



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-258438

September 28, 1994

Mr. Michael Serlin
National Performance Review
750 17th Street, N.W.
Washington, D.C. 20006

Dear Mr. Serlin:

This letter responds to your oral request for our views on specific applications that have been developed in response to the National Performance Review's (NPR) recommendation to eliminate sign-in and sign-out sheets (timesheets). You also asked that we discuss the use of the exception basis of recording payroll data as it relates to the General Accounting Office's (GAO) policies on time and attendance (T&A) processing. These policies appear in Title 6, "Pay, Leave, and Allowances" of GAO's Policies and Procedures Manual for Guidance of Federal Agencies.

To make government operations less expensive and more efficient, the NPR has recommended, among other things, that payroll and other fiscal procedures be streamlined and reduced. We fully support the movement towards more efficient and less costly government. At the same time, we believe agencies have the responsibility to protect the government's interests. Improvements to streamline management processes and reduce costs should only be made within a framework of adequate controls providing reasonable assurance that payroll related transactions are properly authorized and sufficient records of these transactions are maintained.

Your request identified four situations in which sign-in and sign-out sheets might be eliminated for full-time employees, as recommended by the NPR. In two of these situations, you also specified that the exception basis reporting of T&A data could be adopted. The four situations follow.

1. Eliminate sign-in and sign-out sheets when employees work regularly scheduled hours set by management, even though the agency may be allowed to implement alternative work schedules.

2. Eliminate sign-in and sign-out sheets and use the exception basis of reporting T&A data when employees follow alternative work schedules, such as compressed time or flextime and have preapproved work schedules.
3. Eliminate sign-in and sign-out sheets and use the exception basis of reporting T&A data when employees work alternative schedules with irregular arrival and departure times but work a set number of hours daily or weekly (for example, 8 hours each day).
4. Eliminate sign-in and sign-out sheets when employees work alternative schedules with no standard work hours daily or weekly.

Title 6 does not require sign-in and sign-out sheets for employees. Rather, it offers the practice as one of several alternatives for recording employee arrival and departure times. Also, as we have previously reported,¹ Title 6 allows employees' time to be recorded on an exception basis. Therefore, using the exception basis of reporting in lieu of sign-in and sign-out sheets is not precluded in all four situations you asked about. However, in situations such as these, management must take care to implement effective controls to ensure that accurate T&A data are recorded to properly pay employees amounts to which they are entitled. The four situations you asked about would place increased responsibility on the supervisor or timekeeper to be alert to the activities of employees. As staff are allowed more flexibility in choosing their work schedules, other measures--such as closer supervision or closer monitoring by timekeepers--may be required to give management the assurances it needs.

¹Management Reform, GAO's Comments on the National Performance Review's Recommendations (GAO/OCG-94-1, December 3, 1993), p. 213

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We hope this response is helpful. If you have any questions or would like to discuss these matters further, please contact George Stalcup, Associate Director, Financial Integrity Issues, at (202) 512-3406.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Gene L. Dodaro".

Gene L. Dodaro
Assistant Comptroller General

(922211)

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bc: Mr. Hunt, GGD
Ms. Kingsbury, GGD
Mr. Shelton, GGD
Mr. Patton, GGD
Mr. Copeland, GGD
Mr. Armstrong, OGC
Ms. Condon, PERS
Ms. Collins, PERS
Ms. Carey, OGC/LSS
Mr. Stalcup, AIMD
Ms. Edwards, AIMD
Mr. Michelson, AIMD
Ms. McCormack, AIMD