



U.S. Department of State

Independent Accountant's Report on the Application of Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management

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**KEARNEY &
COMPANY**

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**Independent Accountant's Report
on the Application of Agreed-Upon Procedures: Employee Benefits, Withholdings,
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Office of Personnel Management**

Mr. Norbert Vint, Acting Inspector General
U.S. Office of Personnel Management

Kearney & Company, P.C. (referred to as "we" in this report), performed the procedures described in the enclosure to this report, which were agreed to by the Inspector General and the Chief Financial Officer of the U.S. Office of Personnel Management (OPM). These procedures were performed to assist OPM in assessing the reasonableness of retirement, health benefits, and life insurance withholdings and contributions as well as enrollment information submitted via the Semiannual Headcount Report by the Department of State (Department) for the payroll periods ended August 20, 2016, February 4, 2017, and February 18, 2017. In addition, the procedures were performed to assist OPM in identifying and correcting errors relating to processing and distributing Combined Federal Campaign payroll deductions.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. The sufficiency of these procedures and related subject matter is solely the responsibility of the Inspector General and the Chief Financial Officer of OPM. Consequently, we make no representation regarding the sufficiency of the procedures described in the enclosure either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are presented in the enclosure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the withholdings and contributions for retirement, health benefits, and life insurance; the Semiannual Headcount Reports; and the Combined Federal Campaign payroll deductions of the Department. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Inspector General and the Chief Financial Officer of OPM and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record, and its distribution is not limited.



Alexandria, Virginia
September 28, 2017
Enclosure

Procedures Agreed Upon	Findings/Comments
<p>For employee benefit withholding and contributions, obtain the agency payroll provider's (APP) September 2016 and March 2017 Semiannual Headcount Reports submitted to the Office of Personnel Management (OPM) and a summary of Retirement and Insurance Transfer System (RITS) submissions for September 2016 and the current fiscal year. For each program (retirement, health benefits, and life), select a total of three RITS submissions for September 2016 and the current fiscal year; two will coincide with the September 2016 and March 2017 Semiannual Headcount Reports. Obtain payroll information for the periods covered by the RITS submissions selected.</p>	<p>Completed. Selected pay periods 16 (2016) and 3 (2017), which coincided with the September 2016 and March 2017 Semiannual Headcount Reports, respectively. The third pay period selected was pay period 2 (2017).</p>
<p>1. Compare RITS submission data to the payroll information by performing the following procedures (Note: For cross-servicing agencies, if the internal controls are the same for all agencies serviced, it is only necessary to perform this procedure for one agency.):</p> <p>1.a. Recalculate the mathematical accuracy of the payroll information.</p> <p>1.b. Recalculate the mathematical accuracy of each RITS submission for the payroll information selected in step 1.a.</p> <p>1.c. Compare the employee withholding information at the aggregate level for Retirement, Health Benefits, and Life Insurance (as adjusted for reconciling items) shown on the payroll information obtained in step 1.a. to the related amounts shown on the RITS submission for the corresponding period.</p> <p>Report any differences for each of the Retirement, Health Benefits, and Life Insurance (categories) for step 1.c. that are over one percent of the aggregate amount reported for each of the three categories. Obtain a management official name, an explanation, a telephone number, and an email address for the differences above the one percent threshold.</p>	<p>Completed.</p> <p>Completed.</p> <p>Completed.</p> <p>Completed. No differences were found as a result of applying this procedure.</p>
<p>2. Perform detail testing of a random sample of transactions as follows:</p> <p>2.a. Randomly select a total of 25 individuals who were in the payroll system for all three of the RITS submissions selected above that meet all of the following criteria.</p> <ul style="list-style-type: none"> Covered by the Civil Service Retirement System (CSRS) 	<p>Completed.</p>

