



United States Department of Agriculture

Office of Inspector General





Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to OPM

Report 11401-0008-11

What Were OIG's

Objectives

To perform procedures to assist OPM in (1) assessing the reasonableness of retirement, health benefits, and life insurance withholdings and contributions, as well as enrollment information submitted via the *Supplemental Semiannual Headcount Report*, and (2) identifying errors relating to processing and distributing CFC payroll deductions.

What OIG Reviewed

We performed agreed-upon audit procedures as required on Federal employee benefits, enrollment information, and CFC payroll deductions, as of August 31, 2014. Our review included information submitted for the Departments of Agriculture, Commerce, Homeland Security, Housing and Urban Development, Justice, Labor, and the Treasury, as well as the Agency for International Development and the Small Business Administration.

What OIG Recommends

We do not make any recommendations in this report.

OIG performed agreed-upon procedures for assessing information reported by USDA's National Finance Center.

What OIG Found

The Department of Agriculture's National Finance Center (NFC) reports Federal employee benefits, and enrollment information, to the Office of Personnel Management (OPM). Reported information includes headcounts, as well as withholdings and contributions for retirement, health benefits, and life insurance. Additionally, NFC withholds employees' Combined Federal Campaign (CFC) contributions and distributes them to Principal Combined Fund Organizations (PCFO). In applying agreed-upon audit procedures, we identified differences through calculations, analyses, and comparisons. For instance, we again identified headcounts for military deposits and for salary offsets that often differed from NFC's by more than 2 percent, as did some headcounts relating to health, life insurance, and/or retirement benefits. In general, NFC stated that further analyses will be performed to address any issues that the programming changes from last year were not designed to address.

Additionally, we identified CFC deductions for employees at duty stations with no CFC, or attributed to the wrong CFC, sometimes because an incorrect CFC pledge form was used. We also noted some instances where PCFO names and addresses in NFC's system differed from those deemed correct by OPM. Generally, NFC attributed most CFC differences to manual processes and human error. NFC noted a low error rate overall, and that it was responsible for very few of these differences.

Our sample document review disclosed five errors for benefits entered into the system by entity staff. Furthermore, we were unable to verify entries for 85 personnel documents we tested because entities' personnel officers were unable to locate the documents. However, to ensure that information from the system was accurate, we performed any applicable calculations for salary, retirement, and life and health insurance. We noted no exceptions.



United States Department of Agriculture
Office of Inspector General
Washington, D.C. 20250



September 25, 2014

The Honorable Patrick E. McFarland
Inspector General
U.S. Office of Personnel Management
Office of Inspector General
Theodore Roosevelt Federal Building
1900 E Street, NW., Room 6400
Washington, D.C. 20415-0001

SUBJECT: Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management

Dear Mr. McFarland:

This report presents the results of the Agreed-Upon Procedures performed on the subject information processed by the Department of Agriculture's Office of the Chief Financial Officer/National Finance Center as of August 31, 2014.

Our review included information for the following entities, listed in Appendix A of the Office of Management and Budget (OMB) Bulletin 14-02, *Audit Requirements for Federal Financial Statements*, dated October 21, 2013: Department of Agriculture, Department of Commerce, Department of Homeland Security, Department of Housing and Urban Development, Department of Justice, Department of Labor, Department of the Treasury, Agency for International Development, and Small Business Administration.

This review was performed as required by OMB and in accordance with applicable generally accepted government auditing standards and the *Statements of Standards for Attestation Engagements*, established by the American Institute of Certified Public Accountants.

If you have questions, please contact me at (202) 720-6945, or have a member of your staff contact Ernest M. Hayashi, Director, Farm, Trade, Research, and Environment Division, at (202) 720-2887.

Sincerely,

Gil H. Harden
Assistant Inspector General for Audit

cc:

Dennis D. Coleman, Chief Financial Officer, Office of Personnel Management

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Independent Auditors' Report

To: Honorable Patrick E. McFarland
Inspector General
U.S. Office of Personnel Management

We have performed the procedures described in Exhibit A, which were agreed to by the Inspector General and Chief Financial Officer of the Office of Personnel Management (OPM), solely to assist OPM with respect to the employee withholdings and employer contributions reported by the Department of Agriculture's Office of the Chief Financial Officer/National Finance Center (NFC) on the Standard Form 2812, *Report of Withholdings and Contributions for Health Benefits, Life Insurance, and Retirement*, and OPM 1523, *Supplemental Semiannual Headcount Report*,¹ as of August 31, 2014. The reports submitted by NFC included information for the following entities listed in Appendix A of the Office of Management and Budget (OMB) Bulletin 14-02, *Audit Requirements for Federal Financial Statements*: Department of Agriculture, Department of Commerce, Department of Homeland Security, Department of Housing and Urban Development, Department of Justice, Department of Labor, Department of the Treasury, Agency for International Development, and Small Business Administration. Furthermore, we performed agreed-upon procedures to assist OPM with identifying errors relating to processing and distributing Combined Federal Campaign payroll deductions.

The engagement to apply the Agreed-Upon Procedures was performed in accordance with applicable generally accepted government auditing standards and the statement of standards for attestation engagements established by the American Institute of Certified Public Accountants. The sufficiency of the procedures 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 either for the purpose for which this report has been requested or for any other purpose. The results of the engagement are detailed in Exhibits A through E.

We are not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the withholdings and contributions for health benefits, life insurance, and retirement; the Combined Federal Campaign; and the headcount reports prepared by NFC. 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.

