UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

NOV 12 2003

MEMORANDUM

TO: William J. Leidinger
Assistant Secretary for Management and Chief Information Officer
Office of Management

FROM: Helen Lew Helen Lew
Assistant Inspector General for Audit

SUBJECT: Final Audit Report
Audit of the Accuracy and Completeness of Personnel Data
Control Number ED-OIG/A19-C0005

Attached is our subject final report that covers the results of our audit of the accuracy and completeness of personnel data. We received your comments generally concurring with the findings and recommendations in our draft audit report. Please provide the Supervisor, Post Audit Group, Office of the Chief Financial Officer, and the Office of Inspector General with quarterly status reports on promised corrective actions until all such actions have been completed or continued follow-up is unnecessary.

In accordance with the Freedom of Information Act (5 U.S.C. § 552) reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

We appreciate the cooperation given us in the review. Should you have any questions concerning this report, please call Michele Weaver-Dugan at (202) 863-9526.

Attachment

Audit of the Accuracy and Completeness of Personnel Data

FINAL AUDIT REPORT

ED-OIG/A19-C0005
November 2003

Our mission is to promote the efficiency, effectiveness, and integrity of the Department's programs and operations.

U.S. Department of Education
Office of Inspector General
Operations Internal Audit Team
Washington, DC

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. Determinations of corrective action to be taken will be made by the appropriate Department of Education officials.

In accordance with the Freedom of Information Act (5 U.S.C. § 552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

TABLE OF CONTENTS

Page

EXECUTIVE SUMMARY 1

BACKGROUND 3

AUDIT RESULTS 4

Finding No. 1 – Personnel Database Information Was Not Always Accurate or Complete 4

Recommendations 6

Finding No. 2 – Personnel Database Information Was Not Always Supported By Personnel Records 7

Recommendations 9

Finding No. 3 – Controls Over Sensitive Data Needed Improvement 11

Recommendations 13

OBJECTIVES, SCOPE, AND METHODOLOGY 14

STATEMENT ON MANAGEMENT CONTROLS 16

ATTACHMENTS:
Attachment 1 – Results of Employee Data Confirmation Survey
Attachment 2 – Sources of Data Fields Available for Employee Review
Attachment 3 – Comparison of Database to Personnel File Documentation
Attachment 4 – FPPS User Account Review by Organization
Attachment 5 – Summary of Data Fields Reviewed
Attachment 6 – Department's Response to Draft Audit Report

EXECUTIVE SUMMARY

The responsibilities of the Department of Education's (Department) Human Resources Services (HRS) include establishing and maintaining staff resource information and related processing systems. The Department utilizes the Federal Personnel/Payroll System (FPPS) to perform these functions. Information from FPPS is also provided to the Office of Personnel Management's Central Personnel Data File. This information is used to generate statistics on federal employees, to monitor agency compliance with government-wide policies, and to make decisions on federal personnel policy.

The objectives of our audit were to: (1) assess the accuracy and completeness of selected information in the Department's personnel database, and (2) evaluate how sensitive personnel data is safeguarded.

Overall, we found opportunities exist to improve the quality of personnel records and the controls over sensitive data. Our audit found that FPPS database information was not always accurate or complete, information contained in the FPPS database was not always supported by personnel records, and controls over sensitive data needed improvement. As a result, managers and HRS staff did not always have appropriate data upon which to base decisions, employee personnel and performance files were not always complete, FPPS users were not informed of their responsibilities with respect to use of the system, and some users had inappropriate access to sensitive information.

To correct the identified weaknesses, we recommend that the Department:

- Develop and implement a process to improve the accuracy of FPPS data through employee review and confirmation.
- Monitor FPPS data for completeness and take corrective action where appropriate to identify and complete missing data.
- Reinforce the requirements for and importance of recording and updating FPPS data to HRS and Executive Office staff responsible for this task. Provide additional training as needed.
- Develop and implement periodic quality assurance reviews to compare FPPS data with personnel record documentation to ensure all data is accurately recorded/updated and records are complete.
- Develop a tracking mechanism to ensure that all ratings are provided timely by Executive Offices and filed in Employee Performance Files.
- Develop and implement rules of behavior for FPPS users that include the use of a signature page to acknowledge receipt and understanding of responsibilities.
- Develop FPPS user account monitoring procedures to ensure that Executive Offices periodically review and confirm the need for user accounts within their organization.

We discussed our findings and recommendations with HRS as they were identified. HRS staff developed and implemented corrective actions for many issues during the course of this audit.

In the Department's written response to the draft audit report, the Office of Management (OM) stated that it generally concurred with our audit findings and the majority of the recommendations. OM disagreed with one recommendation. As OM's stated corrective actions to other recommendations in the report will adequately address our concerns, this recommendation was removed from the final audit report.

In its response, OM stated that at times our report overstated the impact and importance of some of the data errors. We do not agree with this statement. Our report listed the data elements that were found to be inaccurate and the data users that may be affected. While we agree that inaccuracies in some data elements have more impact than others, we did not make this distinction in the audit report. Impact statements in the audit report referred to data inaccuracies in general, not to specific data elements.

We summarized the Department's response and provided our comments to the response, where applicable, at the end of each respective finding. The full text of the Department's response is included as Attachment 6 to this report.

BACKGROUND

The Department of Education's (Department) Human Resources Services (HRS), within the Office of Management, provides leadership and direction in the formulation and implementation of policies and programs that promote efficient and effective personnel management. HRS provides the Secretary, Deputy Secretary, and other executive level managers, with human resources advice and technical services that further the goals and objectives of the Department.

HRS establishes and maintains staff resource information and processing systems that reflect resource utilization needs for key officials within the Department. The Department utilizes the Federal Personnel/Payroll System (FPPS) to perform these functions.

