

# Office of Inspector General U.S. Government Accountability Office Highlights

July 24, 2020

## **VOLUNTARY LEAVE TRANSFER PROGRAM**

### **Additional Controls Are Needed to Strengthen Program Management**

#### **Objective**

This report addresses the extent to which GAO has established effective policies and procedures for managing its voluntary leave transfer program.

#### **What OIG Found**

While the program has functioned to facilitate leave donations to GAO employees, we found weaknesses related to the agency's ability to confirm leave recipients' initial or continued program eligibility, and to ensure that leave balances reflect properly supported receipt and use of donated leave. Specifically, required documentation to support leave recipients' medical emergency and eligibility was missing or incomplete. Leave recipients with approved applications remained in the program beyond the dates determined in their medical certifications, and others did not have expected end dates documented. Donated leave hours received for some recipients were not supported by donor applications, while time and attendance records reflecting donated leave hours used for other recipients were inconsistently supported by Human Capital Office (HCO) timekeeper records or were inaccurately calculated.

#### **What OIG Recommends**

OIG is making four recommendations. First, update HCO leave transfer program procedures to establish who is responsible for maintaining recipient applications, including medical documentation; ensuring their signed approval from unit managers; and overseeing the implementation of established responsibilities. Second, issue guidance for responsible HCO staff to help GAO confirm that the medical certifications address the nature, severity, and duration of leave recipients' medical emergencies. Third, establish procedures to be followed by approving officials to monitor recipients' medical status and continued program participation. Fourth, develop and implement written procedures and recordkeeping requirements for manual donated leave calculations and time and attendance recording.



O I G

Office of Inspector General

United States Government Accountability Office

**Accessible Version**

August 17, 2020

**To:** Gene L. Dodaro  
Comptroller General of the United States

**From:** Adam R. Trzeciak  
Inspector General

**Subject: Transmittal of Office of Inspector General's (OIG) Audit Report**

Attached for your information is our report, *Voluntary Leave Transfer Program: Additional Controls Are Needed to Strengthen Program Management* (OIG-20-1). The audit objective was to evaluate the extent to which GAO has established effective policies and procedures for managing its voluntary leave transfer program.

The report contains four recommendations to strengthen controls over the program. GAO agreed with our recommendations and outlined planned actions for each recommendation. Management comments are included in Appendix II of our report. Actions taken in response to our recommendations are expected to be reported to our office within 60 days.

We are sending copies of this report to the other members of GAO's Executive Committee, GAO's Congressional Oversight Committees, GAO's Audit Advisory Committee, and other GAO managers, as appropriate. The report is also available on GAO's website at <http://www.gao.gov/about/workforce/ig.html> and <https://www.oversight.gov/reports>, maintained by the Council of Inspectors General on Integrity and Efficiency.

If you have questions about this report, please contact me at (202) 512-5748 or [trzeciaka@gao.gov](mailto:trzeciaka@gao.gov).

Attachment

## Table of Contents

VOLUNTARY LEAVE TRANSFER PROGRAM.....	1
Additional Controls Are Needed to Strengthen Program Management .....	1
Objective .....	1
What OIG Found .....	1
What OIG Recommends.....	1
Subject: Transmittal of Office of Inspector General’s (OIG) Audit Report.....	ii
Introduction .....	1
Appendix I: Objective, Scope, and Methodology.....	12
Appendix II: Comments from the U.S. Government Accountability Office .....	14
Text of Appendix II: Comments from the U.S. Government Accountability Office .....	16
Appendix III: OIG Contact and Staff Acknowledgements .....	18
Appendix IV: Report Distribution.....	19

## **Tables**

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Table 1: Required Information Included in Medical Certifications.....	4
Table 2: Internal Control Components and Underlying Principles Significant to the Audit Objective.....	13

## **Figures**

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<b>No table of contents entries found.</b> Figure 2: HCO Leave Recipient Timekeeping Record.....	9
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## **Introduction**

Prior to the creation of the leave transfer program, a federal employee with exhausted annual and sick leave balances or maximized advanced leave granted by the employing agency had limited options for dealing with a personal or family member's serious medical condition if ineligible for disability retirement benefits: request leave without pay or separate from federal employment.

GAO's Voluntary Leave Transfer Program helps ease the financial burden of employees during periods of personal or family medical emergencies. Given the potential for error or abuse, effective controls are essential to the leave transfer program to ensure integrity and accountability.

### **Objective, Scope, and Methodology**

This report addresses the extent to which GAO has established effective policies and procedures for managing its voluntary leave transfer program.

