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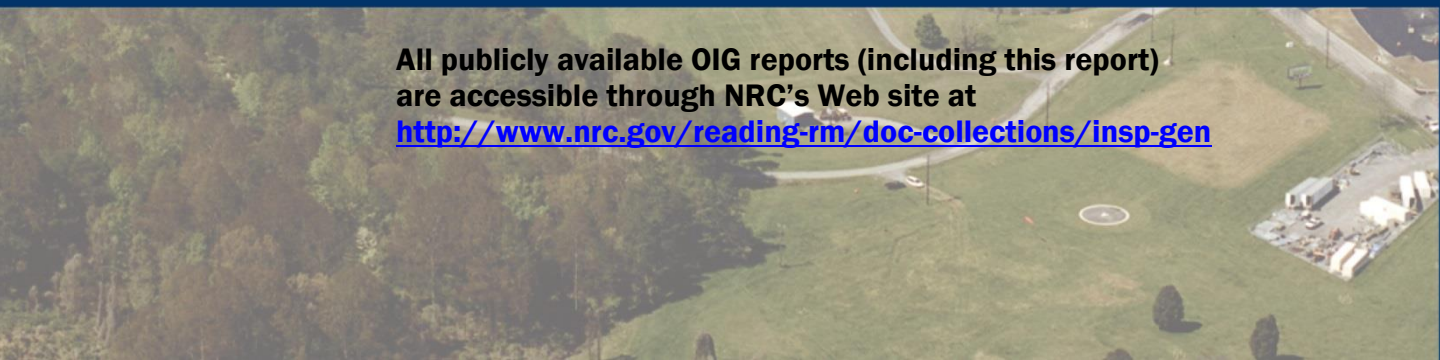
Audit of DNFSB's Telework Program

DNFSB-17-A-06

July 10, 2017



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**DEFENSE NUCLEAR FACILITIES
SAFETY BOARD**

WASHINGTON, D.C. 20004-2901

OFFICE OF THE
INSPECTOR GENERAL

July 10, 2017

MEMORANDUM TO: Glenn Sklar
General Manager
Katherine Herrera
Deputy General Manager

FROM: Dr. Brett M. Baker */RA/*
Assistant Inspector General for Audits

SUBJECT: AUDIT OF DNFSB'S TELEWORK PROGRAM
(DNFSB-17-A-06)

Attached is the Office of the Inspector General's (OIG) audit report titled *Audit of DNFSB's Telework Program*.

The report presents the results of the subject audit. Following the July 5, 2017, exit conference, Board staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendations within 30 days of the date of this memorandum.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at (301) 415-5915 or Eric Rivera, Team Leader, at (301) 415-7032.

Attachment: As stated



Office of the Inspector General

U.S. Nuclear Regulatory Commission
Defense Nuclear Facilities Safety Board

OIG-17-A-06

July 10, 2017

Results in Brief

Why We Did This Review

The Telework Enhancement Act of 2010 (the act), enacted as Public Law 111-292, requires the head of each executive agency to establish and implement a policy under which employees shall be authorized to telework. The law defines telework as a work flexibility arrangement under which an employee performs the duties and responsibilities of his or her position, and other authorized activities, from an approved worksite other than the location from which the employee would otherwise work.

Employees are required to enter into written agreements with their agencies before participating in telework. The agreement outlines the telework arrangement decided upon by the employee and supervisor. DNFSB's directive and operating procedure contain general organizational guidance on the requirements, responsibilities, and procedures concerning the agency's telework program.

The audit objectives were to determine (1) if DNFSB's telework program complies with applicable laws and regulations, and (2) the adequacy of internal controls over the program.

Audit of DNFSB's Telework Program

What We Found

DNFSB's telework directive and operating procedure do not fully address current agency practices, and implementation of internal controls needs to be strengthened. Federal guidance requires agencies to follow specific provisions related to its telework program and maintain effective internal controls over its program. However, while DNFSB staff are currently following Federal guidance in practice, the recently approved directive and operating procedure need to be updated to reflect DNFSB's current practices and Federal guidance. As a result of not updating its policies, DNFSB risks potential (1) noncompliance with Federal guidance, (2) inconsistent application of the policy by supervisors, (3) inaccurate internal and external data reporting on telework, and (4) reduced Continuity of Operations (COOP) readiness.