Procedures Agreed Upon	Findings/Comments
<p>or the Federal Employees Retirement System (FERS).</p> <ul style="list-style-type: none"> Enrolled in the Federal Employees Health Benefits Program. Covered by Basic Life Insurance. <p>Covered by at least one Federal Employees' Group Life Insurance (FEGLI) optional coverage (Option A, B, or C).</p> <p>2.b. Obtain the following documents, either in electronic or hard-copy format, from the Official Personnel File (OPF) for each individual selected in step 2.a. Hard copies can be originals or certified copies.</p> <ul style="list-style-type: none"> All Notifications of Personnel Actions (SF-50) covering the pay periods in the RITS submissions chosen. The Health Benefits Election Form (SF-2809) covering the pay periods in the RITS submissions chosen or, if applicable, obtain a report (via the agency personnel office) from the agency's automated system that allows participants to change benefits (e.g., Employee Express) for any Health Benefits transactions in that system for the individuals selected in step 2.a. (Note: a new SF-2809 is needed only if an employee is changing health benefit plans; therefore, the form could be many years old.) For Health Benefits, compare the date of transaction with the date on the certified copy of the SF-2809 or the agency's automated system report obtained above to identify whether the health benefit information to be used in step 2.f. covers the pay periods in the RITS submissions chosen. The Life Insurance Election Form (SF-2817) covering the pay periods in the RITS submission chosen. (Note: A new SF-2817 is needed only if an employee is changing life insurance coverage; therefore, the form could be many years old.) <p>2.c. For each individual selected in step 2.a, compare the base salary used for payroll purposes and upon which withholdings and contributions generally are based to the base salary reflected on the employee's SF-50. Report any differences resulting from this step, and obtain management's explanation for the differences.</p>	<p></p> <p>Completed.</p> <p>Completed.</p> <p>Completed. No differences were found as a result of applying this procedure.</p> <p>Completed.</p> <p>Completed. No differences were found as a result of applying this procedure.</p>

Procedures Agreed Upon	Findings/Comments
<p>2.d. For Retirement for each individual selected in step 2.a, compare the retirement plan code from the employee's SF-50 to the plan code used in the payroll system. Report any differences resulting from this step, and obtain management's explanation for the differences.</p> <p>2.e For each individual selected in step 2.a, calculate the retirement amount to be withheld and contributed for the plan code from the employee's SF-50 by multiplying the base salary from the employee's SF-50 by the official withholding and contribution rates required by law. Compare the calculated amounts to the actual amounts withheld and contributed for the retirement plan. Report any differences resulting from this step, and obtain management's explanation for the differences.</p> <p>2.f. For Health Benefits for each individual selected in step 2.a, compare the employee withholdings and agency contributions to the official subscription rates issued by OPM for the plan and option elected by the employee, as documented by an SF-2809 in the employee's OPF or automated system that allows the participant to change benefits (e.g., Employee Express). Report any differences resulting from this step, and obtain management's explanation for the differences. The Health Benefits rates can be found on OPM's website at: http://www.opm.gov/insure/health/rates/index.asp.</p> <p>2.g. For Life Insurance for each individual selected in step 2.a, confirm that Basic Life Insurance was elected by the employee by inspecting the SF-2817 documented in the employee's OPF. Report any differences resulting from this step, and obtain management's explanation for the differences.</p> <p>2.h. For each individual selected in step 2.a, calculate the withholding and contribution amounts for Basic Life Insurance using the following:</p> <ul style="list-style-type: none"> For employee withholdings: Round the employee's annual base salary up to the nearest \$1,000 and add \$2,000. Divide this total by 1,000 and multiply by the rate required by law. The Life Insurance rates are on OPM's website at: http://www.opm.gov/insure/life/rates/index.asp. For agency contributions: Divide the employee withholdings calculated above by two. 	<p>Completed. No differences were found as a result of applying this procedure.</p> <p>Completed. No differences were found as a result of applying this procedure.</p> <p>Completed. No differences were found as a result of applying this procedure.</p> <p>Completed. No differences were found as a result of applying this procedure.</p> <p>Completed.</p> <p>Completed.</p>

