

OFFICE OF
INSPECTOR GENERAL

Report of Audit

FCA's Telework Program

A-13-01

Auditor in Charge
Veronica McCain

Issued June 28, 2013



FARM CREDIT ADMINISTRATION



June 28, 2013

The Honorable Jill Long Thompson, Board Chair and Chief Executive Officer
The Honorable Kenneth A. Spearman, Board Member
The Honorable Leland A. Strom, Board Member
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102-5090

Dear Board Chair Long Thompson and FCA Board Members Spearman and Strom:

The Office of Inspector General completed an audit of the FCA's Telework Program. The objective of this audit was to determine whether the FCA's telework program was administered effectively.

We determined the Agency has sufficiently established policy outlining telework eligibility requirements, adopted the telework program into the continuity of operations plan, and was submitting annual reports on the telework program to the Office of Personnel Management. Nevertheless, we identified areas where improvements can be made in permanent telework agreement documentation, annual telework agreement renewals, and telework training.

We would like to highlight the cooperative actions of the Office of Management Services. Before issuance of the final report, the Office of Management Services took corrective action to close the three agreed-upon actions in this report.

We appreciate the courtesies and professionalism extended to OIG staff by Office of Management Services personnel. If you have any questions about this audit, I would be pleased to meet with you at your convenience.

Respectfully,

A handwritten signature in black ink, which appears to read 'Elizabeth M. Dean'. The signature is written in a cursive style.

Elizabeth M. Dean
Inspector General
Enclosure

Office of Inspector General



FCA's Telework Program

Issued June 28, 2013

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FCA's Telework Program

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Background

- In recent years, the Federal Government has taken steps to increase opportunities for employees to telework.
- The term “telework” or “teleworking” refers to a flexible work arrangement under which an employee performs the duties and responsibilities from an approved worksite other than the location from which the employee would otherwise work.
- There are three types of telework:
 1. routine telework in which telework occurs as part of an ongoing regular schedule;
 2. situational telework that is approved on a case-by-case basis. Examples of situational telework include telework as a result of inclement weather, emergency closing, or ad-hoc situations; and
 3. permanent telework arrangements, where employees perform most work at their residence, outside the local commuting area of their headquarters or field office.

Telework Legislation

The Telework Enhancement Act of 2010 (the Act) outlines expectations for Federal telework programs. The Act requires agencies with telework programs to:

- establish policies outlining eligibility requirements;
- designate a Telework Managing Officer;
- determine and notify all employees of their eligibility to telework;
- adopt telework into its Continuity of Operations Plan (COOP);
- require a written agreement between an agency manager and employee authorized to telework;
- ensure that an interactive training program is provided to eligible employees and their managers and the training is successfully completed by employees prior to entering into telework agreements; and
- report annually to the Office of Personnel Management (OPM) on the telework program.

Federal and Agency Telework Guidance

OPM Guidance

As a result of the Act, the OPM established telework.gov. This website provides easy access to information about telework in the Federal Government. The website includes:

- the *Guide to Telework in the Federal Government* which provides best practices Federal agencies should use when implementing telework programs, and
- on-line training courses for employees and supervisors.

Agency Guidance

The Office of Management Services (OMS), Administrative Policy Number 820, Flexiplace (Telecommuting), outlines the Agency's telework program guidance. The guidance addresses:

Continuity of Operations
Eligibility
Program Participation
Work Schedule
Time and Attendance
Ending Flexiplace Agreements

Government and Employee Property Security
Worksite Inspections and Accident Reporting
Government and Employee Liability
Administrative Responsibilities
Permanent Flexiplace Participation

Audit Objective & Scope

- The audit objective was to determine whether the FCA's telework program was administered effectively.
- The scope and methodology of the audit work included:
 - interviews with the Telework Program Manager, and OMS staff;
 - review of Federal and Agency guidance on telework programs;
 - review of the Agency's telework agreements and training files in FY 2012;
 - review of the Agency's continuity of operations plan that pertains to telework; and
 - review of OPM's Telework Data Call Report for FY 2012.
- OMS provided the following computer data:
 - list of FCA employees as of February 13, 2013;
 - list of FCA employees who teleworked during FY 2012;
 - list of FCA employees who teleworked the two-week pay period ending September 22, 2012.
- The data was sufficiently reliable for background audit purposes.

