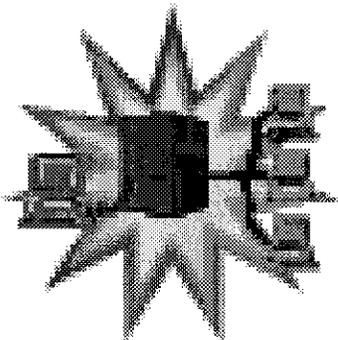


**Audit Report No. OIG-AR-04-00**

**Evaluation of Personnel/Payroll and Financial Services  
Provided to the Commission by the  
Department of the Interior**

**July 25, 2000**



**AUDIT REPORT**

**OIG-AR-04-00**



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**UNITED STATES INTERNATIONAL TRADE COMMISSION**

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WASHINGTON, D.C. 20436

July 25, 2000

TO: THE COMMISSION

We hereby submit Audit Report No. OIG-AR-04-00, *Evaluation of Personnel/Payroll and Financial Services Provided to the Commission by the Department of the Interior* for the Commission's implementation of our recommendations.

The Commission must constantly strive to improve efficiency, reduce paperwork, streamline procedures, and increase the productivity of its workforce. Information technology is a primary means for achieving these goals. It is particularly important to the Commission that its administrative systems be improved and modernized through the application of information technology, since these systems must provide the underlying support for all of the Commission's mission-related functions.

In seeking to modernize its administrative systems, the Commission faces unique challenges. These challenges are partly the result of its reliance on another agency, the Department of the Interior (DOI), to provide personnel/payroll and financial management processing services. Since DOI provides its services to many other agencies, it is difficult for the Commission to implement changes in these services to meet its own unique needs. This has fostered a tendency among some of the Commission's administrative offices to "go it alone" in implementing the Commission's administrative processes. This has resulted in an over reliance on time-consuming manual procedures and a lack of integration among administrative systems.

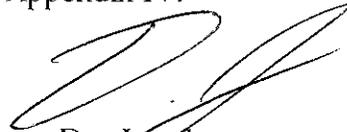
The purpose of this audit was to determine: (1) how effectively the Commission is currently using the personnel/payroll and financial management services offered by DOI, (2) what additional or new services offered by DOI the Commission should consider adopting, and (3) how personnel and financial management information can be provided in a timely and effective manner to all segments of the Commission that require it.

Based on our audit, we found that the Commission was not effectively utilizing current DOI services. Problems noted ranged from a failure to use available services to a lack of control over work being done by DOI for the

Commission. We found that the Commission could use some new or additional services provided by DOI. These included an on-line data mart of personnel information, a data warehouse of financial information and an employee self-service feature. We also found that DOI could provide more assistance in meeting the Commission's requirements for dissemination of timely and relevant personnel and financial management information. We reached this finding after conducting an e-mail survey of Commission managers and incorporating their information requirements into an example of a periodic report that could be generated by DOI.

As a result of our findings, we have made recommendations for improving the Commission's relationship with DOI, for implementing new services and for improving the flow of information to and within the Commission. The intent of these recommendations was to provide a blueprint for modernization of the Commission's administrative systems through improved and expanded application of information technology.

An exit conference was held with the Director of Administration on April 11, 2000. The Director of Administration concurred with the findings of this report. On June 30, 2000, the Director of Administration provided a plan to implement the recommendations contained in this report. That plan was approved by the Chairman and is attached as Appendix IV.



Dev Jagadesan  
Acting Inspector General

**Audit Report No. OIG-AR-04-00**

**Evaluation of Personnel/Payroll and Financial Services  
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## TABLE OF CONTENTS

	Page
I. BACKGROUND.....	1
II. OBJECTIVE .....	2
III. SCOPE AND METHODOLOGY.....	2
IV. THE COMMISSION-DOI INTERAGENCY PROCESS.....	3
V. COMMISSION'S CURRENT AND FUTURE UTILIZATION OF FPPS .....	5
A. Current Utilization of FPPS.....	5
B. Personnel Reports .....	8
C. FPPS 2000 Initiatives .....	9
D. Employee Express .....	9
VI. COMMISSION'S CURRENT AND FUTURE UTILIZATION OF FFS .....	11
A. Current Utilization of FFS.....	11
B. FFS Financial Management Reports .....	11
C. Future FFS Related Services.....	13
VII. COMMISSION REQUIREMENTS FOR NEW SERVICES .....	14
A. Automation .....	14
B. Integration .....	14
C. Government Performance and Results Act (GPRA) .....	14
D. Management Information .....	15
VIII. CONCLUSIONS AND RECOMMENDATIONS .....	15
Appendix I - Current NBC Clients .....	I-1
Appendix II - FFS Reports Available to the Commission .....	II-1
Appendix III - Revised Sample Resource Utilization Report .....	III-1
Appendix IV - Memorandum from the Director of Administration to the Acting Inspector General, dated June 30, 2000 (AD-X-065) .....	IV-1



**I. BACKGROUND**

In April 1990, the International Trade Commission (Commission) began utilizing the Department of the Interior's Administrative Services Center (DASC) in Denver, Colorado, to provide accounting services for the Commission. Prior to that time, the Commission had performed the accounting function entirely in-house. At that time, and up until 1996, the Commission's payroll processing was performed by the General Services Administration (GSA), and personnel processing services were provided by the Department of Energy. In order to integrate these two functions, the Commission selected DASC to add personnel/payroll processing to the accounting services that it was already providing. The Memorandum of Understanding (MOU) implementing the agreement between the Commission and DASC was signed on September 29, 1995, and remains in effect today.

In 1999, DASC became the National Business Center (NBC) in the Office of the Secretary of the Interior. NBC ([nbc.gov](http://nbc.gov)) provides personnel/payroll services and financial management processing services on a cost-reimbursable basis through a Department of the Interior (DOI) working capital fund. NBC currently provides services to 44 Federal Government organizations (see Appendix I). NBC has approximately 450 employees and a \$40 million annual budget.

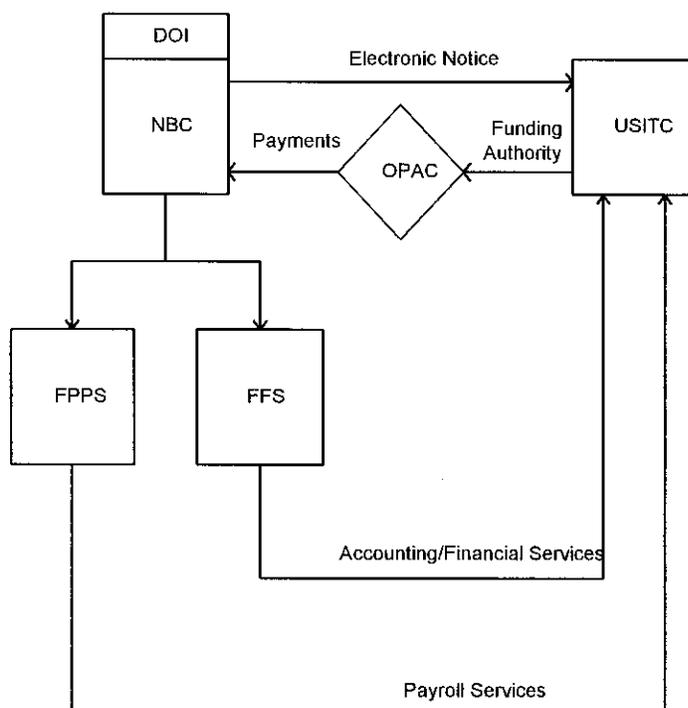
NBC provides personnel/payroll services to its clients through the Federal Personnel Payroll System (FPPS), which NBC developed in-house. Clients are charged for services based on the number of W-2's processed. The charge per W-2 includes costs associated with FPPS development/improvement. All NBC clients pay the same W-2 charge. In fiscal year (FY)1999, the charge per W-2 was approximately \$160.

NBC provides financial management processing services through the Federal Financial System (FFS). American Management Systems (AMS) developed and owns FFS. NBC charges clients for FFS services based on the number of System Resource Units (SRU's) used. Clients pay additional charges for custom reports or other specialized services they request.

For both FPPS and FFS services, NBC bills and collects from the Commission through the Treasury's On-line Payment and Collection system (OPAC). Figure 1 illustrates the current business relationship between the Commission and NBC.

**Figure 1**

**NBC/USITC Business Relationship**



## II. OBJECTIVE

The objective of this audit was to identify and evaluate services available from DOI and make any recommendations for improvements in the Commission's utilization of these services as well as for new services the Commission should consider adopting.

## III. SCOPE AND METHODOLOGY

Our audit was conducted between October 28, 1999, and January 14, 2000, at the Commission. It was conducted in accordance with Commission Directive I701.2, Audit and Inspection Policies and Procedures, and the GAO's Government Auditing Standards. We reviewed applicable statutes and Office of Management and Budget (OMB) guidance relating to information resources and financial management. We reviewed Commission directives and other documentation on Commission policies and procedures for personnel/payroll, financial management, information resources, procurement and organization. We also reviewed documentation from DOI regarding NBC and describing FPPS and FFS.

