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General Accounting Office
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Accounting and Information
Management Division

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July 28, 1993

Ms. Suzanne Tower, Fiscal Officer
Defense Finance and Accounting Service
Defense Accounting Office - Cleveland Center
Naval Air Station, Box 15
Jacksonville, Florida 32212-0015

Dear Ms. Tower:

Your immediate predecessor asked us whether a Department of Defense (DOD) field office's time and attendance (T&A) practices meet the requirements in Title 6, "Pay, Leave, and Allowances," of GAO's Policy and Procedures Manual for Guidance of Federal Agencies. He made his request because the Defense Finance and Accounting Service (DFAS) is responsible for the payroll of civilian employees at another DOD unit's field office. Thus, DFAS must ensure that adequate T&A procedures are being followed at that site so that proper payments are made. To supplement the description of the procedures that accompanied the request for our views, we contacted your staff for more information regarding the procedures followed at the DOD unit's field office, but we did not review the actual application of the procedures at that site.

The procedures described to us indicate that the field office operates a T&A system involving partial exception reporting. In such a system, preprinted time cards are distributed at the beginning of each pay period showing the planned work schedule of each employee. These planned schedules have been previously agreed to by employees and approved by their supervisors. The schedules include flexible and compressed hours. The only annotations employees make on the cards are to show any changes from the preapproved schedule. The various types of leave are recorded on the time card and supplemented by an approved Standard Form 71, "Application for Leave."

The field office cited portions of the Office of Personnel Management's Federal Personnel Manual as justification for operating its system on the exception basis. However, your predecessor asked us whether it is permissible under Title 6 to account for employees' T&A without using the traditional practice of recording starting and stopping work times for each day on their time cards.

Title 6 allows flexibility in T&A procedures under a system that permits employees to work flexible and compressed hours. Nevertheless, certain controls must be present to protect the government's interests. These controls specify the conditions under which starting and stopping times must be recorded. Although we have no objection to the procedures of the field office as described to us, there are two points we wish to highlight regarding Title 6 T&A requirements.

First, in a T&A system that permits flexible and compressed hours to be worked and approved pay period schedules show anticipated starting and stopping work times, employees' actual starting and stopping times need not be recorded daily, if the timekeeper or supervisor has sufficient knowledge to reasonably affirm or approve actual work hours. Your staff stated that the field office took the position that supervisors have sufficient knowledge to approve actual work hours. However, when exceptions to the preapproved schedule occur, beginning and ending work times must be recorded, primarily to ensure that accurate records of all payroll information are maintained. It is not clear whether beginning or ending work times are recorded in this situation.

Second, timekeepers or supervisors must have assurances that employees are at work during the approved schedule even if their timekeepers or supervisors are not present. The field office's system places a great deal of reliance on the supervisors having adequate knowledge of their staffs' work hours. Under situations where the timekeeper or the supervisor is not present, alternative controls must be implemented. An example of such control is arranging with other timekeepers or supervisors to verify employees' work hours. It is not apparent in the field office's procedures that such controls are present.

In discussing the procedures with your staff, we noted another matter related to official T&A records that should be brought to your attention. Employees at the field office may

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be maintaining their own T&A records and then forwarding them to their supervisors for approval at the end of the pay period. While it is permissible for employees to maintain their T&A data to verify the data kept by timekeepers or supervisors, employee records should not constitute the official record of the agency. Title 6 requires that official T&A records be kept by timekeepers or supervisors to reduce the risk that errors or irregularities may occur and go undetected. We could not approve procedures that allow employees to maintain official T&A records.

We discussed our position regarding your predecessor's request with Mr. Terry Conway of your staff and have sent him an updated version of Title 6.

We hope this response is helpful. Should you have any questions, please contact Bruce Michelson, Assistant Director, Accounting and Audit Standards and Methodology, at (202) 512-9578.

Sincerely yours,



Donald H. Chapin
Assistant Comptroller General

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