verify the T&A data. Verifications are confirmations that recorded information is true, correct, and accurate to the best of the verifier's knowledge. Verification enables timekeepers to check or test recorded work-time to determine if it is reasonable and allowable.

The T&A Roster provides a signature line for the timekeepers which states that the form's entries have been reviewed, and to the best of their knowledge are true, complete and accurate. The requirement to sign the Overtime Attendance Roster is specifically included on the instructions to the form. In addition, SSA's Personnel Manual for Supervisors states that "Timekeepers and supervisors must check, verify, sign and date the attendance roster on a daily basis."<sup>8</sup>

As noted in the following table, in two of the seven HOs reviewed, the timekeepers had not signed either the T&A or the Overtime Attendance Rosters. In four of the seven HOs, the T&A and Overtime Attendance Rosters had been signed. Timekeepers in the remaining HOs had signed both the T&A and the Overtime Attendance Rosters between 33 percent and 90 percent of the time. By not signing the T&A and Overtime Attendance Rosters, there is no indication that the timekeeper is accepting responsibility for the accuracy of the recorded information.

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<sup>8</sup> Personnel Manual for Supervisors-SSA, Chapter S550, Subchapter 1, Appendix B, Section 1.D.

### Timekeeper Approval Percentages

HO #	1	2	3	4	5a	5b	6	7
T&A Roster	87	100	0	0	100	33	100	100
OT Roster	100	100	0	0	90	0	100	100

### Documentation of Leave Approval

Leave is to be requested in advance in writing to the employee's supervisor, except for emergencies. The Leave Application was designed for this purpose. Employees complete the Leave Application and give it to their supervisor or leave-approving official to review for completeness and accuracy. The supervisor signs the form if the leave is approved and gives it to the timekeeper.<sup>9</sup>

One of the seven HOs reviewed had Leave Applications for only 9 percent of leave taken during the pay period. The remaining six HOs provided a greater percentage of Leave Applications to support leave taken, however, only one HO supported 100 percent of its leave. The percentages of leave supported by Leave Applications for the remaining five HOs ranged from 76 percent to 96 percent as shown in the following table.

### Leave Approval Percentages

HO #	1	2	3	4	5a	5b	6	7
Leave Applications	100	9	96	87	95	94	76	95

We believe it is important that supervisors recognize their responsibilities for documenting the approval of leave and requiring employees to submit Leave Applications. In addition, employees also have the responsibility to properly complete T&A records.

## ACCURACY OF EMPLOYEE T&A RECORDS

Our review showed that supervisors need to emphasize their role in authorizing, reviewing and certifying T&A documents for their employees. Supervisors were not always exercising an adequate level of supervisory review to enforce basic T&A control procedures. Therefore, the potential for errors exists in the processing of T&A records. Supervisors did not always review T&A records to ensure that the records were accurate.

<sup>9</sup> HHS' Timekeeping Manual for Timekeepers/Supervisors (August 1993) Chapter 4 Page 6.

In many instances, employees did not correctly complete T&A and Overtime Attendance Rosters and errors were not detected by the timekeeper or supervisor. Our review revealed many types of errors which demonstrate the weaknesses in the T&A controls. For report purposes, we grouped the errors into four categories. The four general categories are not all inclusive but are representative of the types of errors found. These four categories are:

- Information on the T&A and Overtime Attendance Rosters not posted on MTAS;
- Information on the T&A and Overtime Attendance Rosters incorrectly posted on MTAS;
- Computation Errors on the T&A and Overtime Attendance Rosters; and
- Meal breaks not excluded from the workday.

We counted the number of errors by category for each of the eight pay periods reviewed. Each category described below includes typical examples. On an individual basis some of these examples of errors may not be material; however, collectively they show a pattern of not adhering to established internal control over the T&A process. Further, if these types of errors are present at other HOs in the same proportions, the effect is material (see Appendix C).

### **Information on the T&A and Overtime Attendance Rosters not Posted on MTAS**

Information on the T&A and Overtime Attendance Rosters was not always posted on MTAS. This category shows that the majority of errors were underclaimed amounts. A total of 5.75 hours were overclaimed and 74.25 hours underclaimed which represented \$150 and \$1,943, respectively (see Appendix D).