We interviewed various Commission personnel, including the Directors of the Offices of Administration (AD), Personnel (PN), Finance and Budget (OFB)<sup>1</sup>, and Information Services (OIS). We also interviewed the Directors of the Applications Management Office and the Financial Systems Division NBC.

Based on information from these sources we developed a description of the Commission's current utilization of FPPS and FFS services provided by NBC. We evaluated the effectiveness of the Commission's current utilization of these services. We then developed a description of new or additional services that NBC could provide to the Commission.

We documented the Commission's requirements for new personnel/payroll and financial management services based on external guidance and on the foreseeable needs of the Commission. To assist in this task we conducted a survey of the Commission's managers to determine their requirements for personnel and financial information.

As a final task, we developed recommendations for better utilization of current NBC services and for initiation of new services to meet identified Commission requirements.

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<sup>1</sup> Effective May 10, 2000, OFB was abolished. Finance/accounting responsibilities were assigned to a new Office of Finance, and budgeting responsibilities were assigned to the Director, AD.

#### IV. THE COMMISSION-DOI INTERAGENCY PROCESS

From FY95, when the MOU between the Commission and NBC went into effect, through FY00, the Commission will have incurred total charges of \$1,164,033.42 for FPPS and FFS services.

Table 1 provides a breakdown of these charges by category and fiscal year. Also, shown is the percentage year-to-year increase in total charges. According to the MOU, such year-to-year increases are limited to the increase in the OMB inflation factor unless there is a change in the services offered or the Commission requests optional services. This limitation has not been in effect because significant upgrades have been made to FPPS and lesser upgrades to FFS during the FY95-99 period. The Commission has also requested and received a significant amount of optional services, primarily relating to FFS custom reporting. Per unit costs for personnel/payroll processing and FFS computer resource usage have actually declined during the time the MOU has been in effect.

**Table 1 - Commission Billings/Revenue Collected (\$)**

Line #	Category	FY95	FY96	FY97	FY98	FY99	FY00 (Proj.)	Total
1	FFS							
	FFS Accounting Services	32,000.00	34,000.00	29,000.00	31,000.00	61,272.42	95,000.00	282,272.42
2	ADP	23,000.00	33,000.00	39,000.00	37,000.00	38,000.00	43,000.00	213,000.00
	Sub Total	55,000.00	67,000.00	68,000.00	68,000.00	99,272.42	138,000.00	495,272.42
3	FPPS							
	Personnel/Payroll Process.	57,000.00	255,602.00	59,000.00	81,000.00	69,000.00	80,000.00	601,602.00
4	FPPS Training			600.00	1,000.00	1,200.00		2,800.00
5	FPPS 2000 Development					16,600.00		16,600.00
	Sub Total	57,000.00	255,602.00	59,600.00	82,000.00	86,800.00	80,000.00	621,002.00
6	Telecommunications	5,000.00	14,372.00	8,971.00	7,536.00	7,140.00	4,740.00	47,759.00
7	Total	117,000.00	336,974.00	136,571.00	157,536.00	193,212.42	222,740.00	1,164,033.42
8	Year-to-Year Increase		188.01%	-59.47%	15.35%	22.65%	15.28%	

The projected cost for personnel/payroll processing (line 3, Table 1) in FY00 is \$80,000, which is based on an estimate of 498 W-2's at approximately \$160 per W-2. We found that 470 W-2's were actually issued to Commission personnel in January 2000. If this number had been used, the projected cost would be approximately \$4480 less.

Budget planning for FPPS and FFS is accomplished by an annual budget memorandum submitted by NBC to the Commission. Budget levels are discussed and negotiated between NBC and OFB and are subject to adjustment until the budget memorandum is actually submitted. This budget memorandum identifies the final costs to be charged to the Commission in the current year and estimates the costs for the following two years. Table 2 (next page) shows the cost data submitted for FFS in the budget memorandum dated May 28, 1999.

The final cost in the budget memorandum provides the basis for charges to the Commission for the year. Since this final cost is arrived at before the year is completed, it does not reflect actual costs incurred. For example, the final cost for FFS technical services for FY99 as billed to the Commission via OPAC and as shown in Table 2 was \$30K. Actual cost incurred, however, was \$78K. According to the MOU, actual costs for the preceding year are to be considered in

developing the cost estimate for the following year. Cost overruns and underruns, however, are not directly recoverable by either party.

**Table 2 -FFS and FPPS Budget (\$)**

Line #	Category	FY99 Final	FY00		FY01 Estimate
			Estimate	Projected	
	Federal Financial System (FFS)				
1	System Admin	9,000.00	10,000.00	9,000.00	9,000.00
2	Operations	21,000.00	22,000.00	26,000.00	27,000.00
3	Technical Services	30,000.00	31,000.00	60,000.00	62,000.00
4	Computer Processing	38,000.00	40,000.00	43,000.00	58,000.00
5	Sub Total (FFS)	98,000.00	103,000.00	138,000.00	156,000.00
6	Telecommunications	4,740.00	4,740.00	4,740.00	4,740.00
7	Federal Personnel/Payroll System (FPPS)	69,000.00	69,000.00	80,000.00	82,000.00
8	TOTAL	171,740.00	176,740.00	222,740.00	242,740.00

The OFB receives an electronic notice from NBC every quarter indicating the amount charged to the Commission through OPAC. OFB approves and processes this notice as if it were an invoice, although its only significance is for record keeping. OFB does not receive from NBC any document or report that shows total actual costs being incurred.

The absence of actual cost reporting is one factor that has contributed to a lack of control over optional service requests being made to NBC by Commission personnel and the consequent increase in costs for FFS technical services. Another factor is that requests are being made informally and without considering the resources required, even though the MOU specifies a formal request as the basis for providing optional services. Also, there is no central Commission coordination of these informal requests being made by various individuals. The result is that the cost of FFS technical services has been increasing without any real understanding on the part of Commission personnel as to why they are increasing.

Since OIS is the Cost Center Manager (CCM) for information services support, OFB obtains approval from OIS for FPPS and FFS funding. To do this, OFB prepares a Form 51, Requisition for Equipment or Services, which is submitted to OIS for approval. Examination of recent Form 51's submitted for this purpose indicates there is very little description or justification of the proposed services accompanying the form. The result is that OIS has very little information for judging the value or need for the proposed effort. As an example, we found that OIS was unaware of the specifics of a data warehouse project that OFB had initiated at NBC.

Once a Form 51 is approved, it is forwarded to a Commission procurement specialist who prepares a Form 30, Amendment to Contract, or an Interagency Agreement Form to reflect the additional funding. Again, these forms are for record keeping purposes only, since nothing is actually sent to the vendor, in this case, NBC.

To keep its clients informed on the status of FPPS and FFS, NBC has formed user groups for each system. The FPPS User Group meets quarterly and the FFS User Group meets annually. At these meetings, users consider proposed changes or improvements to FPPS and FFS. The FPPS User Group may approve changes or improvements to FPPS that can be accommodated

within the existing budget. Changes or improvements that have a budget impact must be approved by DOI. Recommendations for changes or improvements to FFS must be submitted to the system owner, AMS, through the Software Advisory Board, of which NBC is a member. A review of attendance lists for the past two years indicates that the Commission is represented at user group meetings by OFB personnel. OIS and Office of Personnel are not represented at these meetings, nor do they receive any feedback from OFB attendees. There were no Commission representatives at the last FPPS User Group meeting held on February 23-24, 2000 in Denver.

There are other agencies that provide similar personnel/payroll and accounting services for federal agencies. Two such agencies are the Department of Agriculture's National Finance Center (NFC) and GSA.

NFC and GSA charges are roughly equivalent to those of NBC. For personnel/payroll services, NFC bases its charges to clients on services actually used, as opposed to the fixed rate that NBC charges its clients. In FY99, NFC charged agencies an average rate of \$102.36 per employee for personnel/payroll services. This average includes agencies that use all NFC services as well as some who use only a few services.

GSA charges \$75 per employee per year for payroll services alone. For an additional \$15 per employee per year, GSA provides its clients an internet-based time and attendance system ([feddesk.gsa.gov](http://feddesk.gsa.gov)). GSA also provides at no additional charge an internet-based employee service site that allows employees to view their leave and earnings statements as well as make changes to their personal data ([payroll.gsa.gov](http://payroll.gsa.gov)). For non-payroll services, GSA charges clients a variable rate based on actual computer processing expense and billable employee hours.