Procedures Agreed Upon	Findings/Comments
<p>Compare the calculated employee withholdings and agency contributions with the actual amounts withheld and contributed for Basic Life Insurance. Report any differences resulting from this step, and obtain management's explanation for the differences.</p> <p>2.i. Also, for Life Insurance for each individual selected in step 2.a, compare optional coverage elected as documented on the SF-2817 in the employee's OPF with the optional coverage documented in the payroll system. Report any differences resulting from this step, and obtain management's explanation for the differences.</p> <p>2.j. For each individual selected in step 2.a, calculate the withholding amounts for optional life insurance using the following:</p> <ul style="list-style-type: none"> For Option A: Locate the employee's age group using the age groups provided for Option A in the FEGLI Program Booklet. The withholding amount to be used is the rate listed in the FEGLI Program Booklet for that age group. Compare the calculated amount with the amount withheld for Option A Life Insurance. Report any differences resulting from this step, and obtain management's explanation for the differences. 	<p>Completed. No differences were found as a result of applying this procedure.</p> <p>Completed. Three out of 25 employees had elected optional coverage in the SF-2817 that did not agree with the optional coverage documented in the payroll system. Specifically, the first employee's SF-2817 indicated that the employee had elected Basic + Option A + Option C, but the payroll system indicated that the employee had elected Basic + Option A + Option B (1x). The second employee's SF-2817 indicated that the employee had elected Basic + Option B (2x), but the payroll system indicated that the employee had elected Basic + Option A + Option B (5x). The third employee's SF-2817 indicated that the employee had elected Basic, but the payroll system indicated that the employee had elected Basic + Option B (5x). Management was unable to provide an explanation for these differences.</p> <p>Completed. No differences in calculations were found as a result of applying this procedure. However, one employee's optional coverage elections on their SF-2817 did not agree with the optional coverage documented in the payroll system. Specifically, the SF-2817 indicated that the employee had elected</p>

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<ul style="list-style-type: none"> For Option B: Inspect the SF-2817 to obtain the number of multiples chosen for Option B. Locate the employee's age group using the age groups provided for Option B in the FEGLI Program Booklet. Round the employee's annual rate of basic pay up to the next 1,000, divide it by 1,000, and then multiply it by the rate for the respective age group. Multiply this amount by the number of multiples chosen for Option B Life Insurance. Compare the calculated amount with the amount withheld for Option B Life Insurance. Report any differences resulting from this step, and obtain management's explanation for the differences. 	<p>Basic + Option B (2x), but the payroll system indicated that the employee had elected Basic + Option A + Option B (5x). Because of the difference in elections, the Department withheld \$0.20 for Option A when it should not have withheld anything. Management was unable to provide an explanation for this difference.</p> <p>Completed.</p> <p>No differences in calculations were found as a result of applying this procedure. However, three employees' optional coverage elections on their SF-2817 did not agree with the optional coverage documented in the payroll system. Specifically, the first employee's SF-2817 indicated that the employee had elected Basic + Option A + Option C, but the payroll system indicated that the employee had elected Basic + Option A + Option B (1x). Because of the difference in elections, the Department withheld \$66.96 for Option B (1x) when it should not have withheld anything. The second employee's SF-2817 indicated that the employee had elected Basic + Option B (2x), but the payroll system indicated that the employee had elected Basic + Option A + Option B (5x). Because of the difference in elections, the Department withheld \$13.10 for Option B (5x) when it should have withheld \$5.24 for Option B (2x). The third employee's SF-2817 indicated that the employee had elected Basic, but the payroll system indicated that the employee had elected Basic + Option B (5x). Because of the difference in elections, the Department withheld \$15.75 for Option B (5x) when it should not have withheld anything. Management was unable to provide an</p>

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<ul style="list-style-type: none"> For Option C: Inspect the SF-2817 to obtain the number of multiples chosen for Option C. Locate the employee's age group using the age groups provided for Option C in the FEGLI Program Booklet. Multiply the rate for the age group by the number of multiples chosen for Option C Life Insurance. Compare the calculated amount with the amount withheld for Option C Life Insurance. Report any differences resulting from this step, and obtain management's explanation for the differences. 	<p>explanation for these differences.</p> <p>Completed.</p> <p>No differences in calculations were found as a result of applying this procedure. However, the optional coverage elections on one employee's SF-2817 did not agree with the optional coverage documented in the payroll system. Specifically, the employee's SF-2817 indicated that the employee had elected Basic + Option A + Option C, but the payroll system indicated that the employee had elected Basic + Option A + Option B (1x). Because of the difference in elections, the Department did not withhold anything for Option C; however, the amount that should have been withheld could not be calculated because the SF-2817 provided was dated prior to the Option C elections multiplier's being implemented. Management was unable to provide an explanation for these differences.</p>
<p>3. Randomly select a total of 10 employees who have no Health Benefits withholdings from the payroll information corresponding to the three RITS submissions selected above, and perform the following steps for each employee selected:</p> <p>3.a. Obtain SF-2809s covering the pay periods in the RITS submissions chosen, either in electronic or hard-copy format, from the selected employee's OPF or, if applicable, obtain a report (via the agency personnel office) from the agency's automated system that allows participants to change benefits (e.g., Employee Express) for any Health Benefit transactions in that system for the individuals selected. Hard copies can be originals or certified copies. Inspect the documentation (that is, SF-2809 or the agency's system-generated report) to identify whether health benefits coverage was not elected. This can be identified in the following ways:</p> <ul style="list-style-type: none"> Absence of an SF-2809 in the OPF and no election of coverage made through the agency's automated system that allows participants to change benefits (e.g., Employee Express), or 	<p>Completed.</p> <p>Completed.</p>