#### **Information on Rosters not Posted on MTAS**

HO #	1	2	3	4	5a	5b	6	7
Number of Errors		23					12	

#### **EXAMPLES**

- *An employee worked 4 regular hours according to the T&A Roster and had a signed and approved Leave Application for 4 hours of annual leave. However, the MTAS showed 8 hours of annual leave. There was no documentation to support the additional 4 hours of annual leave.*
- *An employee had a signed and approved Leave Application for 1½ hours of sick leave. The MTAS showed 8 regular hours worked. Thus, the 1½ hours of sick leave was not properly charged.*

- Overtime for seven employees was not posted to MTAS for a single day's work and overtime for three other employees was not posted to MTAS on another day. The overtime not posted totaled 22 hours for the two days.

### **Information on the T&A and Overtime Attendance Rosters Incorrectly Posted on MTAS**

Information on the T&A and Overtime Attendance Rosters was not always posted correctly on MTAS. The category showed a total of 21.75 hours overclaimed and .75 hours underclaimed which represented \$434 and \$11, respectively. (See Appendix E).

#### **Information on Rosters Incorrectly Posted on MTAS**

HO #	1	2	3	4	5a	5b	6	7
Number of Errors		1	1			3	2	2

#### **EXAMPLES**

- The Overtime Attendance Roster showed that the employee "Signed-in" at 5:02pm and "Signed-out" at 5:42pm (40 minutes). The employee claimed  $\frac{1}{2}$  hour overtime on the Overtime Attendance Roster. The timekeeper recorded  $\frac{1}{4}$  hour of overtime on MTAS. Thus, rounding up,  $\frac{1}{2}$  hour of overtime was underclaimed.
- The Overtime Attendance Roster showed that the employee "Signed-in" at 3:09pm and "Signed-out" at 3:57pm (48 minutes). The employee claimed  $\frac{3}{4}$  hour of overtime on the Overtime Attendance Roster. The timekeeper recorded 1 hour of overtime on MTAS. Thus,  $\frac{1}{4}$  hour of overtime was overclaimed.

### **Computation Errors on the T&A and Overtime Attendance Rosters**

Information on the T&A and Overtime Attendance Rosters had various mathematical errors that were not detected. The errors included time miscalculations and rounding errors. A total of 16.50 hours were overclaimed and 8.75 hours underclaimed, which represented \$275 and \$249, respectively (see Appendix F).

#### **Computation Errors on Rosters (time spans, rounding)**

HO #	1	2	3	4	5a	5b	6	7
Number of Errors	2	7	6	28	5	3		3

## **EXAMPLES**

- *The Overtime Attendance Roster showed that the employee "Signed-in" at 4:50pm and "Signed-out" at 7:05pm. The employee claimed 1 hour of overtime and 1½ hours of compensatory time on the Overtime Attendance Roster. Since the employee actually worked 2 hours and 15 minutes the employee overclaimed ½ hour of either overtime or compensatory time.*
- *The T&A Roster showed that the employee "Signed-in" at 6:42am and "Signed-out" at 3:05pm. The employee claimed 8 Regular hours on the T&A Roster. Since the employee actually worked 7 hours and 53 minutes, the employee rounded up 7 minutes.*

We noticed a trend to round up a few minutes when employees signed out. While the practice of rounding is allowed by contract during overtime, it is not permitted during the regular workday. We believe that management should be aware of this distinction and the potential cumulative effect the practice of rounding can have. HO number 4 had 22 instances of rounding up ranging from 2 to 7 minutes for 10 employees for the one pay period reviewed. On a case by case basis, the rounding is not material, but on a cumulative basis, it could be significant.