What We Recommend

This report makes recommendations to improve DNFSB's telework policies to ensure continued compliance with Federal requirements, and consistency in the application of the policies and recordkeeping practices. DNFSB stated their general agreement with the recommendations in this report and did not provide formal comments.

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ABBREVIATIONS AND ACRONYMS

COOP	Continuity of Operations
DNFSB	Defense Nuclear Facilities Safety Board
GAO	Government Accountability Office
OIG	Office of the Inspector General
OPM	Office of Personnel Management
The Act	Telework Enhancement Act of 2010

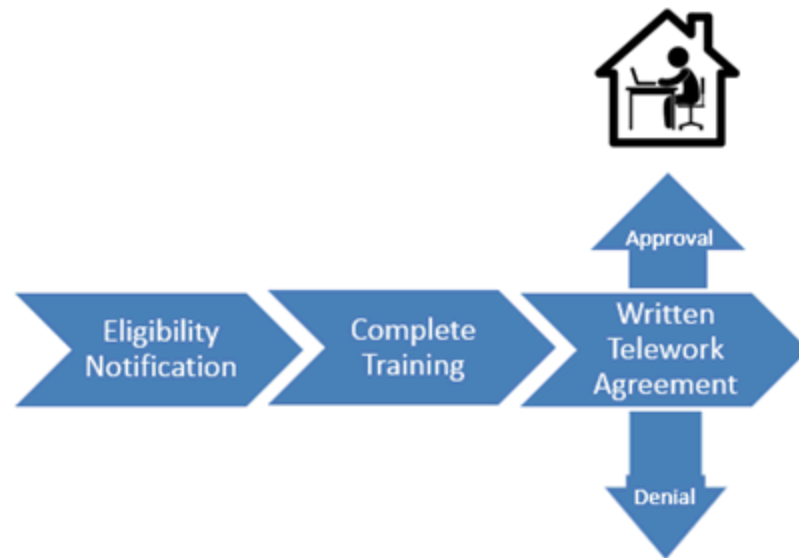
I. BACKGROUND

Federal agencies use telework to diminish the disruption that severe weather and other events may have on the agencies' ability to accomplish their missions. It is also used as an employee retention tool. In addition, telework can save agencies money by reducing the carbon footprint and use of Government facilities.

The Telework Enhancement Act of 2010

The Telework Enhancement Act of 2010 (the Act), enacted as Public Law 111-292, requires the head of each executive agency to establish and implement a policy under which employees shall be authorized to telework. The law defines telework as a work flexibility arrangement under which an employee performs the duties and responsibilities of his or her position, and other authorized activities, from an approved worksite other than the location from which the employee would otherwise work.

The head of each executive agency must ensure that eligible employees and managers of employees who telework receive interactive training on telework. Furthermore, employees are required to enter into written agreements with their agencies before participating in telework. The agreement outlines the telework arrangement decided upon by the employee and supervisor. The Act prescribes a telework approval process (See Figure 1).

Figure 1: Telework Approval Process

Source: Office of the Inspector General (OIG) generated

DNFSB's Telework Policies

In November 2016, the Defense Nuclear Facilities Safety Board (DNFSB) approved Directive D-125.1, *Telework Program*. During March 2017, draft Operating Procedure OP-125.1-1, *Telework Program* was approved. Together the directive and operating procedure contain general organizational guidance on the requirements, responsibilities, and procedures concerning DNFSB's telework program.