Audit Objective and Scope (cont.)

- Internal Controls

Management is responsible for developing and maintaining effective internal control over the telework program. We identified internal control weaknesses in telework agreement documentation and training certification. The OMS needs to incorporate more stringent control methods to ensure the telework program is appropriately administered.

- 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 to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

- We conducted fieldwork from February 2013 to May 2013 at the FCA Headquarters in McLean, Virginia. We provided a draft report to management on May 16, 2013, and held an exit conference on May 23, 2013. Where actions were presented to the Office of Inspector General that would resolve audit findings, the recommendation was changed to agreed-upon action.

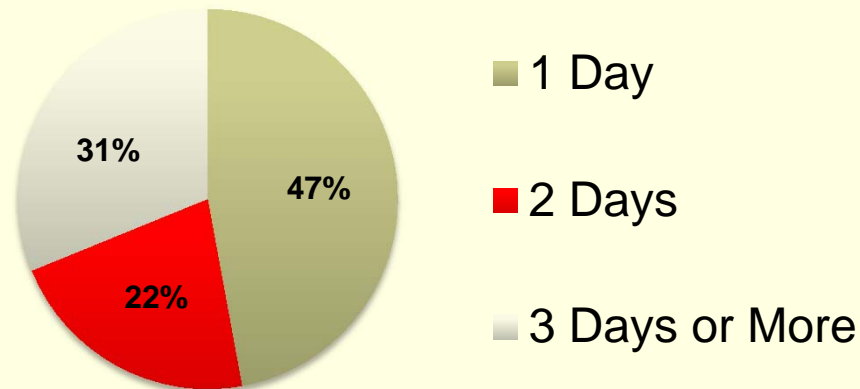
Employee Participation in the Telework Program

- FCA has determined that all jobs are suitable for participation in the telework program.
- During FY 2012, all 285 employees were eligible to telework.
- Of the 285 eligible employees, 255 (89%) teleworked.

Employee Participation in the Telework Program (cont.)

- For the two-week pay period ending September 22, 2012, OMS generated a Time Recording System (TRS) report listing employees who teleworked.
- 138 employees teleworked during this two-week pay period.
- The chart below shows the frequency employees teleworked for this pay period.

Telework Frequency



Agency's Telework Program Requirements

To participate in the telework program employees must complete the following forms and obtain supervisor's approval:

- telework request (FCA Form 469);
 - telework agreement (FCA Form 470) and;
 - telework worksite safety inspection (FCA Form 471).
-
- Prior to entering into a telework arrangement employees must also take telework training provided by the Agency.
 - Employees are responsible for adhering to the telework agreement expectations and recording telework hours in the TRS.
 - Supervisors are responsible for reviewing and approving telework agreements and ensuring employees continue to meet the telework program criteria.

Telework Requirements Compliance

The Agency has sufficiently complied with the following telework requirements.

Telework Requirements*	Agency's Compliance
Establish a policy outlining eligibility requirements.	OMS Policy Number, 820, Flexiplace (Telecommuting), outlines the Agency's telework program eligibility.
Designate a Telework Manager Officer.	The OMS Director is designated as the Agency's Telework Managing Officer.
Determine and notify all employees of their eligibility to telework.	The Agency has determined all jobs are eligible for telework. Employees are notified by their supervisors and as part of the New Employee Orientation Course.
Adopt telework into the COOP.	The Agency's COOP includes telework. The COOP passed a Federal Emergency Management Agency review and was successfully tested.
Submit annual reports on telework program to OPM.	Annual reports are submitted to OPM. ❖ The Agency needs to ensure TRS report timeframes are precise. For 2012, the TRS report was for a four-week versus two-week time period.