## **Meal Breaks Not Excluded From the Workday**

Meal breaks were not always excluded from the workday. Our review showed that 10.75 hours were overclaimed which represented \$273 (see Appendix G). The Timekeeping Manual for Timekeepers/Supervisors states that "Employees are not paid for their meal break. Do *not* record meal time under regular hours worked."<sup>10</sup> In addition, the SSA Personnel Manual for Supervisors states that noncompensable meal breaks are required when working overtime in excess of 3 hours immediately following a workday or in excess of 5 hours on days outside their tour.<sup>11</sup>

## **Meal Breaks Not Excluded From the Workday**

HO #	1	2	3	4	5a	5b	6	7
Number of Errors			10		1	4	7	

## **EXAMPLES**

- *The Overtime Attendance Roster showed that the employee "Signed-in" at 8:30am and "Signed-out" at 3:30pm. The employee claimed*

<sup>10</sup> HHS' Timekeeping Manual for Timekeepers/Supervisors (August 1993) Chapter 3, Page 5

<sup>11</sup> Personnel Manual For Supervisors – SSA, Chapter S550, Subchapter IV J. 1.

*7 hours of overtime without deducting ½ hour for lunch. Thus, the employee overclaimed ½ hour of overtime.*

- *The Overtime Attendance Roster showed that the employee "Signed-in" at 9:00am and "Signed-out" at 3:30pm. The employee claimed 6½ hours of Holiday pay without deducting ½ hour for lunch. Thus, the employee overclaimed ½ hour of Holiday pay.*
- *The Overtime Attendance Roster showed that the employee "Signed-in" at 6:30am and "Signed-out" at 4:30pm. The employee claimed 10 hours of overtime without deducting ½ hour for lunch. Thus, the employee overclaimed ½ hour of overtime.*

We believe further training would help prevent the errors revealed in our review and emphasize T&A responsibilities. Training would not only show the mechanics of preparing forms or entering data, but also would explain the rules and regulations to better emphasize the reasons for properly following procedures.

Timekeepers in two of the HOs had received only on-the-job training (OJT). The remaining five timekeepers had received OJT and basic introduction MTAS training as shown in the following table. MTAS came on line in 1996, and there has not been any formal follow-up training since that time.

### **Training Methods**

HO #	1	2	3	4	5	6	7
Training	OJT/ MTAS	OJT/ MTAS	OJT/ MTAS	OJT	OJT/ MTAS	OJT	OJT/ MTAS

We also believe that the voluminous quantity of sometimes outdated T&A criteria can cause confusion, inconsistencies, improper controls and inaccurate records that can affect the integrity of the T&A system.

Although SSA became an independent agency on March 31, 1995, management continues to use the HHS guidelines. In addition, SSA and OHA management have issued a number of memoranda to further clarify and manage employee and timekeeper actions. Further, there are several other sources of criteria for determining the effectiveness and efficiency of SSA timekeepers' and supervisors' recording, maintaining and approving T&A data. These sources include:

- HHS Timekeeping Manual for Timekeepers/Supervisors (August 1993)
- GAO Policy and Procedure Manual for Guidance of Federal Agencies (May 1989)
- GAO Revisions to Title 6 on Pay, Leave, and Allowances (March 1996)

- Personnel Manual For Supervisors – SSA (1980s & 1990s)
- SSA Mainframe Time and Attendance System Training Manual (February 1996)
- SSA Mainframe Time and Attendance System User Manual (September 1996)
- 5 Code of Federal Regulations (Updated yearly)
- National Agreement Between AFGE and SSA (1996)
- Agreement Between The Office of Hearings and Appeals and National Treasury Employees Union (March 1995)

These sources of criteria comprise policies, guidelines, or specific instructions for T&A activities. Being aware of all of the information relating to T&A is an ominous task. In addition, some of the sources disagree with other sources. For example, the retention of document guidelines differs.

The Personnel Manual for Supervisors – SSA Chapter S550, Subchapter 1, Appendix B, Section III (A)(3) - page 4 (May 15, 1990) states that the approval document must be maintained for 3 years or after a GAO audit, whichever is sooner.

The Personnel Manual for Supervisors -- SSA, Chapter S610, Subchapter 1, Section XI, paragraph A (11/26/82) states that sign-in and sign-out forms are to be retained for 6 months and then destroyed.