DNFSB's Telework Program Roles and Responsibilities

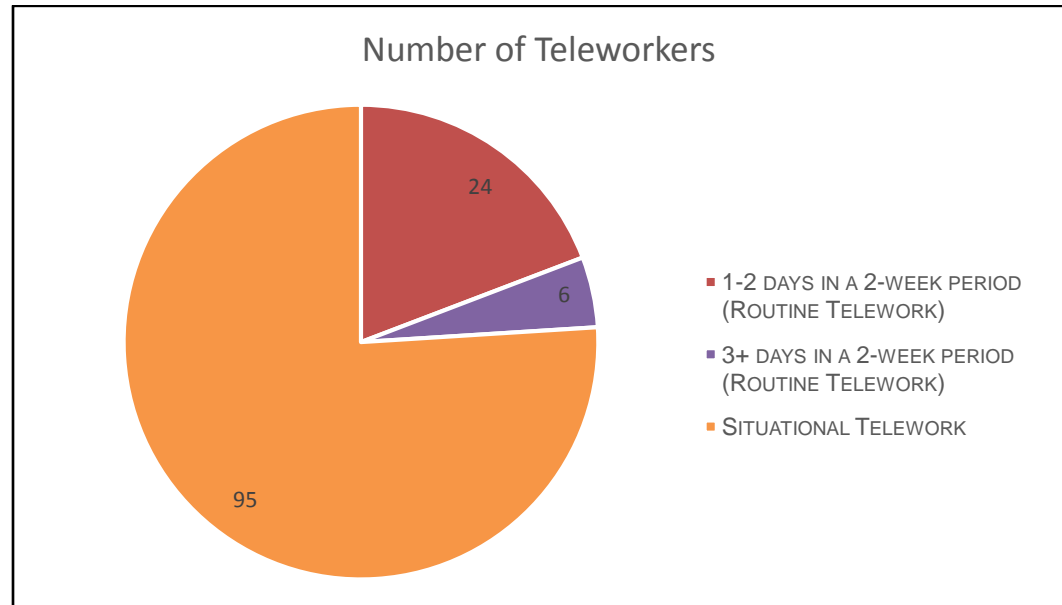
The Division of Human Resources within the DNFSB Office of the General Manager develops, coordinates, and implements work-life and benefits policies, including telework. Division of Human Resources is responsible for some of the following activities: (1) retaining and maintaining employee telework records, (2) providing day-to-day guidance for employees about teleworking policies, (3) ensuring telework agreements are complete and properly documented, and (4) compiling and evaluating data to meet Office of Personnel Management (OPM) reporting requirements.

DNFSB's Telework Managing Officer (1) serves as agency liaison with OPM on the telework program, (2) administers the program through the DNFSB telework coordinator, (3) advises management and employees about the telework program, (4) monitors the overall progress of the

telework program, and (5) develops and updates training for the telework program.

As of September 30, 2016, DNFSB had 110 eligible teleworkers and 103 who actually teleworked during fiscal year 2016. DNFSB reported to OPM that employees teleworked either 1 to 2 days per 2-week period, 3 or more days per 2-week period, or situationally (See Figure 2).

Figure 2: FY 2016 Teleworker Frequency¹



Source: OIG generated using DNFSB's 2016 Telework Data Call Submission to OPM

¹ The total number of teleworkers in Figure 2 equals 125 because employees are counted in both the situational and routine telework categories if they participated in both.

II. OBJECTIVES

The audit objectives were to determine (1) if DNFSB's telework program complies with applicable laws and regulations, and (2) the adequacy of internal controls over the program. The report appendix contains information on the audit scope and methodology.

III. FINDING

DNFSB's telework program provides a benefit to employees and also serves as an effective recruiting and retention tool, however, OIG identified opportunities for program improvement. Specifically, while DNFSB's telework program is generally compliant with applicable laws and regulations, its policies do not fully address current agency practices, and internal controls over the program need to be strengthened.

A. DNFSB's Policies Do Not Fully Address Current Agency Practices; Internal Controls Need To Be Strengthened

DNFSB's telework directive and operating procedure do not fully address current agency practices, and implementation of internal controls needs to be strengthened. Federal guidance requires agencies to follow specific provisions related to its telework program and maintain effective internal controls over its program. However, while DNFSB staff are currently following Federal guidance in practice, the recently approved directive and operating procedure need to be updated to reflect DNFSB's current practices and Federal guidance. As a result of not updating its policies, DNFSB risks potential (1) noncompliance with Federal guidance, (2) inconsistent application of the policy by supervisors, (3) inaccurate internal

and external data reporting on telework, and (4) reduced Continuity of Operations² (COOP) readiness.