The Department of Interior's National Business Center operates FPPS for the Department of Education and numerous other agencies. FPPS has different modules that allow Department users to perform functions such as time and attendance or personnel transaction processing. HRS uses FPPS to maintain electronic personnel records for Department employees.

Employee records within FPPS consist of data fields such as name, Social Security Number, position, and pay plan. Select information contained within the database is periodically submitted to the Office of Personnel Management (OPM) for use in the Central Personnel Data File (CPDF). Decision makers ultimately use this information to obtain statistics on federal employees, to monitor agency compliance with government-wide policies, and to make decisions on federal personnel policy.

AUDIT RESULTS

Overall, we found opportunities exist to improve the quality of personnel information and the controls over sensitive data. Our audit found that: (1) FPPS database information was not always accurate or complete, (2) information contained in the FPPS database was not always supported by personnel records, and (3) controls over sensitive data needed improvement. As a result, managers and HRS staff did not always have appropriate data upon which to base decisions, employee personnel and performance files were not always complete, FPPS users were not informed of their responsibilities with respect to use of the system, and some users had inappropriate access to sensitive information.

The Department generally concurred with our findings and recommendations. A summary of the Department's response follows each finding. The full text of the response is included as Attachment 6 to this report.

Finding No. 1 – Personnel Database Information Was Not Always Accurate or Complete

The Department's personnel database information was not always accurate or complete. We confirmed FPPS data with a randomly selected sample of Department employees. Employees were provided with confirmation forms that contained personnel information from 22 judgmentally selected FPPS data fields. A total of 221 employees completed and returned the confirmations. We found that 118 employees (53.4 percent) reported a discrepancy in at least one data field. Thirty-five employees (15.8 percent) reported discrepancies in two or more data fields. The data fields with the highest error rates were: [1]

- Education Level – 34.4 percent;
- Handicap Indicator – 10.0 percent;
- Last Rating of Record – 7.7 percent;
- Date of Last Promotion – 4.5 percent; and
- Race/National Origin – 4.1 percent.

[1] Attachment 1 contains a listing of all data fields confirmed and the corresponding error rates.

We also tested FPPS information to determine if the database contained valid, reasonable, and complete information. We evaluated the contents of the 22 selected data fields for all 4,902 Department employees as of June 25, 2002. Our testing identified blank fields as follows:

- Education Level – 321 employees;
- Date of Last Promotion - 223 employees;
- Last Rating of Record – 2 employees; and
- Handicap Indicator – 1 employee.

OPM's *The Guide to Central Personal Data File Reporting Requirements,* Subchapter A.3, places responsibility for data accuracy on each agency. It states,

> Data submissions from agencies participating in CPDF represent their official workforce statistics. Agencies may process the data through their own systems or arrange for their data to be processed by another Federal agency. Regardless of the processing arrangement, each agency is responsible for collecting the data, editing it for validity, accuracy, and completeness, and furnishing the data to CPDF.

Subchapter A.5 provides requirements for quality control of data submitted to the CPDF. This section states,

> Agencies are responsible for assuring that the data contained in the CPDF presents an accurate and complete statistical profile of their workforce. For this purpose, agencies must do quality control tests of the data they provide to CPDF from their internal personnel data systems...The major thrust of the Office of Personnel Management's quality control and assurance efforts is to assure that agencies have quality control operations in place to detect and correct incorrect and incomplete data before they submit the data to CPDF. The data submitted to the Office of Personnel Management represents an official representation of each Federal agency's workforce statistics. Each agency is responsible for the quality of its data in the CPDF and for the statistical profile of the agency that CPDF presents to the Office of Management and Budget, the Congress, the White House, and other users of the CPDF.

We found that HRS did not periodically request or encourage employees to confirm personnel information to enhance the accuracy of the data. HRS staff reported that they did monitor some data fields, but they did not monitor overall database information to identify incomplete data. HRS staff also stated that supervisors focused on limited key fields, such as Social Security Number, when reviewing initial data input for new employees, and did not review the accuracy of all data entered.

HRS staff stated that data quality reviews were conducted by OPM on CPDF submissions, and in the September 2002 agency rankings the Department of Education ranked second overall in data quality among the 23 largest agencies. While we acknowledge that the Department has been ranked among the agencies with the highest data quality by OPM, CPDF submissions do not

include all FPPS data. Further, the CPDF data quality reviews only ensure that fields contain acceptable values and do not assure that the data is accurate.

Data inaccuracies also existed because employees did not always review the personnel data that was available to them, inform HRS of updated information (such as additional education levels obtained), and for certain fields, did not have sufficient information to review the data. We found that information for 19 of the 22 data fields in our audit was available for employees to periodically review. Sources of personnel information included Leave and Earnings Statements, the Employee Express website, annual Personnel Benefits Statements, and Notification of Personnel Action forms.[2] However, five data fields were presented using codes that were not defined on the documents. Three other fields – Race/National Origin, Handicap Indicator, and Last Rating of Record – did not appear on any of the documents. As such, employees did not have sufficient information to confirm data for 8 of the 22 elements we reviewed.

The need for accurate and timely information exists because personnel data is used for many purposes. Agency personnel staff and managers use personnel data to make decisions about employees, such as whether a current employee is eligible for promotion. Personnel data is also used by agencies and OPM's Office of Workforce Information to generate statistics that provide a wide variety of information on the Federal workforce to the President, Congress, OPM managers, agencies, and the public. This information is used to make policy decisions on personnel programs that affect current and future Federal employees.

In response to the data inaccuracies identified during this audit, HRS initiated an analysis of requirements for a process that would periodically encourage employees to review personnel database information. This process would supply definitions of database codes used, and provide employees with a method to refer and resolve potential inaccuracies. The proposed process would include the 22 data fields used in this audit and 6 additional data fields identified by HRS.

During the course of our audit, HRS staff developed and implemented a monitoring plan to address incomplete data fields. HRS is reviewing data fields for completeness and recommends corrective actions to Executive Offices and Human Resources personnel as needed.