To achieve our objective, we reviewed the Federal Employees Leave Sharing Act of 1988; federal implementing regulations at 5 C.F.R. Part 630; and GAO policies and procedures for leave recipient eligibility and application; approval; use and accrual of transferred leave; and termination of eligibility from the program. We conducted multiple interviews with GAO officials from the Human Capital Office (HCO) Pay and Processing Information Center, for voluntary leave transfer program policy and program implementation.

We obtained and analyzed leave transfer program data maintained by HCO to identify the number of employees who were approved for personal or family medical emergencies and were terminated from the program between January 10, 2016, and January 4, 2020. This data included (1) leave recipient names, (2) the types of medical emergencies; (3) the pay period month and leave year recipients were approved for annual leave donations; and (4) the pay period month and leave year recipients were removed from the program.

We assessed the reliability of the leave transfer program data by manually checking it for completeness against *GAO Management News* announcements of employee donated leave needs during the years we reviewed, and found gaps and inconsistencies in the leave recipient program information. We resolved these discrepancies with HCO, and determined that the data were sufficiently reliable for our reporting purposes.

We identified 40 leave recipients within our audit time frame and reviewed available leave transfer files and related time and attendance records HCO maintained for them, such as approved leave recipient applications; medical certifications; donor applications; and biweekly time and attendance records. We then assessed these against *Standards for Internal Control in the Federal Government*.<sup>1</sup> For more detailed information on our objective, scope, and methodology, please see appendix I.

We conducted this performance audit from August 2019 through July 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our

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<sup>1</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Background

Federal leave transfer programs are governed by the Federal Employees Leave Sharing Act of 1988.<sup>2</sup>

The act describes the requirements for receiving and using transferred leave and for donating leave. It also authorizes employing agencies to require certification from one or more physicians, or other appropriate experts, regarding the reasons why transferred leave is needed.

The statutory provisions and federal implementing regulations provide that a “medical emergency” is a medical condition of either the employee or the employee's family member that is likely to require the employee to be absent from duty for a prolonged period. In addition, this absence must be expected to result in a substantial loss of income because of the employee's lack of available paid leave.<sup>3</sup> For example, an employee or family member's incapacity of at least 24 hours due to pregnancy and/or recovery from childbirth would constitute a medical emergency for purposes of the program. Care of an employee's child with a serious health condition would also constitute a medical emergency. Alternatively, donated annual leave may not be used to bond with or care for a healthy newborn, to care for a child with a routine illness, or to take the child to medical, dental, or optical appointments or well-baby doctor visits. The act allows an employee to donate annual leave to another employee in the program who has a personal or family medical emergency. Generally, an employee can receive donated annual leave under the program from other employees in their agency. However, family members are entitled to donate annual leave to an approved leave recipient who works at another federal agency if the employee's agency believes that the employee may not otherwise receive enough donated leave to meet their needs.

Under the act and federal implementing regulations, the medical emergency terminates

- when the leave recipient's federal service is terminated;
- at the end of the biweekly pay period in which the leave recipient provides written notice that the medical emergency is over;
- at the end of the biweekly pay period in which that agency determines, after written notice to the leave recipient and opportunity for response, that the medical emergency is over; or
- at the end of the biweekly pay period in which the agency receives notice that the leave recipient has been approved for disability retirement.

When the medical emergency terminates, no further requests for transfer of annual leave to the leave recipient may be granted and any unused donated leave remaining to the credit of the leave recipient must be restored to the leave donors.

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<sup>2</sup>5 U.S.C. §§ 6331-6339.

<sup>3</sup>5 C.F.R. § 630.902, implementing 5 U.S.C. § 6331(4).

Under federal implementing regulations, every agency, including GAO, is required to establish a voluntary leave transfer program.<sup>4</sup>

GAO Order 2630.2, *Voluntary Leave Transfer Program*, establishes procedures for GAO's program. According to the order, the unit head or a manager to whom the authority has been delegated is responsible for determining whether the employee has a qualifying medical emergency and approving leave recipient applications.

Potential leave recipients must apply and have their applications reviewed by approving unit managers to determine that the applicants qualify to receive donated leave. To support these leave donation program decisions, the leave transfer program recipient applications should contain specific information about the potential leave recipients, including but not limited to

- the type of medical emergency (personal/family).
- the reasons transferred leave is needed, including a brief description of the nature, severity, and anticipated duration of the medical emergency.
- certification from a physician or another appropriate practitioner stating the medical prognosis and anticipated duration of the condition.

GAO's leave transfer program is decentralized. Each GAO unit manager is responsible for approving and disapproving employee leave transfer applications; sharing employees' approved applications and medical documentation with the Human Capital Office (HCO); continually monitoring the status of leave recipients' medical emergencies; and notifying HCO when they determine the leave recipient's medical emergency has terminated. HCO provides administrative support to unit managers; maintains approved applications and medical certifications for all leave recipients; enters approved requests into GAO's automated payroll/personnel system; notifies employees' HCO timekeepers of the number of hours of donated leave to credit to annual leave accounts and the effective pay periods; and manages leave recipients' time and attendance reporting.