What Is Required

Federal Guidance Provides Specific Telework Program Requirements

The Act and OPM's *Guide to Telework in the Federal Government* require Government agencies to establish a policy under which eligible employees may be authorized to telework. The Act requires that eligible employees and managers complete telework training before entering into a written telework agreement. The OPM guide provides guidance on denials and terminations of telework agreements.

Furthermore, the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government*³ states that (1) managers document in policies the internal control responsibilities of the organization; (2) documentation is required to demonstrate the design, implementation, and operating effectiveness of an entity's internal control system; and (3) agencies should use quality information to achieve agency objectives.

DNFSB's telework guidance states a complete telework agreement file requires three forms for each employee: (1) written telework agreement, (2) self-certification safety checklist, and (3) telework training certificate.

What We Found

Policies Do Not Fully Reflect Current Practices, and Implementation of Internal Controls Needs Improvement

DNFSB's telework policies do not fully address current agency practices. Specifically,

² DNFSB's COOP Plan goal is attaining operational capability within 12 hours and sustaining operations for 30 days or longer in the event of a catastrophic event or a national security emergency precluding the use of the DNFSB headquarters facility.

³ Last revised September 2014.

- DNFSB's process for telework denials is unclear because the directive and operating procedure are not consistent on this topic. The directive states that telework termination or denials cannot be grieved or appealed, while the operating procedure states that DNFSB employees have the right to appeal the termination of their telework arrangement.
- DNFSB's telework directive and operating procedure do not list information technology security training as part of the telework requirements, or include completion of this training on the self-certification safety checklist.

In addition, DNFSB's implementation of policies, procedures, and internal controls for the telework program needs improvement. Specifically, DNFSB's official telework files are inconsistent and incomplete. OIG reviewed 116 telework files and discovered required documents were missing from many of the files (See Table 1).

Table 1: Status of DNFSB's Telework Files⁴

Description	Number of Files	Percentage of Total
Missing a written telework agreement	44	38%
Missing a self-certification safety checklist	19	16%
Missing a telework training certificate	24	21%

Source: OIG review of telework files

Moreover, DNFSB's telework agreements are out of date and not regularly reviewed by supervisors or the telework managing officer. In accordance with the new operating procedure dated March 2017, telework agreements are supposed to be reviewed and updated annually.

⁴ Percentages calculated based on the 116 telework files reviewed by OIG.

Why This Occurred

Policies Need Updating and Recordkeeping Needs To Be Consistent

DNFSB's telework policies do not fully address Federal guidance or the agency's current practices because the policies need to be updated. Additionally, DNFSB's telework agreement files do not conform to its current telework guidance. For example, current guidance includes a telework agreement template which has been used for some, but not all, eligible telework employees. Accordingly, the telework files are inconsistent and would pose a challenge when gathering telework data, such as number of teleworkers who worked 1 to 2 days in a 2-week period, for submission to OPM. Furthermore, DNFSB management has not developed a mechanism to keep the agency's telework files consistently updated.

In recent years, DNFSB management has been working on improving the telework policies and procedures. They acknowledge that the policy and training have been a work-in-progress, and have been working to update agreements to ensure compliance with Federal regulations.

Why This Is Important

Potential Risk for Noncompliance, Inaccuracies, and Inconsistency

Without up-to-date guidance, DNFSB risks potential (1) noncompliance with Federal guidance, (2) inconsistent application of the policy by supervisors, and (3) inaccurate internal and external data reporting on the agency's telework program. In addition, without accurate and complete telework agreements and telework policies that address Federal guidance, DNFSB may not be ready for COOP situations to ensure that the agency is able to continue operation of their essential functions.