Recommendations

We recommend the Assistant Secretary for Management and Chief Information Officer:

1.1 Develop and implement a process to improve the accuracy of data through employee review and confirmation. The process should periodically encourage employees to review personnel database information, supply definitions of database codes used, and provide employees with a method to refer and resolve potential inaccuracies.

[2] A complete listing of the data element values available to employees in each of these sources is presented in Attachment 2.

1.2 Continue to monitor FPPS data for completeness and take corrective actions where appropriate to eliminate incomplete data.

1.3 Ensure that data discrepancies identified by Department employees on the data confirmation forms provided during the audit are reviewed and appropriate corrective actions are taken.

Department of Education Response

The Department generally agreed with the recommendations made and provided information on activities taken or planned to implement corrective actions.

Office of Inspector General Comments

The Department's proposed corrective actions are generally responsive to our recommendations. The Department stated that corrective action to recommendation 1.1 is dependent on the future availability of funds. Specifically, the Department states this task cannot be completed through the use of current HRS staff or contracts and concludes that additional contract support will be needed to accomplish this task. Although the plan itself is responsive, the actual implementation of the plan is not certain. We will monitor the timeframes and actions proposed by the Department in the corrective action plan submitted during audit resolution.

Finding No. 2 – Personnel Database Information Was Not Always Supported by Personnel Records

Information contained in the FPPS database was not always supported by documentation maintained in personnel records. We compared FPPS data to documents in the Official Personnel Files and Employee Performance Files of 75 randomly selected employees. We made this comparison for 19 of the 22 data elements used in the employee confirmations.[3] Our sample was limited to employees serviced by HRS staff in Washington, DC.

We found the database information for at least one field was not supported in personnel records for 37 of 75 employees (49.3 percent). The data fields that were not supported through available documentation were as follows: [4]

- Last Rating of Record – 29.3 percent;
- Educational Level – 25.3 percent;

[3] We were unable to confirm data for the Race/National Origin and Handicap Indicator fields because documentation related to these fields was destroyed in accordance with OPM guidance. We did not attempt to confirm Official Mailing Address data because that information can be changed through the Employee Express website without creating a related source document.
[4] Attachment 3 contains a listing of all data fields compared to personnel records and the corresponding error rates.

- Annual Pay – 4.0 percent;
- Veterans' Status – 1.3 percent; and
- Pay Plan, Grade & Step – 1.3 percent

OPM's *The Guide to Processing Personnel Actions,* Subchapter 1-7.b, outlines the need for accuracy in personnel data. It states:

> To protect the interests of the employee and the Government it is critical that personnel actions be documented correctly and that data on each action discussed in this guide is reported to the Office of Personnel Management's Central Personnel Data File accurately and on a timely basis....

OPM's *The Guide to Personnel Recordkeeping,* Chapter 1, states,

> Agencies should have management controls to ensure that personnel records:
> - Adequately document human resource management operations;
> - Are accurate and timely;
> - Are protected against loss or unauthorized alteration;
> - Document the employment history of individuals employed by the Federal Government;
> - Can be located when necessary; and
> - Are retained and disposed of as required by General Records Schedule 1.

Chapter 3 of the guide states,

> Records are filed in the Official Personnel Folder to document events in an individual's Federal employment history that have long-term consequences for the employee and the Government. Care should be exercised in filing documents correctly to ensure that all documents pertaining to an employee's rights and benefits are available in the personnel folder when needed.

FPPS data was not supported by documentation for several reasons. We found that information submitted by employees was not always accurately recorded in the database. In some cases, documentation in files that dated to the employees' initial employment with the Department was not always reflected in FPPS. We determined that 11 of the 19 errors identified in the Education Level field related to information that was available upon the employee's start with the Department, (e.g. information on the employee's initial application to the Department). As previously stated in Finding 1, HRS supervisors performed only a limited review of the data recorded when the Department initially hired an employee. Supervisors reviewed only key fields such as an employee's Social Security Number, not all data entered.

We also found that updated documentation submitted by employees was not always reflected in the database. We identified eight instances where the Education Level database values did not agree with documentation that was submitted by the employee subsequent to their initial employment with the Department. HRS staff stated that FPPS did not require completion of fields such as Education Level when processing actions for reassignment or promotions within

the Department. As such, data provided by the employees in applications submitted for these positions was not reviewed for new data and FPPS data was not updated.

In addition, appropriate supporting documentation was not always included in the files. For example, Official Personnel Files did not include the most current SF-50, "Notification of Personnel Action," or other information to support annual pay data in FPPS in 3 of 75 files reviewed. We also found that 22 of 75 Employee Performance Files did not contain the Last Rating of Record. HRS staff stated that Principal Offices did not always provide rating of record documentation as required.

Finally, HRS staff did not conduct periodic reviews of samples of employee files to ensure that FPPS data reflected information contained in personnel records.

As a result, some data elements used by decision makers to process personnel actions, obtain statistics on federal employees, monitor agency compliance with government wide policies, and make decisions on federal personnel policy were not accurate or were not supported by source documentation. In addition, employee personnel and performance files were not complete. Missing documentation in employee files could lead to errors or confusion when future personnel actions are taken.

In response to the information provided during our audit, HRS staff stated that they have expanded the supervisory review of FPPS data input, plan to conduct quality assurance reviews that compare FPPS data with file documentation, and have started to outline requirements for an automated tracking system to ensure that all ratings are received timely and are included in Employee Performance Files. HRS staff stated that they are currently generating and distributing Rating of Record submission reports on a monthly basis to reinforce the importance of providing this information. These reports are provided to each Principal Office and the Assistant Secretary for Management.

Recommendations

We recommend the Assistant Secretary for Management and Chief Information Officer:

2.1 Reinforce the requirements for and importance of recording and updating FPPS data to HRS and Executive Office staff responsible for this task, including providing additional training as needed.