#### Additional Controls Are Needed to Strengthen Leave Transfer Program Management

While the program has functioned to facilitate leave donations to GAO employees, we found weaknesses related to the agency's ability to confirm leave recipients' initial or continued program eligibility, and to ensure that annual leave balances reflect properly supported receipt and use of donated leave.

#### Required Documentation to Support Leave Recipients' Medical Emergency and Eligibility Was Missing or Incomplete

***Some Recipient Applications Were Missing or Unsigned:*** GAO could not produce applications for 2 of 40 leave recipients, and 4 of the remaining applications were unsigned by approving officials. GAO leave transfer program policy requires employees to submit an application to participate in the leave transfer program and be approved by designated unit managers. Because two recipients' applications were missing, we were unable to identify and

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<sup>45</sup> C.F.R. §630.903.

GAO was unable to provide required information about the recipients' medical emergency and eligibility, specifically

- the nature, severity, and anticipated duration of the recipient's medical emergency, and
- when available leave was or would be exhausted.

Before being approved, the application should be reviewed to determine whether the employee has a qualifying medical emergency that will result in the income loss required for eligibility. The policy requires the approving official to sign the application reviewed to indicate all program criteria required by GAO policy have been met. Federal internal control standards state that all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination and properly managed and maintained. Without readily available documentation of approved recipient applications used to establish recipients' qualifying medical emergencies, GAO risks not having complete and accurate information needed to provide sufficient oversight of its leave transfer program.

**Some Medical Certifications Were Missing:** GAO policy requires leave recipient applications to include a medical certification from a health care provider confirming the need for donated leave, the nature of the medical emergency, and the likely duration and periods of absences.

GAO did not have medical certifications for 8 of the 34 leave recipients with approved applications.<sup>5</sup> Federal internal control standards state that all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination and properly managed and maintained. Absent medical certifications, the medical facts supporting the need for donated leave are unclear. For example, an employee's application to receive donated leave under the leave transfer program was approved in January 2015. The recipient's application noted that surgery was planned, but the application did not include further details regarding the qualifying medical emergency, as required by GAO policy. Without a medical certification, information such as whether the recipient's condition was serious, chronic, permanent or long-term, or required any period of incapacity could not be readily determined. The leave recipient participated in the program for 13 pay periods.

**Many Certifications Did Not Consistently Address Required Information:** We reviewed medical certifications on file for 26 leave recipients with approved applications and found many of the certifications did not consistently address some information that GAO policy and the application require, specifically, the nature, severity, and anticipated duration of the employee's or family member's medical emergency. (See table 1).

**Table 1: Required Information Included in Leave Recipient Medical Certifications**

Required medical information	Number of certifications (of 26 on file) lacking required information
Nature of the medical condition	4
Severity of the medical condition	11
Anticipated end date or duration of the medical condition	14

Source: OIG analysis of GAO leave transfer program case files and available recipient medical certifications | OIG-20-1.

Without certifications that include all information required by policy and the application, GAO is unable to support a basic requirement of participation in the program—a qualifying medical

<sup>5</sup>HCO located and subsequently provided medical certification documentation for one leave recipient after our review was complete.

emergency. For example, a leave recipient's approved application included general discharge instructions in connection with the recipient's outpatient medical procedure. The discharge instructions included the procedure performed and instruction to follow up with the health care provider 14 days following the procedure. No prognosis was provided to address whether the recipient was unable to work, nor the likely duration of any incapacity.

In December 2016, another employee's participation in the leave transfer program was approved based on a medical certification from health care provider stating that the employee would benefit from time off of work for treatment; however, other relevant information to support the employee's need for donated leave—such as the employee's medical prognosis, plans for future treatment, or an estimate of the expected date of full or partial recovery—was not addressed. The recipient remained in the program for over 2 years until retirement from GAO.

Federal standards for internal control call for agencies to collect and use quality information to make informed decisions. Quality information is appropriate, current, complete, accurate, accessible, and provided on a timely basis.

We found that two factors were largely responsible for missing and incomplete applications and medical certifications.

- **Roles and responsibilities.** HCO leave transfer program procedure tasks it with the responsibility for reviewing approved applications to ensure they are complete (all blocks have been completed), and maintaining the original, signed, applications and any medical documentation. However, HCO has not implemented procedures that assign responsibility for implementing these steps.
- **Guidance and Oversight.** While medical certifications are a required component of complete applications, there are no procedures in place to ensure GAO's medical certification requirements are followed. GAO policy does not direct HCO to ensure that all approved applications include medical certifications which address the nature, severity, and duration of leave recipients' medical emergencies. HCO procedures do not provide guidance that is specific to medical certifications, other than to include the medical documentation with approved leave recipient applications it maintains.