The Personnel Chapters for Supervisors -- SSA, Chapter S630, Subchapter 1, Section VI, Paragraph E (4). (5/20/80) states that an SF-71, Application for Leave, and other leave documentation including medical certificates will be kept by timekeepers for 1 full calendar year after the year of application as documentation that the leave was formally approved or denied.

This shows the potential problems that can exist with a voluminous amount of outdated information. In addition, the HHS guidelines discuss many antiquated systems that were used before SSA became a separate agency.

## **OTHER MATTERS**

In addition to the conditions discussed above, other conditions exist which also showed an absence of internal control over the T&A process. The following list of additional conditions is not all inclusive of every type found but a representative list of what we consider additional internal control weaknesses:

- Employees did not always sign-in and sign-out in chronological order.
- When some type of time sheet alteration was made, employees did not always annotate an explanation.
- Some supervisors and timekeepers signed in on the same T&A and Overtime Rosters that they were supposed to verify.
- Employees did not always fully complete all required information on the T&A Rosters, Overtime Rosters, and Leave Applications.
- Timekeepers in six of the seven HOs reviewed improperly completed headings on the T&A and Overtime Rosters.
- One of the HOs reviewed used their own Regional timesheet form rather than the required T&A and Overtime Rosters.
- In one of the HOs reviewed, ALJs used Form SSA-3531, Time and Attendance Roster (Individual), rather than the required T&A Roster (SSA 30).

Based on the findings in our review, we believe that overall management oversight should also be improved. We believe that better management oversight would help ensure that supervisors and timekeepers adhere to established internal controls designed to maintain the integrity and accuracy of T&A records.

A SSA Director of Management memorandum addressed to all OHA supervisors requires a periodic review and certification of sign-in sheets. The memorandum establishes that:

“...second-line supervisors are required to review and certify for completeness and accuracy all sign-in sheets for one pay period in March and one pay period in September.

The reviewing supervisor must sign or initial each sign-in sheet to certify that the sheet was reviewed. Additionally, if a substantial number of errors are found, the supervisor must conduct additional audits until the problems are resolved.”

Supervisors at four of the seven hearing offices told us that they performed these internal reviews, but only one hearing office retained documentation. We believe these reviews should receive greater emphasis and documentation should be kept. Rather than the second-line supervisor reviewing one pay period in March and one pay period in September, the two pay periods per year should be randomly selected. Results of these reviews should be reported to OHA headquarters.

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# **CONCLUSIONS AND RECOMMENDATIONS**

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Internal controls in HOs were not being adhered to on a consistent basis. As a result, we found errors in supervisor and timekeeper compliance with T&A policies and procedures. Further, employee recording of time worked was not accurate. We believe management cannot ensure that basic T&A procedures are being consistently followed and needs to provide HOs with additional instruction, training and management reviews to ensure the integrity of the T&A system.

We recommend that OHA:

1. Issue instructions to supervisors on the importance of their responsibilities for authorizing work hours and leave, and reviewing and certifying that T&A records reflect actual hours worked and leave taken.
2. Instruct timekeepers and supervisors to retain T&A documentation in accordance with SSA retention requirements.
3. Require that HOs use only SSA approved T&A and Overtime Rosters.
4. Ensure that all supervisors, timekeepers and employees receive formal training in MTAS and T&A responsibilities.
5. Periodically review timekeeper and supervisor T&A practices at HOs.
6. Request that SSA develop a single comprehensive set of policies and procedures for T&A activities.

## **AGENCY COMMENTS**

In response to our draft report, SSA agreed with all of our recommendations and has begun taking action to implement each recommendation.

# **APPENDICES**

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**APPENDIX A**

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## **ANALYSIS OF OVERTIME PRE-APPROVALS**

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Hearing Office Number	Total Hours Worked	Hours Approved	Percentage Approved	Hours Not Approved	Percentage Not Approved	Dollar Value Not Approved
1	87.50	87.00	99.40	0.50	0.60	\$18.83
2	170.50	50.00	29.30	120.50	70.70	\$2,970.29
3	240.75	0.00	0.00	240.75	100.00	\$5,260.27
4	108.25	9.50	8.80	98.75	91.20	\$2,926.24
5a	0.00	NA	NA	NA	NA	NA
5b	212.00	53.00	25.00	159.00	75.00	\$3,594.05
6	221.00	0.00	0.00	221.00	100.00	\$7,888.19
7	36.75	36.75	100.00	0.00	0.00	\$0.00
<b>Total</b>	<b>1076.75</b>	<b>236.25</b>	<b>21.90</b>	<b>840.50</b>	<b>78.10</b>	<b>\$22,657.87</b>