2.2 Develop and implement periodic quality assurance reviews of samples of personnel records to compare FPPS data with documentation to ensure all data is accurately recorded and updated, and personnel and performance records are complete.

2.3 Develop a tracking mechanism to ensure that all ratings are provided timely by Principal Offices and filed in Employee Performance Files.

Department of Education Response

The Department agreed with the finding and three of the four recommendations contained in the draft report. The Department provided information on activities taken or planned to implement corrective actions.

The Department disagreed with the draft recommendation to:

> *Ensure that updated information provided by employees, such as information provided with applications for reassignment or promotion, is also updated in FPPS.*

The Department stated that adding additional records review requirements based on resumes or other applications would not be efficient or effective and could lead to unsupported data updates. The Department noted that the proposed corrective action for recommendation 1.1 would more effectively address this condition.

Office of Inspector General Comments

The Department's proposed corrective actions are generally responsive to our recommendations. We considered the response provided by the Department and removed the recommendation in question. We agree that the proposed corrective action in response to recommendation 1.1, if effectively implemented, appears responsive to improve overall FPPS data quality. In addition, the quality assurance reviews proposed to address recommendation 2.2 will also improve FPPS data quality.

The Department stated in its response that a manual tracking mechanism was currently in place to ensure that all ratings are provided timely by Principal Offices and filed in Employee Performance Files. However, the sample tracking report provided with the Department's response only included ratings entered into FPPS. There was no tracking report to ensure hard copy ratings were placed in Employee Performance Files. We determined in our audit that this particular mechanism was not effective for ensuring that all ratings were provided and filed, as 22 of the 75 Employee Performance Files we reviewed did not contain the Last Rating of Record. We continue to recommend that the Department develop and implement a tracking system to ensure that all ratings are provided and filed in Employee Performance files. We will monitor the actions proposed by the Department in the corrective action plan submitted during audit resolution.

Finding No. 3 – Controls Over Sensitive Data Needed Improvement

We determined that certain controls over sensitive data could be improved. Specifically, we noted that rules of behavior for FPPS users had not been developed, and user access was not effectively monitored. The interests of the Department, Office of Management, system users, and employees could be better protected through enhancements in these areas.

Rules of Behavior Had Not Been Developed

We found that rules of behavior had not been developed for FPPS users. The Privacy Act of 1974 as amended, (5 U.S.C. 552a), § 552a(e)(9), states Agencies shall,

> [E]stablish rules of conduct for persons involved in the design, development, operation, or maintenance of any system of records, or in maintaining any record, and instruct each such person with respect to such rules and the requirements of this section, including any other rules and procedures adopted pursuant to this section and the penalties for noncompliance.

OMB Circular A-130, "Management of Federal Information Resources," Appendix III, § (3)(b)(2)(a), includes as a control for major applications the establishment of rules of the system. The circular requires that agencies:

> Establish a set of rules concerning use of and behavior within the application. The rules shall be as stringent as necessary to provide adequate security for the application and the information in it. Such rules shall clearly delineate responsibilities and expected behavior of all individuals with access to the application. In addition, the rules shall be clear about the consequences of behavior not consistent with the rules.

The need for rules of behavior was also identified in an FPPS risk assessment completed in June 2002. That report recommended that the Department develop written rules of behavior for FPPS to clearly define the expected behavior of all users, including a signature page that acknowledges receipt and understanding of behavior responsibilities and compliance with the stated rules. The Department's response to the report stated that corrective action would be completed as of October 29, 2002. However, the rules of behavior had not been implemented as of July 2003. HRS staff stated that rules of behavior had been developed, but they were awaiting the review and approval of executive management before they could be implemented.

Since the rules of behavior had not been implemented, the potential weakness identified in the June 2002 risk assessment still existed. That report concluded that users lacking knowledge of required security rules might take actions that allow a direct threat to exploit the system. Users were not informed of their responsibilities to protect sensitive data contained in the system. Further, failure to take action to ensure that the findings of audits and other reviews are promptly

resolved represents an internal control weakness as defined in the General Accounting Office (GAO) *Standards for Internal Control in the Federal Government.*

FPPS User Access Was Not Effectively Monitored

We also determined that FPPS user access was not effectively monitored. With the assistance of Department Executive Offices,[5] we reviewed the need for 1,123 FPPS users as of February 25, 2003. The Executive Offices responded that access for 103 users (9.2 percent) should be deleted.

The Privacy Act, § 552a(e)(10), states Agencies shall,

> [E]stablish appropriate administrative, technical and physical safeguards to insure the security and confidentiality of records and to protect against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained.

The Privacy Act, § 552a(b), also states,

> No agency shall disclose any record which is contained in a system of records by any means of communication to any person, or to another agency, except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains, unless disclosure of the record would be,
>
> (1) to those officers and employees of the agency which maintains the record who have a need for the record in the performance of their duties…

Chapter 1 of OPM's *The Guide to Personnel Recordkeeping* states,

> Access to personnel records subject to the Privacy Act should be limited to those whose official duties require such access. This limitation applies to paper, microfiche/microfilm, and electronic records.

Monitoring of FPPS users is the responsibility of Executive Office staff within the various Departmental organizations. Organization staff are responsible for the initial authorization of user accounts and deleting users when access is no longer required. HRS staff performed limited reviews of user activity by reviewing periodic reports and directly contacting users who either did not access the system or did not do so frequently to determine if access is still required. However, these reviews did not involve input from Executive Offices who authorize system access for the users. Users who wanted to maintain inappropriate access could respond that they still needed access to the system.

[5] This included Principal Offices and Independent Organizations affiliated with the Department of Education. See Attachment 4 for a list of the organizations included in this review and the results for each organization.