Federal standards for internal control require management to document responsibilities through procedures and communicate procedures to personnel so they can implement them, and perform ongoing monitoring and oversight.

#### Procedures Are Needed to Ensure That GAO Monitors Recipients' Medical Status

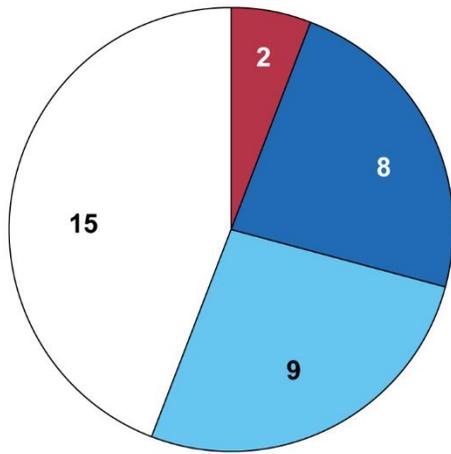
Federal regulations require an agency to continuously monitor leave recipients' medical emergency status to ensure that the leave recipient continues to be affected by it, and to remove recipients from the program when it determines the medical emergency has ended.<sup>6</sup> GAO's policy directs approving officials, i.e., managing directors and office heads, to continuously monitor recipients' status and notify HCO when they determine the medical emergency has ended. However, 9 of the 34 leave recipients with approved applications remained in the program beyond the dates determined in their medical certifications, and most others did not have expected end dates documented at all. See figure 1.

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<sup>6</sup>5 C.F.R 630 § 910(b)(c).

**Figure 1: Medical Status of Leave Recipients' Participation in the Program**

Number of cases



- Did not continue in the program beyond anticipated duration
- Continued in the program with no medical certification
- Continued in the program beyond the anticipated duration in the medical certification
- Continued in the program but medical certification did not include end date or duration

Source: OIG analysis of GAO leave transfer program case files and recipient time and attendance records. | OIG-20-1

GAO's leave transfer program policy vests approving officials with the responsibility and authority to terminate a leave recipient's involvement in the program when they determine a leave recipient is no longer affected by the medical emergency.<sup>7</sup> However, the policy does not establish operational guidance or procedures that govern, for example

- what medical documentation and other information the agency considers necessary and relevant for determining recipients' medical status and continued program participation,
- how and when to obtain that documentation and information.

Federal internal control standards state that an agency's management should obtain relevant data on a timely basis to effectively monitor activities to achieve objectives.

Without obtaining appropriate medical documentation to monitor the current medical prognosis of leave recipients, GAO lacks reasonable assurance that program participants continue to be affected by medical emergencies as defined in the statute, federal regulations, and GAO policy. Further, without additional operational guidance or procedures to gain such insights, GAO may be missing opportunities to identify leave recipients who may be remaining in the program well beyond program requirements or the limits of their need, and remove them from the program, as appropriate.

<sup>7</sup>Before terminating the medical emergency, the approving official must give the leave recipient written notice and an opportunity to answer the notice.

For example, in November 2014, an employee was approved for the program based on a medical certification citing the employee's need to take leave for up to 10 months for a family member's medical condition. We found no documentation of requests for further certification in connection with the family member's medical condition. The employee did not use donated leave after the initial 10 months and the employee was not required or requested to provide updated medical documentation of continuing medical emergency. The employee remained in the program over 600 days beyond the projected end of the family member's medical emergency. In an August 2017 email to HCO, the employee withdrew from the program.

An HCO official told us that in 2017 HCO emailed approximately 6 leave recipients who had not used any donated leave for several pay periods to ask whether they were continuing to experience a medical emergency. According to the official, the emails requested that the recipients either confirm that they were no longer affected by the medical emergency or provide updated medical documentation to support their need for continued participation in the program. Documentation supporting HCO's actions was not found, with the exception of a 2013 email message from HCO to a leave recipient who "had not used donated leave for a few weeks, or requested additional donations", to ask whether the recipient wanted to continue in the program. The requirements to stay in the program were neither referenced nor was a request made for medical documentation in that email. The recipient requested to remain in the program, providing no medical documentation to support the request, other than to note upcoming medical appointments that might require use of donated leave. The recipient participated in the program until 2017, but whether the recipient's medical emergency continued after HCO's correspondence is unclear due to the lack of continued certifications.