## V. COMMISSION'S CURRENT AND FUTURE UTILIZATION OF FPPS

The FPPS and FFS applications software is operated on an IBM 9672-R56 mainframe computer located at NBC, Denver ([www.den.nbc.gov](http://www.den.nbc.gov)). Current telecommunication assets used by the Commission to provide a link with FPPS and FFS include a Cisco 2513 router located at the Commission and a dedicated 56k data circuit leased from Bell Atlantic through DOI. The 56k data circuit connects the Commission to the Main Interior Building (MIB) in Washington, DC. The connection between MIB and NBC, Denver is through DOINET. The Commission currently pays DOI \$300 per year to maintain the Cisco router, \$170 per month to lease the 56k data circuit and \$200 per month for DOINET access. We found there is a potential to avoid these telecommunications costs if the Commission could use its existing Internet connection to provide access to NBC, Denver. We noted that DOI is abandoning DOINET in favor of the Internet and that the Commission will have to provide new connectivity to DOI by September 30, 2000.

### A. Current Utilization of FPPS

The Commission's policies and procedures for time, attendance and payroll services are documented in USITC Directive 2201.1, Time, Attendance and Payroll Services Handbook. This directive was last updated on September 18, 1992 and thus does not reflect current FPPS utilization and procedures.

The Commission's most basic use of FPPS is to process the payroll for its approximately 425 employees. On the Thursday or Friday before the end of each pay period, the designated timekeepers for each office enter the time and attendance (T&A) information and labor cost codes for each employee into the FPPS T&A subsystem installed on their desktop computers. After entry by the timekeeper, the T&A information is certified by an authorized supervisor and then electronically forwarded to OFB by COB Friday. On the Monday following the end of the pay period, OFB checks the T&A data, primarily to verify the number of time sheets matches the number of employees on board. By COB Monday, OFB electronically releases the complete batch of T&A records via DOINET to NBC's Denver office. Until the T&A records are released to NBC, timekeepers can make any necessary changes and obtain re-certification through their desktop terminals. After release by OFB, however, such changes must be made through a paperwork process.

When NBC receives the T&A records late Monday, it begins its own quality control checks. Any errors or discrepancies found are corrected, sometimes after consultation with OFB. On the Tuesday following the end of the pay period, the T&A data is processed on NBC's IBM mainframe and electronically transmitted to the Treasury Department very early Wednesday morning. NBC provides the Treasury Department its final certification of the T&A data on Wednesday morning after the data has been received by Treasury.

After receiving and processing the T&A data from NBC, the Treasury electronically transmits payment data to the Federal Reserve which then makes electronic funds transfer (EFT) payments to employee financial institutions. EFT deposits normally appear in employee bank accounts on the Friday following each pay period. All Commission employees are required by law to receive salary payments by EFT. NBC mails Leave and Earnings Statements for the pay period to each employee. These are normally received by the second Monday after the pay period ends.

The Commission is one of a group of agencies whose T&A data is processed by NBC on the Tuesday following the end of the pay period. The employees of these agencies receive EFT salary payments on the first Friday after the pay period. There is another group of agencies whose T&A data is processed one day later on Wednesday. The employees of these agencies do not receive EFT salary deposits until the second Tuesday after the pay period ends.

One current issue in T&A processing is that FPPS deletes compensatory time for some Commission employees after one year from the date earned. Commission policy allows employees to maintain a balance of 50 hours compensatory time unless the leave was earned during the last three pay periods of the leave year. NBC is currently accommodating this policy by manual processing pending a system change.

A listing of all the services currently available through FPPS is provided by Table 3 (next page). This table lists those services that are currently being used by the Commission and those services that are not currently being used by the Commission.

As shown in Table 3, the Commission does not use the FPPS Standard Form (SF) 52 processing service. This service allows a requesting office to initiate an electronic SF-52, Request for Personnel Action, from a desktop computer by selecting appropriate FPPS menu commands and entering the employee SSN and other data specific to the action being requested. The SF-52 is then electronically forwarded for approval by one or more approval authorities. After final approval, the SF-52 is electronically forwarded to the servicing personnel office (SPO), where it is then released for updating the FPPS database and for automatic generation of an SF-50, Notice of Personnel Action. SF-52's can also be initiated by the SPO or automatically by FPPS for certain types of actions, such as Conversion to Career Appointment.

Under the Commission's current procedures, an office requesting a personnel action enters data on a paper SF-52 form. The form is then sent by office mail to the Office of Personnel. After the SF-52 is received in the Personnel Office, the Personnel Assistant manually enters data from the SF-52 into FPPS. FPPS then generates an SF-50 Notification of Personnel Action. The Commission's Director, Office of Personnel, indicated that the reason for not using the FPPS SF-52 processing service is that the low volume of SF-52 personnel transactions did not justify the effort involved in automating them. In FY99 the Personnel Office processed 347 SF-52's.

The Commission also does not currently use the training records service available from FPPS. If the Commission did use this service, it would improve the comprehensiveness of the personnel information available in the FPPS database. Since all FPPS clients pay the same flat rate for personnel/payroll services, the Commission does not realize any savings by not using this or any other FPPS service.

**Table 3 - Current FPPS Services**

**Services Used by Commission**

- Standard Form 50 processing
- CPDF information for OPM
- Pay checks
- Electronic funds transfer and needs
- Labor cost distribution
- Payroll accounting
- Leave and earnings statements
- Payroll taxes
- W-2 Form processing
- Payroll related information for Treasury and OPM
- Online and offline training
- FEGLI Insurance
- Health Benefits
- Tickler and suspense systems
- Personnel reports
- SF-113 and A-93 reports on FTE ceilings and Federal employment
- Retroactive processing of transactions and pay
- Bonds
- T&A processing
- Payroll deductions
- Thrift savings
- Retirement (CSR & FERS)
- Tax account maintenance
- Payroll reports
- Employee hotline
- Training and user manuals
- Garnishments & tax levies
- Leave Accounting
- Online updates to employee master files
- Service history
- Pay and leave audits
- Debt Collection
- Personnel transaction processing
- Organization and position data processing

**Services Not Used by Commission**

- Standard Form 52 Processing
- Training records

## B. Personnel Reports

The Commission's Personnel Office prepares six recurring personnel reports for submission to other Commission offices. These reports are:

**Monthly Report** - This is an overview status report on Commission personnel. A report on the status of all Commission personnel is submitted to the Chairman, the Director of Administration, the Director, OFB, the Director, EEO and the Director of Operations. Reports on the status of employees within each office are distributed to the Directors of each office.

**Weekly Transaction Report** - This is a report on Commission employment levels and changes in employment levels, including accessions, separations and promotions. It is submitted to the Director of Administration for inclusion in a weekly resource transactions report distributed to the Commissioners and the Directors of eight major staff offices.

**Employment Monthly Report** - This is a report on employment levels and changes in employment levels. It contains the same type of information as the Weekly Transaction Report. It is submitted to the office of the Secretary of the Commission.

**PATCO Report** - This is a monthly report submitted to the Director, EEO. It contains summary information on accessions, separations promotions and minority status for Professional, Administrative Technical, Clerical and Other (PATCO) employees.

**Monthly Update (Union)** - This is a report on accessions, separations and promotions for employees within the Union bargaining unit. It is submitted to the President of American Federation of Government Employees (AFGE) local 2211.

**Time-off Report** - This is a monthly report of time-off awards to Commission employees. It is included on an occasional basis in the Director of Administration's weekly Resource Transactions Report.

The preparation of these reports is largely a manual paperwork process. Personnel Specialists make pen and ink changes to a paper copy of a prior report and submit the changes to the office staff assistant, who then records the changes in a WordPerfect master file. After all changes have been received and made, copies of the report are printed and sent to recipients via office mail.

Most of the information used to produce these personnel reports has already been entered into the FPPS database in order to generate SF-50 personnel action notifications. For this reason, it would appear that FPPS could be used to automatically generate these personnel reports. This would streamline a process that now involves three repetitions of manual entry of the same data: once by a requesting office on an SF-52, once by the Personnel Office to generate an SF-50, and once again by the Personnel Office to generate personnel reports. The Personnel Office does use FPPS to automatically generate certain reports required by OPM. These reports go directly from FPPS to OPM.