User monitoring in place within Departmental organizations and HRS did not effectively remove users when access was no longer required. As a result, individuals who were no longer valid FPPS users had inappropriate access to a system containing sensitive information.

In response to the issues identified during our audit, HRS staff stated that rules of behavior for FPPS would be implemented. In addition, HRS staff stated that they have developed procedures to ensure that Executive Offices periodically review and confirm the need for user accounts. HRS staff contacted Executive Offices and reported that 88 of the 103 accounts identified in our audit had been deleted as of July 2003.

Recommendations

We recommend that the Assistant Secretary for Management and Chief Information Officer:

3.1 Develop rules of behavior for FPPS users that include the use of a signature page to acknowledge receipt and understanding of behavior responsibilities. Ensure that all current FPPS users complete the developed form, and that a process is implemented to ensure all new users sign the forms prior to obtaining access to the system.

3.2 Develop FPPS user account monitoring procedures to ensure that Executive Offices periodically review and confirm the need for user accounts within their organization.

3.3 Ensure that those users identified as not needing access to FPPS are deleted.

Department of Education Response

The Department agreed with the recommendations made and provided information on activities taken or planned to implement corrective actions.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our audit were to:

1. Assess the accuracy and completeness of selected information in the Department's personnel database; and
2. Evaluate how sensitive personnel data is safeguarded.

To accomplish our objectives, we obtained an understanding of the controls in place at the Department over FPPS data accuracy and completeness, and the safeguards over sensitive data in FPPS and in hard copy personnel records. We reviewed applicable laws and regulations, Department policies and procedures, GAO *Standards for Internal Control in the Federal Government,* and National Institute of Standards and Technology publications. Since the FPPS application is operated by the Department of Interior, we reviewed that agency's policies, procedures and reports regarding the system. We also gained an understanding of controls in place at the Department of Education through interviews with HRS staff, observations, and review of applicable documentation.

To perform our audit, we judgmentally selected 22 FPPS data fields to assess the accuracy and completeness of employee data. The fields were selected based on a 1998 review conducted by the GAO on the accuracy of the CPDF maintained by OPM. We obtained a download of the data in these fields for the 4,902 Department employees as of June 25, 2002. To ensure the completeness of the data received, we reconciled the employees listed in the FPPS download with payroll records for the pay period ending June 15, 2002.

We also conducted data validity testing, confirmed data with employees, and compared data to source documentation. See Attachment 5 for fields involved in the various data testing performed. Based on these tests and assessments, we concluded that the data were sufficiently reliable to be used in meeting the audit's objectives. Details of the data testing and confirmations follow:

- **Data Validity Testing –** We conducted validity testing for the universe of 4,902 Department employees as of June 25, 2002. This process reviewed data fields for blank values, and reviewed certain data fields, such as date of birth and service computation date, for reasonableness. (See Finding 1 for discussion of results of this review.)

- **Data Confirmation Survey –** We confirmed FPPS data with a randomly selected sample of Department employees. A total of 221 employees completed confirmation forms for the information contained in the database as of June 25, 2002. In this review, we defined errors as responses from employees that indicated at least one element in the database was incorrect. We followed up with employees as necessary to clarify responses and to obtain additional information. (See Finding 1 for results of this confirmation.)

- **Comparison of Database Information to Source Documentation –** We compared database information to corresponding source documentation maintained in Official Personnel Folders and Employee Performance Files. To complete this review, we selected a random sample of 75 individuals serviced by HRS staff in Washington, DC, from the universe of 3,131 such employees as of June 25, 2002. In this review, we defined an error as a value found in the database that was not the same value identified in applicable source documentation, or a value that could not be supported due to the absence of applicable source documentation. (See Finding 2 for results of this comparison.)

To evaluate the appropriateness of user accounts on FPPS, we obtained a listing of all users on the system as of February 25, 2003. We referred the list of users to Department Executive Officers to determine if individuals with FPPS user accounts currently required system access. We validated 1,123 of the total 1,353 user accounts as of February 25, 2003.[6] We considered a user account to be in error if an organization indicated the account was not required as of the date the account listing was generated. (See Finding 3 for results of this analysis.)

We performed our fieldwork at applicable Department of Education offices in Washington, DC, from April 2002 through July 2003. We held an exit conference with Department management on July 22, 2003. Our audit was performed in accordance with generally accepted Government Auditing Standards appropriate to the scope of the review as described above.

[6] Accounts not verified represent those assigned to the Office of Management that were not referred, and user accounts from other organizations for which a response was not received. The total number of accounts includes instances where an individual was cited as a FPPS user for multiple physical locations.

STATEMENT ON MANAGEMENT CONTROLS

As part of our review, we assessed the system of management controls, policies, procedures, and practices applicable to HRS' administration of the personnel database and its related information. Our assessment was performed to determine the level of control risk for determining the nature, extent, and timing of our substantive tests to accomplish the audit objectives.

For the purpose of this report, we assessed and classified the significant controls into the following categories:

- Accuracy and completeness of personnel data, and
- Safeguarding of sensitive personnel data.

Because of inherent limitations, a study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the management controls. However, our assessment disclosed management control weaknesses that adversely affected the accuracy and completeness of FPPS data and personnel records, and the effectiveness of the Department's process for safeguarding sensitive information. These weaknesses and their effects are fully discussed in the AUDIT RESULTS section of this report.