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**APPENDIX B**

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## **ANALYSIS OF CREDIT HOUR PRE-APPROVALS**

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Hearing Office Number	Total Hours Worked	Hours Approved	Percentage Approved	Hours Not Approved	Percentage Not Approved	Dollar Value Not Approved
1	27.50	10.50	38.20	17.00	61.80	\$259.70
2	23.50	0.00	0.00	23.50	100.00	\$538.73
3	3.00	0.00	0.00	3.00	100.00	\$51.75
4	74.00	0.00	0.00	74.00	100.00	\$1,788.12
5a	81.50	44.50	54.60	37.00	45.40	\$920.76
5b	29.75	13.75	46.20	16.00	53.80	\$383.36
6	30.00	5.25	17.50	24.75	82.50	\$376.74
7	64.50	38.25	59.30	26.25	40.70	\$856.40
<b>Total</b>	<b>333.75</b>	<b>112.25</b>	<b>33.60</b>	<b>221.50</b>	<b>66.40</b>	<b>\$5,175.56</b>

## **ANALYSIS OF TIME AND ATTENDANCE ACCURACY**

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Hearing Office Number	Information on Rosters Not Posted on Mainframe Time & Attendance System	Information on Rosters Incorrectly Posted on Mainframe Time & Attendance System	Computation Errors on Rosters	Meal Breaks Not Excluded from Workday
1	0	0	3	0
2	23	1	7	0
3	0	1	8	10
4	0	0	38	0
5a	0	0	5	1
5b	0	3	3	4
6	12	2	0	7
7	0	2	3	0
<b>Total</b>	<b>35</b>	<b>9</b>	<b>67</b>	<b>22</b>

## **ANALYSIS OF INFORMATION ON THE ROSTERS NOT POSTED ON MAINFRAME TIME & ATTENDANCE SYSTEM**

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Hearing Office Number	Hours Overclaimed	Value of Amount Overclaimed	Hours Underclaimed	Value of Amount Underclaimed
1	0.00	\$0.00	0.00	\$0.00
2	0.00	\$0.00	52.25	\$1,362.37
3	0.00	\$0.00	0.00	\$0.00
4	0.00	\$0.00	0.00	\$0.00
5a	0.00	\$0.00	0.00	\$0.00
5b	0.00	\$0.00	0.00	\$0.00
6	5.75	\$149.79	22.00	\$580.98
7	0.00	\$0.00	0.00	\$0.00
<b>Total</b>	<b>5.75</b>	<b>\$149.79</b>	<b>74.25</b>	<b>\$1,943.35</b>

# **ANALYSIS OF INFORMATION ON THE ROSTERS INCORRECTLY POSTED ON MAINFRAME TIME & ATTENDANCE SYSTEM**

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Hearing Office Number	Hours Overclaimed	Value of Amount Overclaimed	Hours Underclaimed	Value of Amount Underclaimed
1	0.00	\$0.00	0.00	\$0.00
2	9.00	\$232.74	0.00	\$0.00
3	2.00	\$19.60	0.00	\$0.00
4	0.00	\$0.00	0.00	\$0.00
5a	0.00	\$0.00	0.00	\$0.00
5b	1.25	\$24.29	0.50	\$7.61
6	8.00	\$138.32	0.25	\$3.61
7	1.50	\$19.24	0.00	\$0.00
<b>Total</b>	<b>21.75</b>	<b>\$434.19</b>	<b>0.75</b>	<b>\$11.22</b>