Procedures Agreed Upon	Findings/Comments
<ul style="list-style-type: none"> An SF-2809 in the OPF with Section E checked (indicating cancellation of coverage) and no later election of coverage through the agency's automated system that allows participants to change benefits (e.g., Employee Express), or Cancellation of coverage through the agency's automated system that allows participants to change benefits (e.g., Employee Express) and no later election of coverage with an SF-2809. <p>3.b. Compare the results in step 3.a. with the RITS submissions. Report any differences resulting from this step, and obtain management's explanation for the differences.</p>	<p>Completed. No differences were found as a result of applying this procedure.</p>
<p>4. Randomly select a total of 10 employees who have no Life Insurance withholdings from the payroll information corresponding to the three RITS submissions selected above, and perform the following steps for each employee selected:</p> <p>4.a. Obtain the SF-2817s covering the pay periods in the RITS submissions chosen, either in electronic or hard-copy format, from the selected employee's OPF. Hard copies can be originals or certified copies. Inspect the SF-2817 to identify that the employee waived or canceled Basic Life Insurance coverage.</p> <p>4.b. Compare the result in step 4.a. with the RITS submissions. Report any differences resulting from this step, and obtain management's explanation for the differences.</p>	<p>Completed.</p> <p>Completed. Two out of 10 employees' SF-2817s were not provided and as a result we could not verify whether the employee waived/canceled life insurance coverage. Management was unable to provide an explanation for these differences.</p> <p>Completed. Two out of 10 employees' SF-2817s were not provided. Management was unable to provide an explanation for this difference.</p>
<p>5. Calculate the headcount reflected on the September 2016 and March 2017 Semiannual Headcount Reports selected as follows:</p> <p>5.a. Obtain existing payroll information (from step 1.a.) supporting each Supplemental Semiannual Headcount report. If existing payroll data are not available, obtain a payroll system query that summarizes detailed payroll data supporting each Supplemental Semiannual Headcount Report as follows:</p> <ul style="list-style-type: none"> Benefit Category (see Semiannual Headcount Report) Dollar Amount of withholdings and contributions 	<p>Completed.</p>

Procedures Agreed Upon	Findings/Comments
<ul style="list-style-type: none"> • Number Enrolled (deductions made/no deductions) • Central Personnel Data File Code • Aggregate Base Salary <p>5.b. Recalculate the Headcount reflected on each Semiannual Headcount Report. If an electronic file is not available, a suggested method of recalculating the Headcount is as follows: (1) estimate the number of employees per payroll register page by counting the employees listed on several pages, (2) count the number of pages in the payroll register, and (3) multiply the number of employees per page by the number of pages or count (using a computer audit routine) the number of employees on the payroll data file for the period.</p> <p>5.c. Compare the payroll information obtained in step 5.a and the calculated headcount from step 5.b with the information shown on each respective Semiannual Headcount Report.</p> <p>5.d. Report any differences (i.e., gross rather than net) greater than two percent between the Headcount reporting on each respective agency Semiannual Headcount Report and payroll information from step 5.a and the calculated Headcount from step 5.b. Obtain a management official's name, telephone number, email address, and an explanation for the differences.</p>	<p>Completed.</p> <p>Completed.</p> <p>Completed. No differences were found as a result of applying this procedure.</p>
<p>6. Calculate employer and employee contributions for Retirement, Health Benefits, and Life Insurance as follows:</p> <p>6.a. Calculate Retirement withholdings and contributions for the three pay periods selected in step 1.a as follows:</p> <ul style="list-style-type: none"> i. Multiply the CSRS and FERS payroll base by the withholding and employer contribution rates required by law. ii. Compare the calculated totals from step 6.a.i to the related amounts shown on the RITS submissions. Report any differences (i.e., gross rather than net) between the calculated amounts and the amounts reported on the RITS submissions greater than five percent of the amounts on the RITS submission, and obtain management's explanation for the differences. <p>6.b. Calculate employee withholdings and employer contributions for Health Benefits for the three pay periods selected in step 1.a as follows:</p>	<p>Completed.</p> <p>Completed. No differences were found as a result of applying this procedure.</p>