Attachment 1: Results of Employee Data Confirmation Survey

	Category	Percentage of Respondents That Identified Errors In Data
1	Name	0.0%
2	Official Mailing Address	3.2%
3	Social Security Number	0.0%
4	Date of Birth	0.9%
5	Sex	0.0%
6	Education Level	34.4%
7	Race/National Origin	4.1%
8	Handicap Indicator	10.0%
9	Veterans' Preference	1.8%
10	Veterans' Status	2.3%
11	Official Duty Station	0.5%
12	Principal Office Code	0.5%
13	Pay Plan, Grade & Step[7]	0.0%
14	Date of Last Promotion	4.1%
15	Annual Pay, Including Locality Pay	0.0%
16	Position Title	0.9%
17	Occupational Series	0.5%
18	Service Computation Date	0.5%
19	Work Schedule	0.0%
20	Last Rating of Record	7.7%
21	Retirement Plan	0.9%
22	Annuitant Indicator	1.4%

[7] Pay Plan, Grade, and Step are separate data elements that were combined for ease of reference.

Attachment 2: Sources Of Data Fields Available for Employee Review

	Data Element	Leave and Earnings Statement	Employee Express	Personnel Benefits Statement	Notification of Personnel Action
1	Name	X	X	X	X
2	Official Mailing Address	X	X	X	
3	Social Security Number[8]	X	X	X	X
4	Date of Birth			X	X
5	Sex				X
6	**Education Level**				**X**
7	Race National Origin				
8	Handicap Indicator				
9	**Veterans' Preference**				**X**
10	**Veterans' Status**				**X**
11	Official Duty Station				X
12	Principal Office Code				X
13	Pay Plan, Grade, & Step	X	X		X
14	Date of Last Promotion				X
15	Annual Pay, Including Locality Pay	X	X		X
16	Position Title				X
17	Occupational Series				X
18	Service Comp. Date		X	X	X
19	Work Schedule				X
20	Last Rating of Record				
21	**Retirement Plan**	**X**	**X**	**X**	**X**
22	**Annuitant Indicator**				**X**

[8] As of January 2003, the employee's full Social Security Number was no longer presented in the Leave and Earnings Statement.

Attachment 3: Comparison of Database to Personnel File Documentation

	Category	Percentage of Errors Between Supporting Documentation and Database Information
1	Name	0.0%
2	Official Mailing Address	Not Confirmed
3	Social Security Number	0.0%
4	Date of Birth	0.0%
5	Sex	0.0%
6	Education Level	25.3%
7	Race/National Origin	Not Confirmed
8	Handicap Indicator	Not Confirmed
9	Veterans' Preference	0.0%
10	Veterans' Status	1.3%
11	Official Duty Station	0.0%
12	Principal Office Code	0.0%
13	Pay Plan, Grade & Step	1.3%
14	Date of Last Promotion	0.0%
15	Annual Pay, Including Locality	4.0%
16	Position Title	0.0%
17	Occupational Series	0.0%
18	Service Computation Date	0.0%
19	Work Schedule	0.0%
20	Last Rating of Record	29.3%
21	Retirement Plan	0.0%
22	Annuitant Indicator	0.0%

Attachment 4: FPPS User Account Review by Organization

Organization	Accounts Reviewed	Accounts Identified for Deletion	Percent Identified for Deletion
National Assessment Governing Board	9	0	0.0%
National Commission on Libraries and Info. Sciences	4	0	0.0%
National Institute for Literacy	4	0	0.0%
Office of English Language Acquisition	12	3	25.0%
Office of the Chief Financial Officer	56	9	16.1%
Office of the Chief Information Officer	20	5	25.0%
Office for Civil Rights	107	15	14.0%
Office of the Deputy Secretary	11	0	0.0%
Office of Educational Research and Improvement	31	5	16.1%
Office of Elementary and Secondary Education	47	4	8.5%
Office of the General Counsel	27	0	0.0%
Office of Inspector General	128	0	0.0%
Office of Intergovernmental and Interagency Affairs	47	4	8.5%
Office of Legislation and Congressional Affairs	5	0	0.0%
Office of Postsecondary Education	64	13	20.3%
Office of the Secretary	26	4	15.4%
Office of Safe and Drug Free Schools	10	0	0.0%
Office of Special Education and Rehabilitative Services	103	3	2.9%
Office of the Under Secretary	15	0	0.0%
Office of Vocational and Adult Education	34	6	17.6%
Federal Student Aid	363	32	8.8%
Total	**1,123**	**103**	**9.2%**

Attachment 5: Summary of Data Fields Reviewed

	Data Element	Limited Data Validity Testing	Employee Data Confirmation Survey	Comparison of Data to Documentation from Personnel Records
1	Name	*	*	*
2	Official Mailing Address	*	*	
3	Social Security Number	*	*	*
4	Date of Birth	*	*	*
5	Sex	*	*	*
6	Education Level	*	*	*
7	Race/National Origin	*	*	
8	Handicap Indicator	*	*	
9	Veterans' Preference	*	*	*
10	Veterans' Status	*	*	*
11	Official Duty Station	*	*	*
12	Principal Office Code	*	*	*
13	Pay Plan, Grade, and Step	*	*	*
14	Date of Last Promotion	*	*	*
15	Annual Pay, Including Locality Pay	*	*	*
16	Position Title	*	*	*
17	Occupational Series	*	*	*
18	Service Computation Date	*	*	*
19	Work Schedule	*	*	*
20	Last Rating of Record	*	*	*
21	Retirement Plan	*	*	*
22	Annuitant Indicator	*	*	*

Attachment 6

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF MANAGEMENT

OCT 8 2003

TO: Michele Weaver-Dugan, Director
Operations Internal Audit Team
Office of the Inspector General

FROM: William J. Leidinger
Assistant Secretary for Management/Chief
Information Officer

SUBJECT: Response to Draft Audit Report
Audit of the Accuracy and Completeness of Personnel Data
Control Number ED-OIG/A19-C0005

I appreciate the opportunity to respond to the draft audit report on the accuracy and completeness of personnel data (reference your letter of August 12, 2003). In general, we concur with the findings and the majority of the recommendations contained in the report. However, at times the report overstates the impact and importance of some of the data errors. While 100 percent accuracy and completeness of personnel data is desirable, limitations on resources make it more appropriate to focus our corrective efforts where they are most needed, versus on those areas having little or no impact on the employment of individuals or the Department's management of human capital. For example, once an individual is hired, education levels are not used for anything other than demographic information; these errors and omissions have very limited impact. On the other hand, missing ratings of record could have serious consequences, should the Department need to take a performance-based action or run a reduction-in-force.