#### GAO Has Not Established Controls to Help Ensure Accuracy of Recipients' Donated Leave Balances and Use

Employees who donate annual leave are required to submit a donor application to HCO that specifies the number of hours of annual leave to be deducted from their accounts and transferred to specified leave recipients' annual leave accounts. After leave recipients exhaust all of their available sick and annual leave, they can then use donated leave

- for hours of absence related to the approved medical emergency;
- retroactively for periods of leave without pay because of the medical emergency; or
- to liquidate a debt of advanced annual or sick leave incurred for the medical emergency.

Our review of the official time and attendance records of 34 leave recipients found that annual leave balances reflecting donated leave received for 9 of 34 recipients were not supported by donor applications. For example, in February 2012, a leave recipient was approved for the program based on a medical certification citing the recipient's treatment for a medical condition. The recipient remained in the program until January 2016, during which HCO managed the recipient's time and attendance record. However, HCO did not have complete records reflecting donated leave hours the recipient received and used while in the program. As a result, we were unable to verify the accuracy of the donated leave received by this recipient.

In addition, for 14 of 34 recipients, annual leave time and attendance records reflecting donated leave hours used were either not supported by HCO timekeeper records or were inaccurately

calculated.<sup>8</sup> For example, analysis of time and attendance information for a leave recipient who participated in the program from December 2016 to October 2019 disclosed the recipient's donated leave balance was overstated. HCO time and attendance records showed the recipient received 461 hours of donated leave while in the program, but we found that 104 hours of donated leave were recorded twice in the recipient's annual leave account. According to the timekeeper records, the leave recipient used all 461 hours of donated leave. In March 2020, HCO removed 104 hours from the recipient's annual leave account following a leave audit that was completed based on our inquiry.

The HCO official explained that HCO manages leave recipients' time and attendance information outside of webTA, GAO's time and attendance reporting system. According to the official, HCO timekeepers use a combination of hard copy tracking sheets completed manually (as depicted in figure 2) and specially-designed forms to manage leave recipient time and attendance, which are cumbersome, leading on occasion to timekeeper clerical and math errors. HCO timekeepers manually calculate and adjust all types of recipients' leave use, accrual, and balances, including donated leave. At the end of the pay period, HCO timekeepers complete the leave record section of each recipient's time and attendance report containing information on the recipient's donated leave balance and use, certify to its accuracy, and then enters the information in webTA timesheets.

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<sup>8</sup>Annual leave balances reflecting donated leave received for 8 of the 14 recipients were not supported by donor applications.

Figure 2: HCO Leave Recipient Timekeeping Record

Pay Period	Hours Worked		Annual Leave	Sick Leave	Donated Leave	Set Aside	A/L	S/L
20	41 Work 12 AL 19 SL 8 Hol	6 4	19 12 7 +6 13	19 -19 0 +4 4	90			
21	70 Work 6 AL 1 SL 3 SL FFSL	6 4	13 -6 7 +6 13	4 -4 0 +4 4	90 +332 422			
22	35 Work 13 AL 4 SL 2 Donated	4 2 13)52 2)52 -52 -40 0 12	13 -13 0 +4 4	4 -4 0 +2 2	422 +64 486 -28 458	13)28 20)1 -26 -20 2 8	2	1
23	54 Work 4 AL 2 SL 4 Adv AL 16 Hol	6 4	4 -8 -4 +6 2	2 -2 0 +4 4	458 +78 536			
24	18 Work 2 AL 4 SL 8 Hol 48 Donated	2 2 13)32 20)44 -26 -40 6 4	2 -2 0 +2 2	4 -4 0 +2 2	536 -48 488	13)50 20)56 -39 -40 11 16	2 +3 5	1 +2 3
25	36 Work 2 AL 2 SL 8 TO 32 Donated	4 2 13)54 20)52 -52 -40 2 12	-2 -2 0 +4 4	-2 -2 0 +2 2	488 +292 784 -32 752	13)43 20)48 -39 -40 4 8	5 +3 8	3 +2 5
26	36 Work 8 Admin 4 AL 2 SL 16 Hol 14 Donated	5 3 13)68 20)78 -65 -60 3 18	4 -4 0 +5 5	2 -2 0 +3 3	752 -14 738	13)18 20)22 -13 -20 5 2	8 +1 9	5 +1 6
1	1 Work 5 AL 3 SL 71 Donated	0 1 20)27 -20 7	5 -5 0	3 -3 0 +1 1	738 -71 667	13)26 20)73 -65 -60 11 13	9 +5 14	6 +3 9
2	68 Work 1 FFSL 8 Hol 3 Donated	5 4 13)72 20)85 -65 -80 12 5	0 +5 5	1 -1 0 +4 4	667 -3 664	13)14 0 -13 1	14 +1 15	9
3	64 Work 5 AL 1 SL 3 FFSL 7 Donated	6 3 13)85 20)78 -78 -60 7 18	-5 -5 0 +6 6	4 -4 0 +3 3	664 -9 657	0 0	15	9

Source: HCO leave transfer file. | OIG-20-1.