### C. FPPS 2000 Initiatives

NBC is currently pursuing a number of initiatives to improve FPPS under the FPPS 2000 program. NBC clients are contributing a pro-rata share of the development cost for two of these initiatives (Data Mart and GUI Interface). The Commission's FY99 share of this cost was \$16,600 (line 6 of Table 1). Current initiatives include the following:

1. **Data Mart ([datamart1.nbc.gov](http://datamart1.nbc.gov))**- Under this initiative a commercial relational data base has been added to FPPS along with an advanced database access tool (Brio Insight) to allow ad hoc queries and reports. This Data Mart became operational in January 2000. The Data Mart is an Oracle database located on the NBC IBM mainframe. It is currently updated on a nightly basis by the FPPS ADABAS database management system, also located on the mainframe. The Brio Insight query software is located on a separate server connected to the mainframe. At present, access to the query server is only through DOINET. This means that the Commission's access to the query server is limited by its 56k link to DOINET. The Commission recently ordered a license for Brio Insight, but has not yet requested any training in its use.
2. **Graphical User Interface (GUI)** - The purpose of this effort is to provide a point-and-click, Windows-like interface for FPPS users. This would replace the current IBM 3270 interface. Almost all of the software currently used by the Commission has a Windows-based user interface. We find it likely that a similar interface for FPPS would improve systems standardization and employee productivity. Most users we interviewed expressed dissatisfaction with what they perceived as a lack of user-friendliness of the current DOS-like FPPS interface.
3. **Improved Human Resources (HR) Functionality** - This initiative would use commercial off-the-shelf software to improve HR functionality of FPPS and is still in the early planning stage. This effort is currently being funded by NBC/DOI and not by its clients.
4. **Expanded Employee self-service capabilities** - This initiative includes automated employment verification and automated review and update of employee information. The employment verification feature is an implementation of a software product from TALX Corporation called "The Work Number for Everyone," and is scheduled to become available in FY00. Other self-service features are under review.

### D. Employee Express

NBC currently offers its clients access to the OPM's Employee Express service through FPPS. Employee Express is a self-service, automated system that provides employees with immediate, electronic access to make changes to payroll and personnel options over which they have direct control without using forms, the mail system, or visiting their personnel office. Employees have

round-the-clock access to the system through touch-tone telephone, computer kiosks or the Internet. Employee Express allows employees to make changes to federal tax withholding, Thrift Savings, direct deposit of paychecks, other voluntary allotments, home address, health benefits selection, or any other configurable options.

Employee Express has the potential for cost savings to the Commission because of the reduced amount of time spent by Commission employees in requesting and implementing changes to payroll and personnel records. The Office of Personnel estimates that its personnel used 15 hours of their time to process approximately 275 requests for changes to employees' personal information in FY99. Additional time would have been required by employees who requested changes to go to the Personnel Office, obtain a form, read instructions, fill out and turn in the form and return to their own office. Assuming  $\frac{1}{2}$  hour to complete this process, this would have amounted to an additional 137.5 hours of employee time. Assuming the average grade level of employees requesting changes is GS-12 step 5, this would amount to a cost of \$3,836, excluding benefits. This cost would have been saved and reallocated to other purposes during FY99 if the employees requesting changes could have made their own changes within the 15 hours required by Office of Personnel employees.

As of April 2000, Employee Express is offering access to employee leave and earnings statements. The Commission could save the cost of mailing leave and earnings statements if it decided to implement an all electronic leave and earnings statement through Employee Express. The Postal Service charges NBC a rate of between \$0.27 and \$0.33 each to mail a leave and earnings statement to each Commission employee. Assuming an average mailing charge of \$0.30 and an average of 425 employees on board, this results in a charge of \$127.50 per pay period or \$3315 per year. This does not include the additional costs of printing supplies and envelope stuffing.

According to OPM and NBC, the cost of adding Commission employees to Employee Express would be relatively small because of the already existing interface between NBC and Employee Express. Based on cost factors provided by OPM, the startup cost for adding new employees to Employee Express would be \$1.33 per employee. This expense is primarily for generating and mailing out new Personal Identification Numbers (PIN's). In the Commission's case, this startup expense would be minimal, because, since August 1998, all Commission employees have been provided PINS by OPM.

Based on cost factors provided by OPM, annual operating costs for providing Commission employees access to Employee Express through DOI would amount to \$901.56, or \$1.94 per employee. This assumes a total of 470 Commission employees (the number of W-2's issued this year) and a 5% turnover rate. This estimate also assumes no cost sharing of existing telephone lines. If, as seems likely, the Commission is required to share the costs of existing telephone lines, then NBC estimates that our annual cost per employee would be approximately \$3.50 for a total annual charge of approximately \$1624.

**VI. COMMISSION'S CURRENT AND FUTURE UTILIZATION OF FFS**

**A. Current Utilization of FFS**

The Commission currently uses FFS to perform the Commission's accounting function and to provide financial management reporting. The various subsystem modules comprising FFS are shown in Table 4 along with an indication of which are currently being utilized by the Commission.

The Commission does not currently use the FFS budget preparation module and, instead, performs budget preparation as an entirely manual process. OFB provides Office Directors with a paper copy of the proposed budget. Office Directors make pen and ink changes to the paper copy and return it to OFB. Office Directors also provide OFB with a signed paper copy of their budget justification narrative, as well as an e-mail copy in Word Perfect format.

Fixed asset and inventory management is also performed as a manual process. OFB uses an Excel spreadsheet to track asset depreciation.

The Commission currently uses a separate subsystem for procurement called PRISM that is not tied into FFS. To initiate the procurement process, a requesting office must manually prepare a Form 51, Request for Procurement. After approval, the Form 51 is sent to the procurement office in AD, where information from the Form 51 is manually entered into PRISM. After manual entry of additional information on the vendor and type of procurement, PRISM generates a purchase order or contract, which is mailed to the vendor. A copy of the purchase order/contract and the Form 51 is sent to OFB. OFB uses this information to manually record an obligation in FFS. When the vendor makes a delivery and mails an invoice to OFB, OFB mails a payment to the vendor and manually records an expenditure in FFS. There is no entry of invoice/payment information in PRISM, although PRISM has the capability for acceptance of such information.

**B. FFS Financial Management Reports**

The table in Appendix II lists all the financial management reports that are currently available to the Commission from FFS. A total of 90 different reports are currently available. Of these, 22 are custom reports, 59 are baseline reports and the remaining 9 can be either custom or baseline.

**Table 4 - FFS Subsystems**

**Subsystems Used by Commission**

- Accounts Payable
- Accounts Receivable
- Automated Disbursement
- Budget Execution
- External Reporting
- General Ledger
- General Systems
- Labor Distribution
- Periodic Processes
- Purchasing
- Travel

**Subsystems Not Used by Commission**

- Budget Preparation (Requires License)
- Cost Allocation
- Fixed Assets
- Inventory
- Planning
- Project Cost Accounting

Baseline reports are standard reports that were designed into the system for use by any client. Custom reports are non-standard reports that are specifically requested by a client. Clients are charged for the programming costs of developing a custom report as well as the recurring costs for its periodic production. For baseline reports, clients are only charged the recurring production cost. The total recurring cost charged for reports depends on their size and their frequency of production. Some of the reports identified in Appendix II are produced on a nightly basis. Some are produced only on request.

Not all the reports produced by FFS for the Commission are actually used by the Commission. Based on information obtained from OFB, 11 of the 90 reports are not being utilized by the Commission, as shown in Appendix II. Some of the 11 reports not used by the Commission are used by NBC for test and quality control purposes. Whether used or not, all of these reports continue to be produced with a resulting charge for their production.<sup>2</sup>

To attempt to meet the needs of the Commission's CCMs for financial information, OFB distributes a monthly accounting package comprised of 6 FFS reports. These 6 reports are among those listed in Appendix II and are:

- ITC545, Obligations by Object Classification
- ITC630A, Travel Transactions FYTD
- ITC630B, Training Transactions FYTD
- ITC710, Fund Report
- ITC710B, Detail Unliquidated Obligation Transaction FYTD
- ITC710C, Detail Accrued Expenditure Transactions FYTD

While these reports are useful for some purposes, they do not provide information on personnel utilization. This is a significant shortcoming, since personnel is the principal resource available to Commission managers.

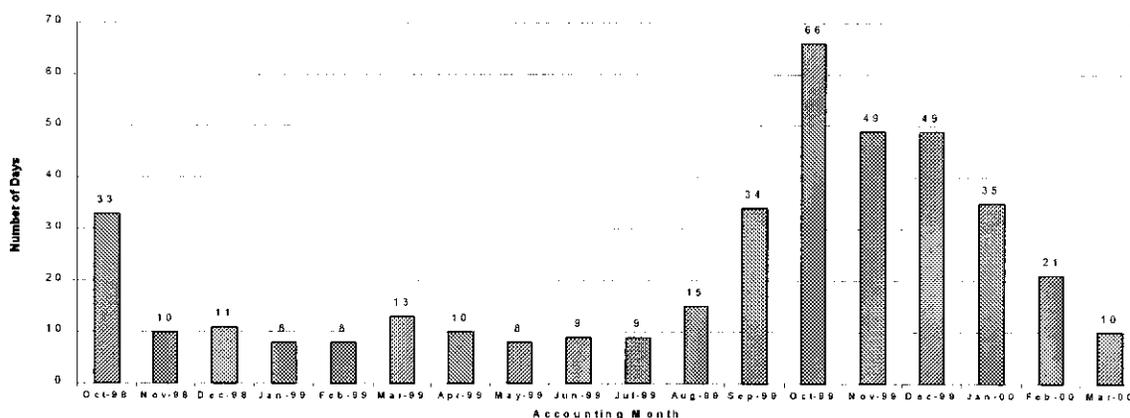
The monthly reports that OFB provides CCMs are not consistently timely. Figure 2 (next page) shows the number of days after the end of the accounting month that CCMs received the accounting reports for the period from October 1998 to March 2000. Beginning in November 1998 through July 1999, these reports were received within two weeks after the end of the month.