Even though we occasionally disagree with the report's emphasis, we appreciate the intent of the audit to assist the Department in better managing its human capital. A discussion of the individual findings and recommendations contained in the draft report follows.

Finding No. 1 Personnel Database Information Was Not Always Accurate or Complete

We concur with the finding and recommendations.

1.1 "Develop and implement a process to improve the accuracy of data through employee review and confirmation. The process should periodically encourage employees to review personnel database information, supply definitions of database codes used, and provide employees with a method to refer and resolve potential inaccuracies."

Corrective Action: Contingent on the availability of funds for contractor support, the Office of Management (OM), Human Resources Services (HRS), will institute a biennial employee review of selected data elements to be contained in a single brief clear-text report produced from the FPPS system. The report will be delivered via e-mail or a web-enabled review process. Employees will review data, input changes they believe to be accurate and submit those revisions for review by contractor personnel or HRS specialists, as appropriate. After resolution, contractor personnel will update the personnel database accordingly. This process will survey every employee in the Department once every two years.

Changes or corrections indicated to handicap/disability condition or race and national origin data will be referred by the contractor to OM/Management Services, EEO Group, for appropriate action and integration into the Department's annual reporting of such data to the Equal Employment Opportunity Commission.

Note that this data verification survey effort will involve significant resources. Furthermore, OM is awaiting the outcome of the competitive sourcing process that will dramatically affect the availability of HRS manpower. Future HRS staff or contractors in place after the Human Resources competitive sourcing decision is made will not be able to take on this additional task. It is beyond the scope of the Human Resources Statement of Work (SOW), and neither government nor contractor service providers will have the flexibility to add this workload without additional resources. The current staff and contract support in the HRS Systems Team is also not sufficient to accomplish this task.

The only practical solution to accomplish this ongoing and extensive review process is with contract support. We will have to look into funding this project and amending the SOW for the Human Resources Information Management Systems support when it comes up for renewal in April 2004.

1.2 "Continue to monitor FPPS data for completeness and take corrective actions where appropriate to eliminate incomplete data."

Corrective Action: 1 Source Consulting (1-SC) and the HRS Systems Team developed and instituted monthly procedures to monitor FPPS data for completeness. The results of these procedures are automated reports, identifying where corrective actions are needed, that are sent to Executive Officers and OM/HRS Team Leaders. The following data elements are monitored: Education Level, Race/National Origin, Handicap Indicator, Last Rating of Record, Date of Last Promotion, Competitive Level Code, Special Program ID and vacancy.

1.3 "Ensure that data discrepancies identified by Department employees on the data confirmation forms provided during the audit are reviewed and appropriate corrective actions are taken."

Corrective Action: OM/HRS is reviewing and correcting discrepancies identified by Department employees on the data confirmation forms.

Finding No. 2 **Personnel Database Information Was Not Always Supported by Personnel Records**

We concur with the finding and all recommendations except for recommendation 2.2. See discussion, below.

2.1 "Reinforce the requirements for and importance of recording and updating FPPS data to HRS and Executive Office staff responsible for this task, including providing additional training, as needed."

Corrective Action: OM/HRS will continue to generate reports and take actions to reinforce the importance of recording and updating FPPS to HRS and Executive Office staff. For example, to deal with ratings of record, during the end of the rating cycle OM/HRS generates a Rating of Record data accuracy report, by Principal Office (PO), and provides this information to the Director, HRS, and the Employee Relations Team Leader. These two key officials take appropriate action to ensure staff within HRS and Executive Offices are aware of their responsibilities with regard to EDPAS ratings. Our response to recommendation 1.2 of this document further clarifies OM's corrective actions for this recommendation. OM/HRS reinforces the requirements for and importance of recording and updating FPPS data to internal and Executive Office staff and provides training, as needed. For example, see the chart that was provided to Executive Officers and the EMT regarding ratings on file in the FFPS system (Attachment 1). OM/HRS also sent an e-mail reminder to Executive Officers about forwarding hardcopy performance plans and rating documents to HRS for filing in the Employee Performance Folder (EPF) (Attachment 2)

2.2 "Ensure that updated information provided by employees, such as information provided with applications for reassignment or promotion, is also updated in FPPS."

We disagree with this recommendation. Adding additional records review requirements on the staffing teams to update employee records based solely on EdHires resumes or other applications would not be efficient or effective. Since additional documentation is often needed to update data in the system, this would slow the work of the staffing teams or would lead to unsupported data updates. The corrective action proposed for recommendation 1.1 will address the problem more effectively.

2.3 "Develop and implement periodic quality assurance reviews of samples of personnel records to compare FPPS data with documentation to ensure all data is accurately recorded and updated, and personnel and performance records are complete."

Corrective Action: OPF contractor will conduct semi-annual quality assurance reviews utilizing samples of personnel records to compare FPPS data with documentation to ensure all data is accurately recorded/updated and records are complete. An addendum will be added to the SOW for the Official Personnel Records Management Contract the next time it comes up for renewal in March 2004.

2.4 "Develop a tracking mechanism to ensure that all ratings are provided timely by Principal Offices and filed in Employee Performance Files."

Corrective Action: There is currently a manual tracking mechanism in place to ensure that all ratings are provided timely by Principal Offices (Pos) and filed in Employee Performance Files.

Finding No. 3 Controls Over Sensitive Data Needed Improvement

We concur with the finding and recommendations.

3.1 "Develop rules of behavior for FPPS users that include the use of a signature page to acknowledge and understanding of behavior responsibilities. Ensure that all current FPPS users complete the developed form, and that a process is implemented to ensure all new users sign the forms prior to obtaining access to the system."