The discrepancies attributable to math errors and mistakes could be minimized if HCO developed and implemented written procedures that establish timekeeper responsibilities for recording and reporting recipients' donated leave balances and use. GAO guidance to federal agencies for establishing internal control for time and attendance reporting systems emphasizes agencies' responsibility to implement and maintain well-defined internal control activities that provide management with the confidence that the system is working as designed.<sup>9</sup> Controls should provide reasonable assurance that information about recipients' time and attendance, specifically donated leave balances and use, is complete and accurate; and is sufficiently detailed to allow for verification. Such controls are especially important in light of HCO's practice of managing leave recipient time and attendance (and annual accounts containing donated

<sup>9</sup>GAO, *Maintaining Effective Control over Employee Time and Attendance Reporting*, GAO-03-352G (Washington, D.C.: January 2003).

leave) outside of GAO's automated system. Drawing from GAO's guidance, this can be done through internal controls such as

- clearly written and communicated procedures (or a timekeeping reference guide). Such procedures could include methods and recordkeeping requirements for manual donated leave calculations and time and attendance recording that are unique to the leave transfer program. The procedures could include, for example, information on how, when, and where to manually record donated leave information, and how long to maintain it.
- review and testing of all aspects of the time and attendance systems' processing procedures and controls. Review and testing should be of sufficient scope, depth, and frequency to provide reasonable assurance that key procedures and controls—such as HCO procedures for manual donated leave time and attendance recording and reporting, once written—are working and effective.

Federal standards for internal control call for all transactions and other significant events to be clearly documented in management directives, administrative policies, or operating manuals and, for accurate and timely recording of transactions and events. The addition of documented leave recipient time and attendance procedures could enhance internal controls to help verify that donated leave balances are supported by donor applications, and time and attendance reports and leave records are sufficiently detailed and documented to ensure the accuracy of donated annual leave used.

## **Conclusions**

Through its voluntary leave transfer program, GAO employees can help ease the financial burden their colleagues are experiencing when medical emergencies result in the exhaustion of earned leave. Given the importance of the program, effective internal controls are essential to ensuring that eligible employees can participate in the program and end their participation when they become ineligible due to the termination of the medical emergency. Establishing and implementing roles and responsibilities through guidance and oversight over recipient applications and medical certifications can help GAO ensure that application approval procedures are followed so applications are complete. Because approving officials are responsible for monitoring recipients while in the program, GAO needs to ensure that it establishes operational guidance or procedures for them to use to determine when the medical emergency has ended. Although GAO assigns responsibility to HCO to manage leave recipient time and attendance, it has not yet established effective internal controls that provide reasonable assurance that information about recipients' donated leave time and attendance information is supported by donor applications and is sufficiently detailed to allow for verification.

## **Recommendations for Executive Action**

We are making a total of four recommendations, including three to HCO and one to GAO.

HCO should update its leave transfer program procedures to establish who is responsible for maintaining recipient applications, including medical documentation; ensuring their signed approval from unit managers; and overseeing the implementation of established responsibilities. (Recommendation 1)

HCO should issue guidance for responsible staff to help them confirm that the medical certifications address the nature, severity, prognosis, and duration of leave recipients' medical emergencies. (Recommendation 2)

GAO should establish procedures to be followed by approving officials to monitor recipients' medical status and continued program participation. Such procedures could include what medical documentation and other information the agency considers necessary and relevant for determining recipients' medical status and continued program participation; and how and when to obtain that documentation and information. (Recommendation 3)

HCO should develop and implement written procedures and recordkeeping requirements for manual donated leave calculations and time and attendance recording. Such procedures and requirements could include information how, when, and where to manually record donated leave information, and how long to maintain it. (Recommendation 4)

### **Agency Comments**

The Inspector General provided GAO with a draft of this report for review and comment. GAO provided written comments, which are reprinted in appendix II. GAO agreed with our findings and recommendations and outlined planned actions to address them.

## Appendix I: Objective, Scope, and Methodology

This report addresses the extent to which GAO has established effective policies and procedures for managing its voluntary leave transfer program.