Beginning in August 1999, the reporting delays began to lengthen to as much as 66 days for the October 1999 report. The November 1999 and December 1999 reports were each delayed by 49 days and the January 2000 report was delayed by 35 days. OFB has indicated that they normally close the books on a month 5 days after the end of the month, at which time accurate monthly reports can be produced. However, delays in closing can occur at the end of a fiscal year or during a continuing resolution period, according to OFB. OFB has indicated that the printing, assembly and distribution of their monthly reports require one half day's time per month for one of their financial technicians.

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<sup>2</sup>For example, the production cost of the weekly ITCWVIOL security report is \$22 per report.

Figure 2 - Number of Days After End of Accounting Month for Receipt of Monthly Accounting Report



The distribution of these reports could be automated by electronically forwarding them from FFS directly to recipients via the Commission's Intranet. This would eliminate the labor requirement and delays associated with converting FFS reports into paper and sending them out via office mail.

### C. Future FFS Related Services

Since FFS is owned by AMS, any changes or improvements to FFS are limited to those which have been developed or can be implemented by AMS.

AMS has developed PROCUREMENT DESKTOP, a Windows-based electronic procurement system. This system automates all phases of the procurement and contracting process and provides a full range of electronic commerce functionality. It also has an online interface with FFS. This is in contrast to the current Commission procurement system (PRISM) which has no interface with FFS, thus requiring manual entry of exchanged data.

NBC has the capability to develop custom reports from FFS data by client request. NBC also has the capability to develop data marts to allow clients to make their own data queries in specific subject areas. NBC recently developed a Budget Data Mart for the Commission and a Trial Balance Data Mart for another client.

In FY96, OFB initiated a project with NBC to develop a data warehouse, which is a multi-subject assemblage of data marts. Because NBC does not separately account for projects charged to Commission Technical Services, it was not possible to determine actual costs of the data warehouse effort to date or how much of these costs were actually charged to the Commission. In FY98 and FY99, NBC spent \$77.5K and \$78.1K, respectively, on Commission Technical Services. However, the Commission was only charged \$10K and \$30K, respectively, for Technical Services in those years. According to NBC, none of these charges were for data warehouse development costs.

The OFB data warehouse effort at NBC has suffered from poorly defined objectives and inadequate technical direction from OFB. As an example, OFB could not provide a written plan

detailing project objectives, schedules and costs. Also, OFB has not made the effort needed to define the Commission's user requirements. A data warehouse designed to collect all available information is useless if the information collected does not include the information required by users. Also, OFB has not sought the involvement of OIS, which has the expertise, particularly in ORACLE applications, to provide technical direction to the project. The data warehouse effort at NBC is currently on hold pending further direction from OFB.

## VII. COMMISSION REQUIREMENTS FOR NEW SERVICES

### A. Automation

The Commission has a general requirement for greater automation of processes in the personnel/payroll and financial management areas. Once the initial investment has been made, automated processes begin to pay for themselves through reduced reliance on time-consuming and expensive manual procedures. Another reason for greater automation is the Commission's relatively small size. Ordinary personnel turnover can leave large gaps in manual processes as in the current situation with the Commission's Budget Office where the only two positions in the office are vacant. Automated processes can compensate for these gaps. Automated processes can also help preserve "corporate memory" by virtue of the fact that the Commission's policies and procedures are built into the implementing software.

### B. Integration

OMB Circular A-127(Rev.), Financial Management Systems, provides that the Commission establish and maintain a single integrated financial management system designed to provide for effective and efficient relationships between software, hardware, personnel, procedures, controls, and data. This means that components of the Financial Management system, as well as components of other systems that interact with the Financial Management System, must have common data elements, common transaction processing, consistent internal controls, and efficient transaction entry.

To meet the provisions of OMB Circular A-127(Rev.), the various subsystems (e.g. Procurement) that comprise the overall Commission Financial Management System and the related systems that interact with it (e.g. Personnel/Payroll) should have the following characteristics:

- Electronic Linkage** - Systems and subsystems should be capable of electronically communicating with each other without human intervention.
- Compatible Interface** - Data should be capable of being passed from one system or subsystem to another, and being accepted for processing.
- One Time Data Entry** - Data to be processed by any part of the Financial Management System should only have to be entered once.

### C. Government Performance and Results Act (GPRA)

The Commission has a requirement that its financial management system support the performance and results-based management approach of the GPRA. This means that the financial

management system must assist in the definition of goals and objectives for accomplishing the Commission's strategic mission. It must provide for the planning and allocation of Commission resources to meet these goals and objectives. It must also support the establishment of meaningful criteria for measuring performance and results. Finally, the financial management system must provide for monitoring and meaningful presentation of Commission performance in meeting goals and objectives in accordance with established measurement criteria.

#### D. Management Information

An e-mail survey was conducted to determine the requirements of Commission Managers for personnel and financial information. To facilitate this survey, a sample report was prepared illustrating the kind of information that could be provided from FPPS and FFS. The sample report attempted to display the status of all personnel and financial resources available to each manager. Survey participants were asked to comment on the necessity for such a report, its contents, and its frequency.

The e-mail survey was sent to the Commission's 17 major offices. A total of 10 responses were received. Most respondents agreed with the necessity of such a report, particularly with respect to the personnel information it provided. Some respondents suggested formatting changes and additional information categories. With regard to frequency, the consensus among respondents was that it should be prepared on a monthly basis with personnel data reported as of the most recent pay period that includes the end of the month. Respondents also indicated that the report should be prepared and distributed on a timely basis so as to maximize its usefulness for current decision making.

The initial sample report was revised to reflect the comments received from survey respondents. The revised sample report is shown in Appendix III. All of the data in the sample report can be made available through either the FPPS or FFS data base.

### VIII. CONCLUSIONS AND RECOMMENDATIONS

Based on our audit we found that the Commission was not effectively using current services offered by NBC. In the case of FPPS, we found that the Commission's Personnel Office has not used some FPPS task automation features. This has resulted in over reliance on time-consuming manual procedures characterized by double and triple entry of the same data. The Personnel Office has also failed to take advantage of the recently developed FPPS Data Mart as a source of timely and extensive personnel management information.

In the case of FFS, the Commission's OFB has also failed to take advantage of many FFS task automation features. OFB has not given sufficient consideration to the need for integration of the Commission's financial systems. An example is the use of an automated procurement system that has no interface with FFS. OFB has also failed to exercise sufficient control over optional technical services provided by NBC, and has failed to provide timely and relevant information reporting to the Commission's managers.

We conclude that the Commission could take additional steps to improve its current working relationship with DOI. We also conclude that FPPS and FFS could be used to provide information

reporting that more effectively meets the requirements of Commission managers. Finally, we conclude that the Commission could make use of some additional FPPS and FFS services currently provided or soon to be provided by NBC.

In support of these conclusions, we offer the following recommendations:

### Improved Commission/DOI Relationship

1. The Director, AD should insure attendance of at least 1 Commission representative at all FPPS and FFS user group meetings and require attendee(s) to circulate a report of user group meetings to appropriate personnel in OIS, PN, and OFB.
2. The Director, AD should designate a person in the Office of Personnel to serve as a point of contact for FPPS and to coordinate on all budget and management actions relating to FPPS.
3. The Director, AD should request OIS to designate a person in OIS to serve as Contracting Officer's Technical Representative (COTR) for the DOI contract.
4. The Director, AD should designate a person in his office to serve as coordinator for all requests for customized reports from DOI.
5. The Director, AD should request periodic reporting of actual costs of FFS services being provided to the Commission.
6. The Director, AD should update Commission Directive 2201.1 (Time, Attendance, and Payroll Services Handbook) to reflect current time, attendance and payroll policies and procedures.
7. The Director, AD should conduct a comparative review of alternative service providers, such as the National Finance Center and GSA, to verify the continued competitiveness of DOI's services.
8. The Director, AD should request the assistance of OIS to determine whether the Commission's Internet connection can be used to replace the current telecommunication linkage to NBC, Denver.
9. The Director, AD should negotiate a reduction in the number of W-2's used by NBC as the basis for FY00-01 FPPS charges to the Commission.
10. The Director, AD should request that NBC promptly implement Commission policy on maintenance of compensatory time balances.