Recommendations

OIG recommends that DNFSB

1. Revise the telework directive and operating procedure to
 - a. Clarify the process for telework denials,
 - b. List information technology security training as part of the telework requirements, and
 - c. Incorporate a requirement to update agency telework training to reflect changes made in policy.
2. Finish updating all telework agreements in accordance with the telework agreement template.
3. Develop and implement a checklist for telework recordkeeping to ensure the employee telework files are consistent.

V. DNFSB COMMENTS

An exit briefing was held with the agency on July 5, 2017. Prior to this meeting, DNFSB management reviewed a discussion draft and provided comments that have been incorporated into this report as appropriate. As a result, DNFSB management stated their general agreement with the findings and recommendations of this report and chose not to provide formal comments for inclusion in this report.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The audit objectives were to determine (1) if DNFSB's telework program complies with applicable laws and regulations, and (2) the adequacy of internal controls over the program.

Scope

OIG conducted this audit at DNFSB headquarters in Washington, D.C., from September 2016 to May 2017. This audit focused on evaluating the agency's telework program in which employees are able to perform their duties and responsibilities, and other authorized activities from approved worksites other than the location from which the employees would otherwise work. Specifically, OIG focused on compliance with applicable telework laws and regulations and the adequacy of the internal controls for the employees eligible to participate in telework.

Methodology

To accomplish the audit objectives, the audit team reviewed relevant laws, regulations, and guidance, including

- Telework Enhancement Act of 2010.
- OPM's *Guide to Telework in the Federal Government*.
- OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*.
- GAO, Standards for Internal Control in the Federal Government (GAO-14-704G).
- Public Law 107-217, *Codifying Title 40, United States Code, Public Buildings, Property, and Works*.
- Public Law 106-346, *106th Congress, An Act Making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2001, and for other purposes*.

- DNFSB Directive D-125.1: Telework Program, effective November 11, 2016.
- DNFSB Operating Procedure OP-125.1-1: Telework Program, effective March 30, 2017.
- DNFSB Continuity of Operations Plan.
- DNFSB Drug-Free Workplace Plan.

OIG reviewed the following audit reports:

- GAO, *Federal Telework: Additional Controls Could Strengthen Telework Program Compliance and Data Reporting*, GAO-17-247, dated February 2017.
- Department of Commerce, U.S. Patent and Trademark Office, Report Number 14-0990, *Analysis of Patent Examiners' Time and Attendance*, dated August 2016.

OIG attended and observed telework training offered by DNFSB and completed OPM telework fundamental manager training. We also reviewed training records to determine how DNFSB monitors teleworker and management training, and compliance with agency and Federal requirements.

We analyzed reports generated from the DNFSB time and attendance system and compiled a list of employees who had teleworked at least once from fiscal year 2015 to fiscal year 2016. In addition, we interviewed DNFSB board members, management, and technical staff from headquarters to obtain insights into the implementation and oversight of the telework program. Finally, we contacted three Federal agencies - the Farm Credit Administration, the Federal Election Commission, and the Environmental Protection Agency, to gain insight on best practices for telework in the Federal government.

Additionally, we reviewed telework data submitted to OPM by DNFSB for fiscal year 2016. Furthermore, we examined telework files and supporting documentation for the whole population of DNFSB employees.

Supporting documentation included, telework agreements, self-certification safety checklists, and training certificates. These documents were reviewed to determine whether teleworkers completed the required documentation in accordance with agency guidance, and if appropriate supporting documentation was maintained by the Division of Human Resources.

Internal controls related to the audit objective were reviewed and analyzed. DNFSB is generally compliant with relevant laws and regulations. However, per the finding in this report, we identified areas for DNFSB to improve their telework program. Throughout the audit, auditors considered the possibility of fraud, waste, and abuse in the program.

We conducted this performance audit 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit work was conducted by Eric Rivera, Team Leader; Terri Cooper, Audit Manager; Gail Butler, Senior Auditor; Jenny Cheung, Senior Auditor; and William Chung, Auditor.

TO REPORT FRAUD, WASTE, OR ABUSE

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COMMENTS AND SUGGESTIONS

If you wish to provide comments on this report, please email OIG using this [link](#).

In addition, if you have suggestions for future OIG audits, please provide them using this [link](#).