To achieve our objective, we reviewed the leave sharing act; federal implementing regulations; and GAO policies and procedures for leave recipient eligibility and application; approval; use and accrual of transferred leave; and termination of eligibility from the program. We conducted multiple interviews with GAO officials from the Human Capital Office (HCO) Pay and Processing Information Center, for voluntary leave transfer program policy and program implementation to discuss agency leave transfer program policy and procedures for recipient case management and monitoring. We assessed this information against GAO Order 2630.2 and HCO leave transfer program procedures, which assign responsibilities for determining program eligibility and continued participation, and program implementation and oversight, and *Standards for Internal Control in the Federal Government*, which require management to assign, document, and communicate responsibilities, policies and procedures to achieve objectives.<sup>10</sup>

To identify the number of employees who were approved for personal or family medical emergencies and were terminated from the program between leave years 2016 and 2019, we analyzed leave transfer program data maintained by HCO between January 10, 2016 and January 4, 2020.<sup>11</sup> This data included (1) leave recipient names; (2) the types of medical emergencies; (3) the pay period month and leave year recipients were approved for annual leave donations; and (4) the pay period month and leave year recipients were removed from the program.

We assessed the reliability of the leave transfer program data by manually checking the data for completeness against *GAO Management News* announcements of employee donated leave needs during fiscal years 2016–2019 (weeks of January 11-22, 2016 to weeks of December 23, 2019 to January 3, 2020), and found gaps and inconsistencies in the leave recipient information. We discovered three leave recipients were not included in the program data provided by HCO; one leave recipient was a duplicate; and data for pay periods and leave years when some recipients were approved for and removed from the program was missing. We resolved these discrepancies with HCO, and determined that the data were sufficiently reliable for our reporting purposes.

We identified 40 leave recipients within our audit time frame, reviewed and analyzed available leave transfer files and time and attendance records HCO maintained for all recipients, including

- approved Leave Transfer Program Recipient Applications (GAO Form 173) used to establish eligibility for program participation.
- medical certifications from health care providers used to confirm the need for donated leave, the nature of the medical emergency, and the likely duration and periods of absences.

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<sup>10</sup>GAO Order 2630.2, *Voluntary Leave Transfer Program*; Human Capital Office: *Standard Operating Procedure: Voluntary Leave Transfer Program (Leave Donor Program)*; and GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 10, 2014).

<sup>11</sup>A leave year begins on the first day of the first full biweekly pay period in a calendar year, and ends on the day immediately before the first day of the first full biweekly pay period in the following calendar year. For example, leave year 2016 began January 10, 2016, and ended January 7, 2017. Leave year 2019 began January 6, 2019, and ended January 4, 2020.

- medical emergency termination notifications used to document when the medical emergency ended, when the termination decision was made, the effective date of the decision, who made the decision, and the reason for the decision.
- approved leave Transfer Program Donor Applications (GAO Form 174) used to support the number of annual leave hours donated.
- biweekly time and attendance records, such as the Time and Attendance Reports (GAO Form 484) and webTA Absentee Forms (GAO Form 648) completed by the recipient and/or HCO to record and support the number of hours worked, leave taken, and charges to various job codes, such as annual or donated leave.
- supplementary biweekly time and attendance records completed by HCO used to manually compute and track donated leave received and used, and annual and sick leave hours earned, used, and accrued in leave accounts.

To determine the extent to which GAO has developed and implemented effective controls for confirming recipients' initial and continued program eligibility, we assessed GAO's controls for managing its leave transfer program with *Standards for Internal Control in the Federal Government*, which require management to design control activities; and obtain, process, and use relevant and quality data and information from reliable sources to make informed decisions and achieve objectives.<sup>12</sup> In addition, we assessed HCO's controls for ensuring that leave balances reflect appropriate use of donated leave with GAO's employee time and attendance reporting guide regarding effective controls over leave recipient time and attendance information.<sup>13</sup>

In planning and performing our audit, we identified the internal control components and underlying principles, described in table 2 below, as significant to the audit objectives.

**Table 2: Internal Control Components and Underlying Principles Significant to the Audit Objective**

<b>Component</b>	<b>Underlying Principle</b>
Control Activities	Management should design control activities to achieve objectives and respond to risks.
	Management should implement control activities through policies.
Monitoring	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
	Management should remediate identified internal control deficiencies on a timely basis.

Source: OIG | OIG-20-1

We conducted this performance audit from August 2019 through July 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

<sup>12</sup>[GAO-14-704G](#).

<sup>13</sup>GAO, *Maintaining Effective Control over Employee Time and Attendance Reporting*, [GAO-03-352G](#) (Washington, D.C.: January 2003).