### Improved Management Information

11. The Director, AD should request that DOI provide periodic reports by e-mail or FAX containing the information identified in Appendix III to each office, division and branch head in the Commission.
12. The Director, AD should prepare a plan detailing the requirements, objectives, schedule and costs for the OFB data warehouse project. The plan should consider the integration of FPPS and FFS data into a single data warehouse accessible to Commission personnel by a browser-based query tool such as Brio Insight.
13. The Director, AD should prepare a plan for procuring any additional hardware, software, and telecommunications resources needed to provide Commission personnel with timely, automated access to relevant information from FPPS and FFS.
14. The Director, AD should review all reports currently being produced for the Commission by DOI and eliminate those not currently being used and reduce the frequency of, or change status to "as requested", those reports that are seldom being used.

### Implementing New DOI Services

15. The Director, AD and OIS should develop a plan for implementing an integrated procurement subsystem for FFS which includes electronic commerce functionality.
16. The Director, AD and OIS should develop a plan for implementing an integrated budget formulation subsystem for FFS that automates appropriate budget formulation tasks, allows information interchange with other FFS subsystems, and meets the requirements of GPRA.
17. The Director, AD should implement the employee self-service personnel data service currently available from OPM through DOI.
18. The Director, AD, OIS and the Office of Personnel should plan and conduct a joint evaluation of the FPPS Data Mart that recently became available through FPPS.
19. The Director, AD should begin using FPPS to automatically generate the personnel reports currently being manually produced by the Office of Personnel.
20. The Director, AD should implement the SF-52 processing and training records services offered by FPPS.

21. In light of OMB Circular A-127(Rev.), the Director, AD, should evaluate the FFS subsystems not presently being used by the Commission and determine whether the Commission should begin using any of them.

**APPENDIX I**

**CURRENT NBC CLIENTS**



# CLIENTS

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<u>ORGANIZATION</u>	Personnel/		Finance/		<u>Payments</u>	<u>Quarters</u>
	<u>Payroll</u>	<u>Accounting</u>	<u>Accounting</u>			
Bureau of Indian Affairs	X					X
Bureau of Land Management	X		X			X
Bureau of Reclamation	X		X			X
Emergency Firefighters	P					
Fish & Wildlife Service	X		X		X	X
Geological Survey	X					X
Minerals Management Service	X					
National Park Service	X					
Office of Aircraft Service	X					
Office of Inspector General	X					
Office of Secretary	X					
Office of Solicitor	X					
Office of Special Trustee for American Indians	X					
Office of Surface Mining	X					

# CLIENTS

<u>ORGANIZATION</u>	Personnel/		Finance/		<u>Payments</u>	<u>Quarters</u>
	<u>Payroll</u>		<u>Accounting</u>			
African Development Foundation	X					X
Agricultural Research Service						X
Bureau of Prisons						X
Customs						
Department of Education	X					
Executive Residence	X					
Federal Aviation Administration						X
Federal Communication Commission			X			
Federal Labor Relations Authority	X		X		X	
Federal Trade Commission	X		X		X	
Forest Service						
General Service Administration						X
Immigration and Naturalization						X
Indian Health Service						X
Inter-American Foundation		X				X

# CLIENTS

<u>ORGANIZATION</u>	Personnel/		<u>Payments</u>	<u>Quarters</u>
	<u>Payroll</u>	Finance/ <u>Accounting</u>		
International Boundary & Water Comm				
International Trade Commission	X	X		X
James Madison Memorial Foundation	X			
Maritime Administration				X
National Weather Service				X
Navy (Guam)				X
Overseas Private Investment Corp.	X			
Pension Benefit Guaranty Corp.	X			
Presidio Trust	X			
Public Health Service				X
Securities & Exchange Commission	X			
Selective Service System	X	X		
Social Security Administration	X			
Truman Foundation	X			
U.S. Trade and Development Agency	X			



## **APPENDIX II**

### **FES REPORTS AVAILABLE TO THE COMMISSION**



## APPENDIX II

ITC REPORT UTILIZATION  
1999  
AS OF DECEMBER 16, 1999

INFOFAC REPORT ID	BASELINE/ CUSTOM	REPORT DESCRIPTION	SUBSYS	FREQUENCY OF REPORT	LAST RUN DATE	USER ACCESS TO REPORTS	USITC Uses?
ITC.....							
...ACERR	B	ACEXCP AC Exception offline error report	PP	ANNUALLY AT YEAR END	11/2/99 *,***		Y
...ACEXP	B	ACEXCP A/C Trial Balance & Exception Report, validation fund, acct type, account & closing account	PP	ANNUALLY AT YEAR END	11/2/99 *,***		Y
...CTBA	B	MTOCTBA A/C Consolidated Trial Balance for all BFY by treasury symbol	PP	ANNUALLY AT YEAR END	11/2/99 *,***		Y
...CTBB	B	MTOCTBB A/C Consolidated Trial Balance for all BFY by treasury symbol & fund	PP	ANNUALLY AT YEAR END	11/2/99 *,***		Y
...CTBC	B	MTOCTBC A/C Consolidated Trial Balance for fiscal year XXXX	PP	ANNUALLY AT YEAR END	11/2/99 *,***		Y
...DUPS	B	MTOGENDP General Journal Duplicates Report	SA/GL	NIGHTLY	12/15/99 *,***		N
...ERRO2	B	ZIPAYR P/R PNEOT ZIPAYR offline error message report	LD	AFTER EVERY PAY PERIOD	8/14/98 *,***		N
...ERVP	B	ERVPIA 1099-MISC Transaction detail report - 1099A	ER	ANNUALLY	1/26/99 *,***		Y
...FATB	B	RERFATB FACTS Automated Trial Balance (FATB) Report	ER	ANNUALLY	1/25/99 *,***		Y
...FFTB	B	RERFFTB FACTS FFS Trial Balance (FFTB) Report	ER	ANNUALLY	1/15/99 *,***		Y
...FORM	B	ITCFORM Define documents & tables & security groups	CORE	ON REQUEST	**		Y
...FOR2	B	ITCFOR2 Define documents & tables & security groups	CORE	ON REQUEST	**		N
...GSGBD	B	RGSGBD Accepted Batch & Document Rpt	GS	NIGHTLY	12/15/99 *,***		N
...MIF	B	ASCMIF IMPREST - IFHT to IFLT matching error rpx (header to line)	SA/AD	NIGHTLY	12/6/99 *,***		Y
...MOB	B	ASCMOB OBLH to OBLL matching error Report	SA/PE	NIGHTLY	12/6/99 *,***		Y
...MTO	B	ASCMTO TOHT to TOLT matching error Report	SA/TA	NIGHTLY	9/23/97 *,***		N
...OLERR	B	ER1099 1099W offline error report	ER	ANNUALLY IN JANUARY	1/22/97 *,***		Y
...PGMT	C	MTOPGMT PGMT records report	GS	ON REQUEST	9/7/99 *,***		Y
...PPAY	B	Prompt Pay Report 1 of 5	AD	MONTHLY	11/2/99 *,***		Y
...PPAY2	B	Prompt Pay Report 5 of 5	AD	MONTHLY	11/2/99 *,***		Y
...PPDT	B	ADPPDT Prompt Pay Detail Error Report	AD	MONTHLY	11/2/99 *,***		Y

## APPENDIX II

ITC REPORT UTILIZATION  
1999  
AS OF DECEMBER 16, 1999

INFOPAC REPORT ID	BASELINE/ CUSTOM	REPORT DESCRIPTION	SUBSYS	FREQUENCY OF REPORT	LAST RUN DATE	USER ACCESS TO REPORTS	USITC Uses?
...PPDT1	B	RADPPDT Prompt Pay Detail Report Sec. I	AD	MONTHLY	11/2/99 *,***		Y
...PPDT2	B	RADPPDT Prompt Pay Detail Report II A-E	AD	MONTHLY	11/2/99 *,***		Y
...PPDT3	B	RADPPDT Prompt Pay Detail Report Sec II.F	AD	MONTHLY	11/2/99 *,***		Y
...PPDT4	B	RADPPDT Prompt Pay Detail Report Sec IV	AD	MONTHLY	11/2/99 *,***		Y
...PPDT6	B	RADPPDT Prompt Pay Detail Report Sec VI	AD	MONTHLY	11/2/99 *,***		Y
...PRIGJ	B	MTOGENJ General Journals with prior Accounting Period	SA/GL	NIGHTLY	12/16/99 *,***		N
...SAGL	B	SAGLBL General Ledger Balance Table General Journal System Assurance Report	SA/GL	MONTHLY AND DURING A/C	12/9/99 *,***		Y
...STAB2	B	SECURITY	Security	ON REQUEST	O/R	**	Y
...STAB3	B	SECURITY	Security	ON REQUEST	O/R	**	N
...STAB8	B	SECURITY	Security	ON REQUEST	O/R	**	N
...TEST1	C/B	TEST1 thru TEST9 was set up	various	As needed	A/N	*,***	Y
...TEST2	C/B	in INFOPAC for the testing of		As needed	A/N	*,***	Y
...TEST3	C/B	various reports and current re-		As needed	A/N	*,***	Y
...TEST4	C/B	that may have changes because		As needed	A/N	*,***	Y
...TEST5	C/B	of fixes in software as well as		As needed	A/N	*,***	Y
...TEST6	C/B	changes in custom reports.		As needed	A/N	*,***	Y
...TEST7	C/B	Requests are made by NBC and		As needed	A/N	*,***	Y
...TEST8	C/B	and ITC.		As needed	A/N	*,***	Y
...TEST9	C/B			As needed	A/N	*,***	Y
...VIOL	B	Security Violation Vanguard Security Reports	Security	WEEKLY		**	Y
...TREC	B	ADTREC Treasury Reconciliation offline error report	AD	NIGHTLY	12/15/99 *,***		Y
...1099A	B	ER1099 1099-MISC Totals Report for calendary year XXXX	ER	ANNUALLY IN JANUARY	1/23/98 *,***		Y
...1099F	B	FORM 1099 MISC	ER	ANNUALLY IN JANUARY	1/12/98 *,***		Y
...1099R	B	RER1099 1099 Vendors Requiring Action Report	ER	ANNUALLY IN JANUARY ON REQUEST	11/2/99 *,***		Y
...1099W	B	ER1099W 1099-MISC Totals Report	ER	ANNUALLY IN JANUARY ON REQUEST	1/26/99 *,***		Y
...224	B	RER224 SF-224 Report Statement of Transactions	ER	MONTHLY	12/9/99 *,***		Y
...224AC	B	RER224A Monthly Collection Activity	ER	MONTHLY	12/9/99 *,***		Y
...224AD	B	RER224A Monthly Disbursement Activity	ER	MONTHLY	12/9/99 *,***		Y
...224D	B	RER224D Active File of 224 Disbursements and Collection for transactions reported on 224	ER	MONTHLY	12/9/99 *,***		Y