* Telework requirements include the Telework Enhancement Act of 2010 and OPM's *Guide to Telework in the Federal Government*.

Permanent Telework Agreement Documentation

Permanent telework agreements should include supporting documentation confirming procedures were followed and decisions made were in the best interest of the Agency.

Telework Requirements	Agency Policy
Permanent long-distant work arrangements raise various policy issues, including reassignment of official worksite, reimbursement for travel, and pay.	<p>The Agency’s telework guidance outlines the procedures that should be followed when approving permanent telework arrangements.</p> <ul style="list-style-type: none"> ❖ Permanent telework agreement documentation does not adequately support procedures were followed.
For permanent long-distance telework arrangements, official worksite must be reassigned to the telework location.	For permanent telework arrangements employees are assigned to FCA headquarters or field offices as their official worksite.
The employee receives locality pay for the telework worksite.	<p>Employees locality pay (if any) is based on the FCA’s location, not the employee’s telework location (residence).*</p> <ul style="list-style-type: none"> ❖ Basis for locality pay decisions should be documented.

* Under Section 5.11(c)2(A) of the Farm Credit Act of 1971, as amended, FCA is exempt from using Federal locality pay rates.

Permanent Telework Agreement Documentation (cont.)

- In certain situations, the Agency has approved permanent telework arrangements, where employees perform most work at their residence, outside the local commuting area of FCA headquarters or field office.
- The Agency's telework guidance states the approving official will consider the factors listed below and receive concurrence from the Chief Human Capital Officer before approving or renewing a request.
 - Employee's unique skills and expertise.
 - Employee's ability to work independently.
 - Budgetary cost to the Agency, increase or decrease to travel costs.
 - FCA location assignment, this affects locality pay (if any).
- According to the Chief Human Capital Officer, these factors are discussed with the approving official, however, there is no documentation for the decisions.

Permanent Telework Agreement Documentation (cont.)

- We reviewed the seven permanent telework agreements in place during FY 2012 and found one instance where documentation, to some extent, addressed key factors.
 - “As requested, the employee is providing a discussion of the benefits of this arrangement to the Agency. Employee is very tenured and believes that he is overall more productive working from home. On occasion, there is a travel savings when conducting on-site work. When filing vouchers, employee always uses a constructed cost analysis from the official duty station, therefore, at no time are any additional travel expenses incurred as a result of this flexiplace arrangement.”
- For other permanent telework agreements, employees’ reasons for requesting permanent telework arrangements included the following:
 - “Increased morale, work life balance, more productive working environment, less commuting time.”
 - “The field office does not have office space. Also, building retirement home in the area close to children and grandchildren.”
 - “Was not able to sell home and it is not feasible to maintain separate residence.”
 - “I have purchased a home where I am closer to my family.”
- Permanent telework agreements are unique situations. To ensure agreements are equitably assigned and are in the best interest of the Agency, agreements should include supporting documentation addressing key approval factors outlined in the Agency’s guidance.

Agreed-Upon Action

Agreed-Upon Action 1:

The Director of the Office of Management Services should require that permanent telework agreements include documentation to support decisions made. At a minimum, the documentation should address the key factors stated in the Agency's telework guidance.

Agreed-Upon Action Resolution

Before issuance of the final report, the Agency's telework program guidance was updated to include the requirement that permanent telework agreements include documentation to support decisions made. The documentation will address key factors in the Agency's telework guidance.

Telework Agreement Renewals

The Agency has partially complied with the telework agreement requirements.

Telework Requirements	Agency's Partial Compliance
Require written agreements be signed by employees and managers.	Telework agreements were signed by employees and supervisor prior to teleworking.
Agreement should be renewed regularly.	❖ Annual reviews were not consistently completed.

Telework Agreement Renewals (cont.)