## Appendix II: Comments from the U.S. Government Accountability Office



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

### Memorandum

**Date:** August 10, 2020

**To:** Inspector General – Adam Trzeciak

**From:** Chief Human Capital Officer – Renee Caputo

Renee S.  
Caputo

Digitally signed by Renee S.  
Caputo  
Date: 2020.08.10 12:04:55  
-04'00'

**Subject:** Draft Report on GAO's Voluntary Leave Transfer Program (OIG-20-1)

Thank you for the opportunity to review and comment on your draft report on your review of GAO's Voluntary Leave Transfer Program. Although it is a small program averaging about 10 participants a year over the past four years, GAO's Voluntary Leave Transfer Program helps ease the financial burden of employees during periods of personal or family medical emergencies and is a valuable retention tool.

The report recognizes that GAO has established a framework of policies and procedures for managing the program but noted several administrative deficiencies where improved guidance, documentation, and oversight could strengthen controls and reduce risk related to the program. GAO continues to work to strengthen the agency's voluntary leave transfer program. As part of those efforts, the Human Capital Office (HCO) has implemented steps to bolster program processes, mitigate deficiencies and increase overall efficiency of the program to ensure adherence to agency requirements. Outlined below are HCO's planned actions for each recommendation:

#### Recommendation 1

HCO should update its leave transfer program procedures to establish who is responsible for maintaining recipient applications, including medical documentation; ensuring their signed approval from unit managers; and overseeing the implementation of established responsibilities.

#### Corrective Action

HCO is in the process of formally updating our voluntary leave transfer program standard operating procedures, and in the interim has established an internal review process to ensure that we receive and maintain complete and approved applications, including all necessary medical documentation.

**Recommendation 2**

HCO should issue guidance for responsible staff to help them confirm that the medical certifications address the nature, severity, prognosis, and duration of leave recipients' medical emergencies.

**Corrective Action**

HCO is in the process of revising our voluntary leave transfer program standard operating procedures which will include guidance that will help staff confirm that medical documentation is complete and includes all necessary information.

**Recommendation 3**

GAO should establish procedures to be followed by approving officials to monitor recipients' medical status and continued program participation. Such procedures could include what medical documentation and other information the agency considers necessary and relevant for determining recipients' medical status and continued program participation; and how and when to obtain that documentation and information.

**Corrective Action**

GAO will provide additional guidance to approving officials regarding what medical documentation is required as part of the VLTP application, the requirements to regularly verify an employee's medical status and eligibility/need to participate in the VLTP program, and appropriate procedures to end an employee's participation in the program.

**Recommendation 4**

HCO should develop and implement written procedures and recordkeeping requirements for manual donated leave calculations and time and attending recording. Such procedures and requirements could include information how, when, and where to manually record donated leave information, and how long to maintain it.

**Corrective Action**

HCO is in the process of formally updating our voluntary leave transfer program standard operating procedures. The updated SOP will include procedures related to leave calculations and time and attendance procedures.

cc: Karl Maschino, Chief Administrative Officer/Chief Financial Officer  
Paul Johnson, Deputy CAO  
Adebiyi Adesina, FMBO  
Sandra B. Burrell, OIG  
Mary Mohiyuddin, OIG  
Michelle Belton, HCO  
Jennifer Ashley, CAO

# **Text of Appendix II: Comments from the U.S. Government Accountability Office**

## **Page 1**

### **Memorandum**

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To: Inspector General – Adam Trzeciak

From: Chief Human Capital Officer – Renee Caputo

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The report recognizes that GAO has established a framework of policies and procedures for managing the program but noted several administrative deficiencies where improved guidance, documentation, and oversight could strengthen controls and reduce risk related to the program. GAO continues to work to strengthen the agency's voluntary leave transfer program. As part of those efforts, the Human Capital Office (HCO) has implemented steps to bolster program processes, mitigate deficiencies and increase overall efficiency of the program to ensure adherence to agency requirements. Outlined below are HCO's planned actions for each recommendation:

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## **Page 2**

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### **Recommendation 4**

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HCO is in the process of formally updating our voluntary leave transfer program standard operating procedures. The updated SOP will include procedures related to leave calculations and time and attendance procedures.

cc: Karl Maschino, Chief Administrative Officer/Chief Financial Officer Paul Johnson, Deputy CAO

Adebiyi Adesina, FMBO Sandra B. Burrell, OIG Mary Mohiyuddin, OIG Michelle Belton, HCO Jennifer Ashley, CAO

## **Appendix III: OIG Contact and Staff Acknowledgements**

### **OIG Contact**

Adam R. Trzeciak, 202-512-5748 or [trzeciaka@gao.gov](mailto:trzeciaka@gao.gov)

### **Staff Acknowledgements**

Sandra Burrell (Assistant Director), Mary Arnold Mohiyuddin (Assistant Inspector General for Audit), and Adriana Pukalski (Legal Counsel) made major contributions to this report. Other key contributors included Gregory Borecki, Melanie H. P. Fallow, Jill Lacey, Minette Richardson, and Cynthia Taylor.

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