## APPENDIX II

ITC REPORT UTILIZATION  
1999  
AS OF DECEMBER 16, 1999

INFOPAC REPORT ID	BASELINE/ CUSTOM	REPORT DESCRIPTION	SUBSYS	FREQUENCY OF REPORT	LAST RUN DATE	USER ACCESS TO REPORTS	USITC Uses?
...225	B	STANDARD FORM 225 REPORT OF OBLIGATIONS	ER	MONTHLY	Sep-99 *,***		N
...442	C	ITC442 Payroll Distribution by Social Security Number (Single Pay Period)	LD	AFTER EVERY PAY PERIOD	11/5/99 *,***		Y
...444	C	ITC444 Payroll Distribution by Account (Single Pay Period)	LD	AFTER EVERY PAY PERIOD	11/5/99 *,***		Y
...445	C	ITC445 Payroll Distribution by Account - Cumulative	LD	AFTER EVERY PAY PERIOD	11/5/99 *,***		Y
...446	C	ITC446 Payroll Distribution by Program (Single Pay Period)	LD	AFTER EVERY PAY PERIOD	11/5/99 *,***		Y
...447	C	ITC447 Payroll Distribution by Program - Cumulative	LD	AFTER EVERY PAY PERIOD	11/5/99 *,***		Y
...449	C	ITC449 Payroll Charges by Cost Structure (Single Pay Period)	LD	AFTER EVERY PAY PERIOD	11/5/99 *,***		Y
...449A	C	ITC449A Payroll Charges by Home Organ- ization (Single Pay Period)	LD	AFTER EVERY PAY PERIOD	11/5/99 *,***		Y
...450	C	ITC450 Time/Earnings charged by Program (Single Pay Period) w/Summary last page	LD	AFTER EVERY PAY PERIOD	11/5/99 *,***		Y
...451	C	ITC451 Time/Earnings charged by Program (Year to Date) w/Summary last page	LD	AFTER EVERY PAY PERIOD	11/5/99 *,***		Y
...545	C	ITC545 Obligations by Object Classifica- tions	PE	MONTHLY			Y
...630	C	ITC630 Budget Status Report	BE	MONTHLY	4/8/98 *,***		N
...630A	C	ITC630A Travel Transactions FYTD by organization	BE	MONTHLY	11/2/99 *,***		Y
...630B	C	ITC630B Training Transactions FYTD	BE	MONTHLY	11/2/99 *,***		Y
...630C	C	ITC630C Travel Transactions FYTD by Program	BE	MONTHLY	11/2/99 *,***		Y
...710	C	ITC710 Fund Report	GL	MONTHLY	12/9/99 *,***		Y
...710A	C	ITC710A Detail Open Commitment Transactions FYTD	PE	MONTHLY	11/2/99 *,***		Y
...710B	C	ITC710B Detail Unliquidated Obligation Transactions FYTD	PE	MONTHLY	11/2/99 *,***		Y

APPENDIX II

ITC REPORT UTILIZATION  
1999  
AS OF DECEMBER 15, 1999

INFOPAC REPORT ID	BASELINE/ CUSTOM	REPORT DESCRIPTION	SUBSYS	FREQUENCY OF REPORT	LAST RUN DATE	USER ACCESS TO REPORTS	USITC Uses?
..RADSP2	B	RADASP Voucher Selection Summary Report	AD	NIGHTLY	12/15/99	*,***	Y
..RGLATF	B	RGLATF Summary Trial Balance by Fund for Accounting Period XX/XX	GL	MONTHLY	12/9/99	*,***	Y
..RPEACR	B	RPEACR Contract Report as of XX/XX/XXXX	PE	MONTHLY	11/2/99	*,***	Y
..RTAATA	B	RTAATA Travel Advance Report	TA	MONTHLY	11/2/99	*,***	Y
..SADBAL	B	SADBAL Detailed General Journal Internal Consistency/Integrity Report System Assurance	SA/GL	MONTHLY	12/15/99	*,***	Y
..SADPST	B	SADPST Detailed System Assurance Journal File - Document Suspense Consistency Report. Verification all accepted docs have been recorded on the General Journal	SA/GL	MONTHLY	12/15/99	*,***	Y
..SATRVL	B	SATRVL Travel Transactions System Assurance Report Travel obligations	TA	MONTHLY	11/1/99	*,***	Y

USER ACCESS

- \* JOANNE SMITH  
KIM M. HOLLAND  
MIRA G. SMITH  
PATRICIA E. KATSOUROS  
QUEEN E. COX  
TELESFORO R. CORDOBA  
WILLIAM KUNTZ  
ZENA S. BREEDEN
- \*\* QUEEN E. COX  
PATRICIA E. KATSOUROS  
MIRA G. SMITH  
DEBI J. ROSENFELD  
CORLA R. REEVES  
JOANNE F. SWARTZ
- \*\*\* ITC PERSONNEL  
FSD PERSONNEL

Totals for Report Types

Baseline	59
Custom	22
Either	9
Total	90

Report Use Summary	
Y	79
N	11
TOTAL	90

## **APPENDIX III**

### **REVISED SAMPLE RESOURCE UTILIZATION REPORT**



APPENDIX III

**RESOURCE UTILIZATION REPORT**  
**For Month Ended 12/31/99 - 25% of Fiscal Year Elapsed**

Cost Center/Office - 1101 Communications Mgt. Dept.

**Part I - Total Obligations by Budget Object Classification**

BOC	Title	\$ This Month	Cum. \$ This FY	Expend Plan	% of Exp. Plan
2563	Telecom Eq.	1200	25000	50000	50.00%
2100	Travel	500	3000	15000	20.00%
2541	Training	0	1000	5000	20.00%
TOTAL		1700	29000	70000	41.43%

**Part II - Total Expenditures by Budget Object Classification**

BOC	Title	\$ This Month	Cum. \$ This FY	Expend Plan	% of Exp. Plan
2563	Telecom Eq.	1200	25000	50000	50.00%
2100	Travel	500	3000	15000	20.00%
2541	Training	0	1000	5000	20.00%
TOTAL		1700	29000	70000	41.43%

**PART III - Total Personnel Hours by Labor Code**

Labor Code	Title	Hours This Month	Cum. Hrs. This FY	Expend Plan (FY)	% of Exp. Plan
6A	Info Res Mgt	120	360	1200	30.00%
7A	Admin. MGT	80	320	1000	32.00%
12A	Leave	40	40		
TOTAL		240	720	2200	

**Part IV - Employee Hours by Labor Code For December, 1999**

Employee	Labor Codes							Total
	1A	1B	1C	1D	1F	2a	etc.	
Doe, J		80				80		160
Jones, M	80			80				160
Smith, T		80					80	160
<b>Total</b>	<b>80</b>	<b>160</b>		<b>80</b>	<b>80</b>	<b>80</b>		<b>480</b>

**Part V - Employee Hours by Labor Code For FY 2000 Through P/P Ending 01/01/00**

Employee	Labor Codes							Total
	1A	1B	1C	1D	1F	2a	etc.	
Doe, J		360				120		480
Jones, M	320		80	80				480
Smith, T		160				240	80	480
<b>Total</b>	<b>320</b>	<b>520</b>	<b>80</b>	<b>80</b>	<b>360</b>	<b>80</b>		<b>1440</b>

**Part VI - Employee Data - FY 2000 Through P/P Ending 01/01/00**

Employee	Travel \$	Training \$	Annual Leave		Sick Leave	
	Used	Used	Used	Balance	Used	Balance
Doe, J	500		24	120		720
Jones, M		450	24	90	24	650
Smith, T	1000		48	60		200
<b>Total</b>	<b>1500</b>	<b>450</b>				

**Part VII - Commission-wide Employee Hours by Labor Code - FY 2000 Through P/P Ending 01/01/00**

Office	Labor Codes							Total
	1A	1B	1C	1D	1F	2a	etc.	
OIG								
OAD								
OID								
OGC								
etc.								
<b>Total</b>								

**APPENDIX IV**

**MEMORANDUM (AD-X-065)**





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UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

June 30, 2000

AD-X-065

MEMORANDUM

TO: Acting Inspector General

FROM: Stephen A. McLaughlin, Director  
Office of Administration

A handwritten signature in black ink, appearing to read "Stephen A. McLaughlin".