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<ul style="list-style-type: none"> i. Multiply the number of employees enrolled in each Health Benefits plan and plan option by the employee withholdings and employer contributions for the plan and option. ii. Sum the totals in step 6.b.i, and compare the results with the Health Benefit withholding and contribution amounts shown on the RITS submissions. Report any differences (i.e., gross rather than net) between the calculated amounts and the amounts reported on the RITS submissions greater than five percent of the amounts on the RITS submission, and obtain management's explanation for the differences. 	<p>Completed.</p> <p>Completed. No differences were found as a result of applying this procedure.</p>
<p>6.c. Calculate the Basic Life Insurance employee withholdings and employer contributions for the three pay periods selected in step 1.a as follows:</p>	
<ul style="list-style-type: none"> i. Obtain a payroll system query from APP personnel to obtain the total number of employees with Basic Life Insurance coverage and the aggregate annual basic pay for all employees with Basic Life Insurance. 	<p>Completed.</p>
<ul style="list-style-type: none"> ii. For employee withholdings: Add the product of 2,500 times the number of employees with Basic Life Insurance coverage from step 6.c.i to the aggregate annual basic pay for all employees with Basic Life Insurance from step 6.c.i to calculate the estimated total Basic Life Insurance coverage. Divide this calculated total by 1,000, and multiply it by the withholding rate required by law. The Basic Life Insurance withholding rates are in the FEGLI Program Booklet on OPM's website. 	<p>Completed.</p>
<ul style="list-style-type: none"> iii. Compare the results in step 6.c.ii to the withholdings for Basic Life Insurance coverage reported on the RITS submission. Report any difference (i.e., gross rather than net) between the estimate and the amount of withholdings reported on the RITS submission greater than five percent of the amounts on the RITS submission, and obtain management's explanation for the difference. 	<p>Completed. No differences were found as a result of applying this procedure.</p>
<ul style="list-style-type: none"> iv. For agency contributions: Divide the results of step 6.c.ii 	<p>Completed.</p>

Procedures Agreed Upon	Findings/Comments
<p>by two—this approximates agency contributions, which are one-half of employee withholdings. Compare this result to the amount reported on the RITS submission. Report any differences (i.e., gross rather than net) between the estimated amount and the actual amount reported on the RITS submission greater than five percent of the amounts on the RITS submission, and obtain management’s explanation for the differences.</p> <p>6.d. Calculate the Option A, Option B, and Option C Life Insurance coverage withholdings for the three pay periods selected by using detailed payroll reports used to reconcile the RITS reports in Step 1 on page 2. In addition to the information used for step 1, the reports should include the employee's date of birth, annual rate of basic pay, and number of multiples selected for Options B and C. (Note: While similar to step 2.j, the calculation at this step is for the entire amount reported on the RITS submissions for the three pay periods selected, as opposed to the sample of 25 employees in step 2.j.)</p> <ul style="list-style-type: none"> i. Multiply the number of employees in each age group by the appropriate rate for Option A in accordance with the rates for age groups provided in the FEGLI Program Booklet. ii. Compare the result in step 6.d.i with the amounts for Option A reported on the RITS submissions. Report any differences (i.e., gross rather than net) greater than two percent of the amounts on the RITS submission, and obtain management’s explanation for the differences. iii. Segregate the reports for Option B and Option C insurance into the age groups shown in the FEGLI Program Booklet. For Option B, round the employee’s annual rate of basic pay up to the next 1,000, then divide 	<p>No differences were found as a result of applying this procedure.</p> <p>Completed.</p> <p>Completed. When comparing the results in step 6.d.i with the amounts for Option A reported on the RITS submission for September 2016, we identified differences greater than 2 percent of the amount. Management stated the calculation of the withholding amount is based on a per-period amount and that the RITS file contained the withholding amount plus adjustments made. Additionally, management provided documentation that showed the correct amount minus adjustments.</p> <p>Completed.</p>