Corrective Action: Rules of behavior for FPPS users, including a signature page has been developed and will be reviewed by the Director, HRS, before implementation with current FPPS users. A process will be implemented to ensure all new users sign the non-disclosure form prior to obtaining access to FPPS.

3.2 "Develop FPPS user account monitoring procedures to ensure that Executive Offices periodically review and confirm the need for user accounts within their organization."

Corrective Action: Procedures have been developed to ensure that Executive Offices periodically review and confirm the need for user accounts within their organization. During the month of July, 50 user accounts were identified and deleted. At this time there are no user accounts that require deletion.

3.3 "Ensure that those users identified as not needing access to FPPS are deleted."

Corrective Action: The 103 FPPS user accounts identified in Attachment 4 of the draft audit report have been deleted. At this time there are no additional user accounts that require deletion.

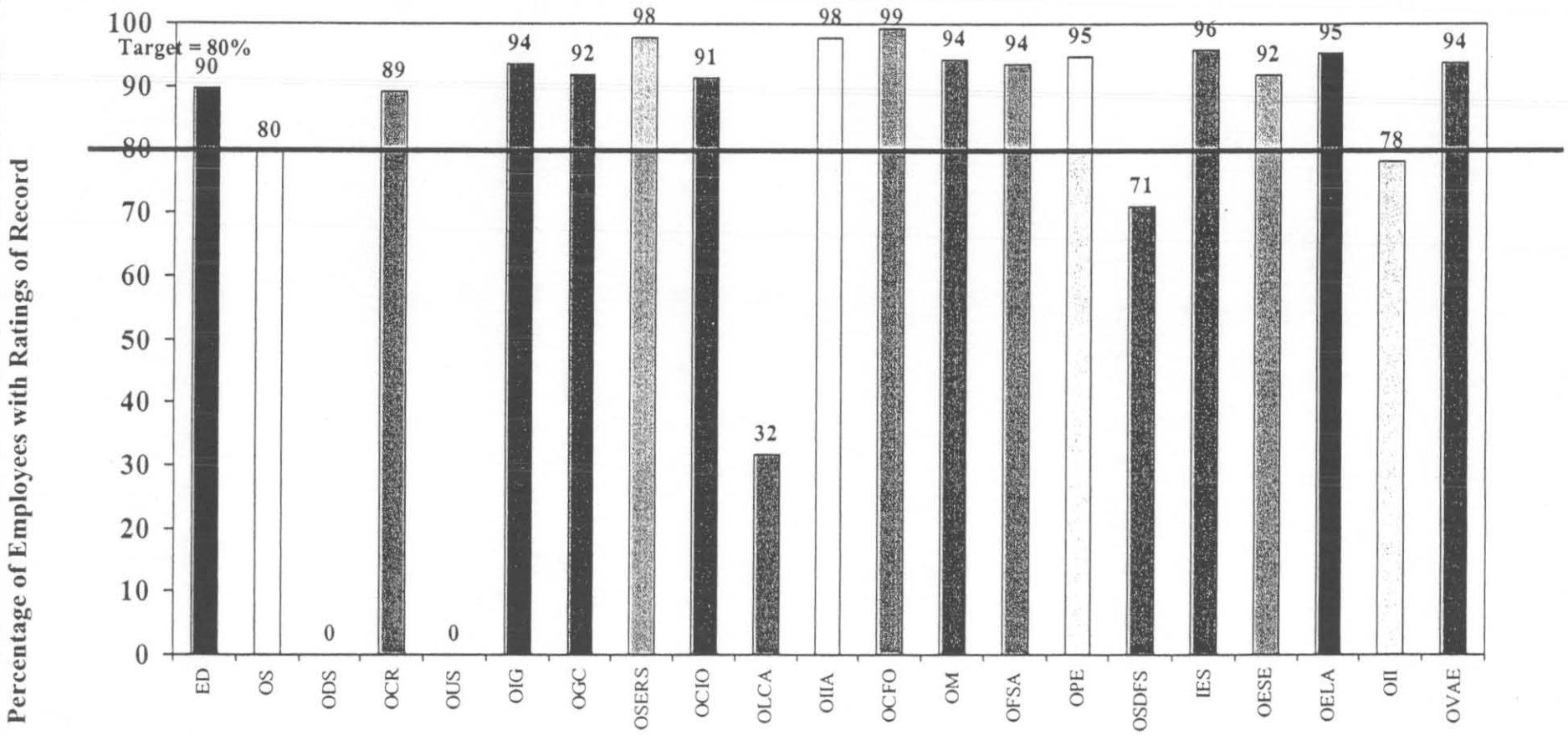
Attachments

Attachment 1

PO Usage of Performance Appraisal System

1/1/03 – 4/30/03 Rating Cycle All POs - Preliminary Data

This chart identifies the percentage of EDPAS employees who have received a rating of record of "Outstanding", "Highly Successful" "Successful", "Minimally Successful", or "Unacceptable" by PO. This is a metric contained in Objective 6.2.



	ED	OS	ODS	OCR	OUS	OIG	OGC	OSERS	OCIO	OLCA	OIIA	OCFO	OM	OFSA	OPE	OSDFS	IES	OESE	OELA	OII	OVAE
Employees Eligible to be rated	4,201	113	90	661	37	266	98	332	104	19	93	274	179	1,050	231	45	171	195	42	87	114
Employees rated	3,771	90	0	590	0	249	90	325	95	6	92	272	169	983	219	32	165	179	40	68	107

Data Source: Federal Personnel Payroll System (FPPS) Report BR02339_Status_v6 as of 9/27/2003. Excludes pay plans ED, EF, EH, EI, ES, EX, ZZ; excludes employees with <=120 on the job for rating date equal to 4/30/03.