SUBJECT: Response to Draft Report OIG-AR-04-00: Evaluation of  
Personnel/Payroll and Financial Services Provided to the Commission by  
the Department of the Interior

This memorandum is the Office of Administration's response to the Draft Report: Evaluation of Personnel/Payroll and Financial Services Provided to the Commission by the Department of the Interior. I have reviewed the draft audit report and am in general agreement with the findings and recommendations.

The Inspector General recommends that the Director, Office of Administration:

**1. Should insure attendance of at least 1 Commission representative at all FPPS and FFS user group meetings and require attendee to circulate a report of user group meetings to appropriate personnel in OIS, PN and OFB.**

Response: Agree

Completed. The Office of Administration will insure attendance at all user group meetings and will circulate a report on those meetings to interested parties.

**2. Should designate a person in the Office of Personnel to serve as a point of contact for FPPS and to coordinate on all budget and management actions relating to FPPS.**

Response: Agree

Completed. The Director of Personnel will serve as point of contact.

**3. Should request OIS to designate a person in OIS to serve as Contracting Officer's Technical Representative for the DOI contract.**

Response: Agree

AD and OIS will coordinate in the designation of a COTR for the DOI contract by July 30, 2000.

**4. Should designate a person in his office to serve as coordinator for all requests for customized reports from DOI.**

Response: Agree

Completed. The Director of AD has appointed his special assistant to serve as coordinator for all custom report requests and all other requests that require expenditure of DOI staff time or other resources above that used for routine operations.

**5. Should request periodic reporting of actual costs of FFS services being provided to the Commission.**

Response: Agree

AD is addressing this issue in the FY 2001 negotiations with DOI. Action on this recommendation should be completed by September 30, 2000.

**6. Should update Commission Directive 2201.1 to reflect current time, attendance and payroll policies and procedures.**

Response: Agree

The directive will be updated by November 1, 2000.

**7. Should conduct a comparative review of alternative service providers, such as the National Finance Center and GSA to verify the continued competitiveness of DOI's services.**

Response: Agree

AD will conduct a comparative analysis of other service providers and will request the assistance of OIS in evaluating our options. Action on this recommendation should be completed by December 1, 2000.

**8. Should request the assistance of OIS to determine whether the Commission's Internet connection can be used to replace the current**

**telecommunications linkage to NBC, Denver.**

Response: Agree:

Completed. AD and OIS have held discussions with DOI and evaluated the costs and benefits of using the Internet vs. the commercial telecommunications link to Denver. A final decision has not been made for FY 2001. In either case, we will continue to evaluate our telecommunication options as technology and our needs evolve.

**9. Should negotiate a reduction in the number of W-2s used by NBC as the basis for FY 2000 FPPS charges to the Commission.**

Response: Agree

Completed. NBC has agreed to reduce the number of W-2's estimated for FY 2000 to 470.

**10. Should request that NBC promptly implement Commission policy on maintenance of compensatory time balances.**

Response: Agree

In fact, this matter was brought to the attention of DOI by the Office of Finance several years ago and is currently on their workload plan report. AD will continue to seek resolution with DOI and press for timely implementation. Action on this recommendation should be completed by September 30, 2000.

**11. Should request that DOI provide periodic reports by e-mail or FAX containing the information identified in Appendix III to each office, division and branch head in the Commission.**

Response: Agree

At this time, AD proposes providing the information to the Office Director level. OIS is assisting in the identification of the application and format by which to provide this data. Further dissemination of the information can occur at any time that it becomes necessary or useful. The labor cost information has been downloaded and imported in a database format on the Commission's Intranet and will be available by July 15, 2000. Action on this recommendation should be completed by October 1, 2000.

**12. Should prepare a plan detailing the requirements, objective, schedule and costs for the OFB data warehouse project. The plan should consider the integration of FPPS and FFS into a single data warehouse accessible to**

**USITC personnel by a browser-based query tool such as Brio Insight.**

Response: Agree

AD will complete its' comparative analysis of existing data warehouses maintained by other DOI customers and will prepare a document outlining the requirements and objectives of a USITC data warehouse. If the cost analysis show the project is financially feasible, i.e. benefits outweigh the costs and the financial resources are available, we will proceed with a detailed project schedule and cost analysis. Any data warehouse development plans will of course include integration FPPS, FFS and the procurement system. Action on this recommendation should be completed by December 1, 2000.

**13. Should prepare a plan for procuring any additional hardware, software, and telecommunications resources needed to provide Commission personnel with timely, automated access to relevant information from FPPS and FFS.**

Response: Agree

AD has and will continue to coordinate any hardware, software or telecommunications need with OIS in order to facilitate timely access to FPPS and FFS data. AD procurement needs for FY 2001 will be communicated to OIS by July 20, 2000.

**14. Should review all reports currently being produced for the Commission by DOI and eliminate those not currently being used and reduce the frequency of, or change the status to 'as requested', those reports that are being seldom used.**

Response: Agree

The usefulness and frequency of these reports will be reviewed by the Director of Finance. Action on this recommendation should be completed by September 1, 2000.

**15. Should develop a plan for implementing an integrated procurement subsystem for FFS which includes electronic commerce functionality.**

Response: Agree

AD will research and evaluate the options available to us for integrating the procurement system into FFS. However, any implementation of this project must take into consideration its' costs, benefits, and the possibility of changing service providers. This is not a high priority item for AD and is subject to

budgetary constraints. Action on this recommendation should be completed by November 1, 2000.

**16. Should develop a plan for implementing an integrated budget formulation subsystem for FFS that automates appropriated budget formulation tasks, allows information interchange with other FFS subsystems, and meets the requirements of GPRA.**

Response: Agree, with reservations

AD will research and evaluate the options available to us for integrating a budget formulation subsystem with FFS. However, implementation of this effort must take into consideration its' costs and benefits, as well as the possibility of changing service providers. This is not a high priority item for AD and is subject to budgetary constraints. Action on this recommendation should be completed by November 1, 2000.

**17. Should implement the employee self-service personnel data service currently available from OPM through DOI.**

Response: Agree

AD is exploring the necessary steps to implement the self-service option available from DOI and, barring any extraordinary technical obstacles or costs, will implement the system. Action on this recommendation should be completed by October 1, 2000.

**18. Should plan and conduct a joint evaluation of the FPPS datamart that recently became available through FPPS.**

Response: Agree

AD will conduct a complete an evaluation of the costs/benefits of the datamart with assistance from OIS. Action on this recommendation should be completed by September 30, 2000.

**19. Should begin using FPPS to automatically generate the personnel reports currently being manually produced by the Office of Personnel.**

Response: Agree

AD is exploring the necessary steps to utilize FPPS in automatically generating personnel reports and, barring any extraordinary technical obstacles or costs, will implement the system to the extent practicable. Not all data included in routine personnel reports is available on FPPS at this time. Action on this

recommendation should be completed by November 30, 2000.

**20. Should implement the SF-52 processing and training records services offered by FPPS.**

Response: Agree

AD is exploring the necessary steps to implement an automated SF-52 and training records system with DOI and, barring any extraordinary technical obstacles or costs, will implement the system. Action on this recommendation should be completed by January 30, 2001.

**21. Should evaluate the FFS subsystems not presently being used by the Commission and determine whether the Commission should begin using any of them.**

Response: Agree

The Director of Finance will evaluate any subsystems not presently used by the Commission and will determine their relative usefulness to the Commission's financial management. Action on this recommendation should be completed by September 1, 2000.

Approve: ✓

Disapprove: \_\_\_\_\_

Stephen Koplan  
Chairman, Stephen Koplan

07-05-00  
Date

- cc: The Commission
- Director, Office of Finance
- Director, Office of Personnel
- Director, Office of Information Services