Procedures Agreed Upon	Findings/Comments
<p>it by 1,000, and then multiply this amount by the rate for the age group by then multiplying this by the number of multiples:</p> <p>(Annual rate of basic pay [rounded up] /1000*rate*multiples).</p> <p>For Option C, multiply the rate for the age group by the number of multiples chosen for each employee.</p> <p>iv. Compare the result in step 6.d.iii with the amounts for Option B and Option C, respectively, reported on the RITS submissions. Report any differences (i.e., gross rather than net) greater than two percent of the amounts on the RITS submission for Option B or Option C, and obtain management's explanation for the differences.</p>	<p>Completed.</p> <p>No differences were found as a result of applying this procedure.</p>
<p>For the Combined Federal Campaign (CFC) payroll deductions, obtain the following documentation for the Federal agencies serviced by the APP:</p> <p>a) A list of all field offices/duty stations in existence during the fall of 2016 CFC solicitation period (September 1, 2016, through December 31, 2016) for each Federal agency serviced. The list must include either the OPM Official Duty Station Code or the county, city, state, and zip code for the field office.</p> <p>b) A list of all local CFC campaigns and the areas they cover. This list should be obtained directly from the OPM CFC by sending an e-mail request to cfc-compliance@opm.gov.</p> <p>c) A list of accounting codes used by the APP to identify each local CFC campaign. The list should include the accounting code, name of campaign, name of Principal Combined Fund Organization (PCFO) for that campaign, and address of PCFO.</p> <p>d) A report of all employees with CFC deductions from the RITS submission selected to coincide with the March 2017 Semiannual Headcount. The report must include each employee's official duty station location and the APP's accounting code identifying the campaign to which each employee's funds are being distributed.</p>	<p>Completed.</p> <p>Completed.</p> <p>Completed.</p> <p>Completed.</p>

Procedures Agreed Upon	Findings/Comments
<p>7. Compare the list of field offices/duty stations with the list of local CFC campaigns obtained from OPM's Office of Combined Federal Campaign Operations (OCFCO).</p> <p>7.a. Determine in which campaign each field office/duty station is located. (Note: It is possible for a field office/duty station to be in a location with no local CFC campaign.)</p>	<p>Completed.</p> <p>Completed.</p>
<p>8. Compare the list of accounting codes with the identified campaigns for each field office/duty station.</p> <p>8.a. Determine the accounting code for each field office/duty station.</p> <p>8.b. Determine whether the name of the campaign, PCFO, and address of the PCFO in the APP system agree with the information for that field office/duty station on the list of local CFC campaigns obtained from OPM's OCFCO.</p>	<p>Completed.</p> <p>Completed. The Department uses the CFC Location Code as the accounting code.</p> <p>Completed. Three CFC Location Codes (140, 432, and 838) used by the Department were not listed by OPM as proper CFC Location Codes.</p>
<p>9. Sort the report of all employees with CFC deductions by Official Duty Station.</p> <p>9.a. Compare the Official Duty Stations with the campaigns identified for those locations.</p> <p>9.b. Compare the Accounting Codes for each employee with CFC deductions with the accounting code for that employee's Official Duty Station.</p> <ul style="list-style-type: none"> Determine whether this agrees with the accounting code identified for that field/duty station. 	<p>Completed.</p> <p>Completed. No differences were found as a result of applying this procedure.</p> <p>Completed. The Department uses the CFC Location Code to ensure that CFC deductions are being made to the correct campaign on the basis of the employee's Official Duty Station. Accordingly, we compared each employee's CFC Location Code with the city and state of the employee's Official Duty Station. Of the 1,758 individual contributions tested, we identified 2 instances in which the employee's Official Duty Station did not agree with the CFC location code.</p>
<p>10. From the list of accounting codes that do not agree with the field office/duty station, select a judgmental sample of four pledges per Federal agency/department and request the hard-copy</p>	<p>Completed. From the two instances identified in step 9.b, we selected both pledges from the</p>