## **ANALYSIS OF COMPUTATION ERRORS ON THE ROSTERS**

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Hearing Office Number	Hours Overclaimed	Value of Amount Overclaimed	Hours Underclaimed	Value of Amount Underclaimed
1	.50	\$10.44	0.00	\$0.00
2	1.25	\$20.97	1.75	\$39.80
3	2.75	\$32.47	1.00	\$12.50
4	5.50	\$104.11	3.00	\$117.36
5a	5.00	\$68.85	0.00	\$0.00
5b	0.00	\$0.00	2.25	\$59.07
6	0.00	\$0.00	0.00	\$0.00
7	1.50	\$38.44	0.75	\$20.28
<b>Total</b>	<b>16.50</b>	<b>\$275.28</b>	<b>8.75</b>	<b>\$249.01</b>

## **ANALYSIS OF MEAL BREAKS NOT EXCLUDED FROM WORKDAY**

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Hearing Office Number	Hours Overclaimed	Value of Amount Overclaimed
1	0.00	\$0.00
2	0.00	\$0.00
3	4.75	\$88.36
4	0.00	\$0.00
5a	0.50	\$12.19
5b	2.00	\$26.67
6	3.50	\$145.75
7	0.00	\$0.00
<b>Total</b>	<b>10.75</b>	<b>\$272.97</b>

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**APPENDIX H**

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## **SSA COMMENTS**

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**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "OFFICE OF HEARINGS AND APPEALS (OHA) TIME AND ATTENDANCE POLICIES AND PROCEDURES AT HEARING OFFICES"**  
**(A-06-98-91010)**

Thank you for the opportunity to review the draft report. We agree with the report's recommendations and believe that all offices within OHA will benefit from a reiteration of the time and attendance (T&A) rules and practices.

OHA released a memorandum with T&A instructions and reminders to all managers, supervisors and timekeepers on April 28, 2000. This memorandum included: (1) a copy of the subject draft report; (2) a summarization of the report recommendations; (3) instructions for the steps to be taken immediately in all offices; (4) directions that the report be discussed and made available to all employees during staff meetings; and (5) instructions for Regional Office management to incorporate the review of T&A documents as an element in the periodic management reviews of HOs.

The following comments describe actions planned or already taken to implement each recommendation.

**Recommendation #1**

That OHA issue instructions to supervisors on the importance of their responsibilities for authorizing work hours and leave, and reviewing and certifying that time and attendance (T&A) records reflect actual hours worked and leave taken.

**Comment**

Reminders to supervisors about their T&A responsibilities were included in the April 28 memorandum.

**Recommendation #2**

Instruct timekeepers and supervisors to retain T&A documentation in accordance with SSA retention requirements.

**Comment**

The memorandum of April 28 instructed that action be taken immediately to ensure retention of all T&A documentation.

Recommendation #3

Require that HOs use only SSA approved T&A and Overtime Rosters.

Comment

The April 28 memorandum specifically instructed supervisors to immediately ensure use of only SSA approved forms for T&A purposes.

Recommendation #4

Ensure that all supervisors, timekeepers and employees receive formal training in Mainframe Time and Attendance Services (MTAS) and T&A responsibilities.

Comment

OHA is currently canvassing its offices to identify training needs and will coordinate with other SSA components to determine methods and schedules to deliver training.

Recommendation #5

Periodically review timekeeper and supervisor T&A practices at HOs.

Comment

As stated in the April 28 memorandum, review of timekeeper and supervisory T&A practices will be incorporated into the periodic management reviews performed by Regional Office management officials.

Recommendation #6

Request that SSA develop a single comprehensive set of policies and procedures for T&A activities.

Comment

SSA is currently working on an automated T&A system. In conjunction, SSA has begun work on a comprehensive set of policies and procedures for T&A activities. The automated T&A system is expected to be piloted by the end of the calendar year with implementation roll-out beginning in FY 2001.

## **OIG CONTACTS AND STAFF ACKNOWLEDGEMENTS**

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### **OIG Contacts**

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### **Acknowledgements**

In addition to those named above:

Billy Mize, Auditor in-Charge

Frank Almendarez, Evaluator

For additional copies of this report, please contact Office of the Inspector General's Public Affairs Specialist at (410) 966-5998. Refer to Common Identification Number A-06-98-91010.

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**APPENDIX J**

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## **SSA ORGANIZATIONAL CHART**

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