- The Act requires every telework participant to have a written agreement.
- OPM's Telework Guidance states, "telework agreements are living documents that should be revisited by the manager and teleworker and resigned regularly, preferable at regular intervals as defined by the Agency's telework policy."
- The Agency's policy states that permanent telework arrangements must be renewed annually.
- The policy does not specifically address routine or situational telework agreements.

Telework Agreement Renewal (cont.)

- Permanent telework agreements are renewed annually.
- Routine and situational telework agreements were not consistently renewed annually.
 - OMS staff performed annual reviews for their staff. Employees initialed and dated the original agreement to signify renewal.
 - Annual renewals were not documented by other offices.
- Our review of the telework agreement files disclosed the following:
 - 126 telework agreements were current.
 - 80 telework agreements were signed 1-2 years ago.
 - 27 telework agreements were signed 3-5 years ago.
 - 14 telework agreements were signed 6-10 years ago.
 - 15 telework agreements were signed over 11 years ago.
- Because telework agreements were outdated, we found:
 - employees no longer worked for the approving official, and
 - telework locations were inaccurate.

Agreed-Upon Action

Agreed-Upon Action 2:

The Director of the Office of Management Services should:

- include in the Agency's telework program guidance the requirement to renew all telework agreements annually.
- develop an Agency-wide system documenting supervisors and employees are annually renewing telework agreements.

Agreed-Upon Action Resolution

Before issuance of this final report, the Agency's telework program guidance was updated to include the requirement to renew telework agreements annually. The telework program coordinator will monitor telework agreements to ensure annual reviews are being completed.

The Agency will include in the FY 2014-2018 Information Resource Plan a project to develop a telework database that allows employees to complete and renew telework forms.

Telework Training Program

The Agency has partially complied with the training requirements.

Telework Requirements	Agency's Partial Compliance
Ensure training is provided to eligible employees.	The Agency has established a training program using OPM's telework training.
Training should be completed prior to entering into telework agreements.	❖ Ensure training is completed prior to employees entering into telework agreements.

Telework Training Program (cont.)

- The Act states that employees should successfully complete an interactive training program before entering into a written agreement to telework.
- As a result of the Act's training requirement, the OPM established online telework training courses for employees and supervisors.
 - The online courses are accessed through telework.gov. The courses provide a brief practical introduction to telework. After course completion a certificate can be printed.
- The Agency requires staff to complete OPM's telework training and provide a copy of the certificate to the training office. The training officer is responsible for tracking and maintaining training certificates.
- Although training is required, the Agency has not developed an effective system to track completed training.

Telework Training Program (cont.)

- In reaction to the Telework Enhancement Act, in 2011 there was an effort to track employees who had taken telework training.
- The training officer tracked employees completion of training by highlighting their names on a March 2011 phone list.
- Telework training files showed the following for employees with current telework agreements:
 - 17% had certificates on file.
 - 71% had no training certificates on file, however, their names were highlighted on the phone list.
 - 12% had no supporting documentation on file.

Telework Training Program (cont.)

- Since the 2011 review, as new employees are hired, the Agency has not developed an effective system to ensure employees receive training prior to entering into telework arrangements.
 - Employees are eligible to telework as soon as they come onboard. Telework agreement paperwork is often signed and approved as part of the new employee paperwork process.
 - Employees are usually informed of the telework training during the New Employee Orientation class, which typically takes place in June.
 - Once employees are informed of the training, they are responsible for completing the training and forwarding their training certificate to the training office and their office secretary.
 - Currently, there is no system in place to assist the training officer in tracking when new employees come onboard and whether employees are completing the training prior to telework agreements being approved.

Agreed-Upon Action

Agreed-Upon Action 3:

The Director of the Office of Management Services should develop a system to track if employees have completed telework training prior to telework agreements being approved.

Agreed-Upon Action Resolution

Before issuance of this final report, the Agency's request for telework form was updated requiring employees to certify they completed the telework training program prior to signing telework agreements.