Procedures Agreed Upon	Findings/Comments
<p>pledge form from the agency/department.</p> <ul style="list-style-type: none"> Determine whether the pledge form used was for the correct campaign based on the official duty station. 	<p>Department. For the two pledges selected, one campaign was incorrect on the basis of the sampled employee's official duty station, and the Department was unable to provide the pledge form for the other sampled employee.</p>
<p>CFC AUP Evaluation: Report as a finding the following:</p> <ol style="list-style-type: none"> All instances in which the name of the campaign, PCFO, or address of the PCFO on the list of accounting codes from the Federal Payroll Office does not agree with the information on the list of all local CFC campaigns obtained from OPM's CFC. A chart detailing the differences should be included. Obtain management's explanation for the differences and a corrective action plan. All instances in which a Federal agency has a CFC deduction for an employee whose official duty station is in an area with no local CFC campaign. A chart listing the Federal agency, the duty station code, and the campaign receiving the funds should be included. Obtain management's explanation for the differences and a corrective action plan. All instances in which the accounting code for an employee with CFC deductions does not agree with the accounting code for that employee's official duty station. A chart listing the Federal agency, the duty station code, the campaign used, and the correct campaign should be included. Obtain management's explanation for the differences and a corrective action plan. 	<p>We identified three instances in which the Department information does not agree with the information on the list of all local CFC campaigns obtained from OPM's CFC. Specifically, the Department's payroll system included three CFC Location Codes (140, 432, and 838) that were not listed by OPM as proper CFC Location Codes. Management stated that, although these CFC Location Codes were in the payroll system, no contributions were made to any of these CFC Location Codes. A chart listing the campaign code used, the Federal agency, the duty station location, the correct campaign code, and the correct campaign is attached to this report.</p> <p>No instances were identified in which the Department had a CFC deduction for an employee whose official duty station was in an area with no local CFC campaign.</p> <p>We identified two instances in which the employee's official duty station did not agree with the CFC Location Code. A chart listing the Federal agency, the duty station location (city), the duty station location (country/state), the campaign used, and the correct campaign is attached to this report. Management concurred that in</p>

Procedures Agreed Upon	Findings/Comments
<p>d) All instances in which the incorrect pledge form was used by the employee. A chart listing the Federal agency, the correct campaign, and the campaign used should be included.</p>	<p>FY 2017 individuals made CFC pledges outside their geographic duty stations. Management noted that OPM has announced the launch of the “Universal Giving Campaign.” Under this format, employees are allowed to contribute to any organization, regardless of geographic location, that appears on the CFC charity list.</p> <p>We identified one instance in which an incorrect pledge form was completed by the employee and another instance in which the Department was unable to provide the employee’s pledge form. A chart listing the Federal agency, the correct campaign, and the campaign used is attached to this report</p>

Combined Federal Campaign Agreed-Upon Procedures Evaluation - Step A

Number	Campaign Code Used	Federal Agency	Duty Station Location Used	Correct Campaign Code	Correct Campaign
1	140	19 -State Department	Colorado Springs, CO	141	Rocky Mountain CFC
2	432	19 -State Department	Hamden, CT	427	Massachusetts, Connecticut, and Rhode Island CFC
3	838	19 -State Department	Corpus Christi, TX	845	Texas Coast CFC

Combined Federal Campaign Agreed-Upon Procedures Evaluation - Step C

Number	Federal Agency	Duty Station Location (City)	Duty Station Location (Country/State)	Campaign Used	Correct Campaign
1	19 -State Department	San Diego	California	Northern New England CFC	SoCal CFC
2	19 -State Department	El Paso	Texas	CFC of the National Capital Area	Desert Southwest CFC

Combined Federal Campaign Agreed-Upon Procedures Evaluation - Step D

Number	Federal Agency	Correct Campaign	Campaign Used
1	19 -State Department	SoCal CFC	Northern New England CFC
2	19 -State Department	Desert Southwest CFC	CFC of the National Capital Area