¹ We selected our samples from Pay Period (PP) 16 (August 11, 2013, through August 24, 2013, paid September 5, 2013), PP 26 (December 29, 2013, through January 11, 2014, paid January 23, 2014), and PP 3 (February 9, 2014, through February 22, 2014, paid March 6, 2014). PPs 16 and 3 coincided with the OPM 1523, *Supplemental Semiannual Headcount Report*.

This report is intended solely for the use of the Inspector General and Chief Financial Officer of OPM and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Gil H. Harden
Assistant Inspector General for Audit

September 8, 2014

Abbreviations

CFC	Combined Federal Campaign
CRP	Central Receipt Point
CSRS	Civil Service Retirement System
FEGLI	Federal Employees' Group Life Insurance
FEHB	Federal Employees Health Benefits
FERS	Federal Employees' Retirement System
FERS-FRAE	Federal Employees' Further Revised Annuity Employees System
FERS-RAE	Federal Employees Revised Annuity Employees System
HUD	Department of Housing and Urban Development
NFC	National Finance Center
OCFO	Office of the Chief Financial Officer
OCFCO	Office of CFC Operations
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPF	Official Personnel File
OPM	Office of Personnel Management
PP	Pay Period
RITS	Retirement and Insurance Transfer System
SF	Standard Form
TMGT	Table Management
USDA	Department of Agriculture

Exhibit A: Procedures Performed and Results

Exhibit A – Page 1 of 15

1. Compare the Retirement and Insurance Transfer System (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):
 - a. Recalculate the mathematical accuracy of the payroll information.
 - b. Recalculate the mathematical accuracy of each RITS submission for the payroll information selected in step 1.a.
 - 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.

Report any differences for each of the retirement, health benefits, and life insurance (categories) for step 1.c. that are over 1 percent of the aggregate amount reported for each of the three categories. Obtain a management official name, an explanation, telephone number, and an email address for the differences above the 1 percent threshold.

Results

There were no differences over 1 percent.

2. See substeps below.
 - a. Randomly select a total of 25 individuals (from each Department) who were in the payroll system for all three of the RITS submissions selected above that meet all of the following criteria. In addition, (1) randomly select five individuals (from each Department) who are under Federal Employees Revised Annuity Employees System (FERS-RAE) to test that their FERS-RAE contribution rate was calculated correctly and (2) randomly select five individuals (from each Department) who are under Further Revised Annuity Employees System (FERS-FRAE) to test that their FERS-FRAE contribution rate was calculated correctly:
 - Covered by the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS);
 - enrolled in the Federal Employees Health Benefits (FEHB) Program;
 - covered by Basic Life Insurance; and
 - covered by at least one Federal Employees' Group Life Insurance (FGLI) optional coverage (Option A, B, or C).

Exhibit A: Procedures Performed and Results

Results

FERS-FRAE withholdings were not tested during this review because the Office of the Chief Financial Officer/National Finance Center (NFC) did not implement the required changes in retirement plan codes and rates until after the selected Pay Periods (PP) of review. NFC stated that it implemented the FERS-FRAE changes for the new codes/rates in PP 8, 2014. All agencies that NFC provides payroll services to could potentially be affected by this Governmentwide change.

- 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.
 - All Notifications of Personnel Actions Standard Form-50 (SF) covering PP in the RITS submissions chosen;
 - the Health Benefits Election Form (SF-2809) covering the PPs 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); and
 - 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 PPs in the RITS submissions chosen.
 - the Life Insurance Election Form (SF-2817) covering the PPs 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).

Results

Personnel officers were not able to locate 79 requested personnel documents for the 9 entities reviewed; however, we performed the calculations for salary, retirement, and life and health insurance in these cases to ensure that the information from the NFC system was accurate. The following table lists the number of missing forms from each entity.

Exhibit A: Procedures Performed and Results

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Entity	SF-50	FEHB	FEGLI
Department of Agriculture	1	4	2
Agency for International Development	25	9	13
Department of Commerce	0	2	1
Department of Justice	0	0	1
Department of Labor	3	1	1
Department of Homeland Security	0	2	4
Department of Housing and Urban Development	0	2	3
Small Business Administration	0	3	1
Department of the Treasury	0	0	1
Totals	29	23	27

- 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.

Results

No exceptions were noted.

- 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.

Results

No exceptions were noted.

- 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.

Exhibit A: Procedures Performed and Results

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Results

No exceptions were noted.

- 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>.

Results

No exceptions were noted.

- 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.

Results

No exceptions were noted.

- h. For each individual selected in step 2.a., calculate the withholding and contribution amounts for Basic Life Insurance using the following:
 - For employee withholdings: round the employee's annual base salary up to the nearest thousand dollars 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.

Compare the calculated employee withholdings and agency contributions to the actual amounts withheld and contributed for the Basic Life Insurance. Report any differences resulting from this step and obtain management's explanation for the differences.

Exhibit A: Procedures Performed and Results

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Results

No exceptions were noted.

- 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 to the optional coverage documented in the payroll system. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

We found four FEGLI codes in the payroll system that did not match the optional coverage elected on the SF-2817 – two from the Agency for International Development and one each from the Department of Agriculture and the Department of Justice. All four errors were confirmed by agency personnel. Agency personnel at the Department of Agriculture and the Department of Justice confirmed the errors had been corrected. Additionally, agency personnel at the Agency for International Development confirmed their plan to correct the errors.

- j. For each individual selected in step 2.a., calculate the withholding amounts for optional life insurance using the following:
 - 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 to the amount withheld for Option A Life Insurance. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

No exceptions were noted, other than the four errors noted in 2i above.

- 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 to the amount withheld for Option B Life Insurance. Report any differences resulting from this step and obtain management's explanation for the differences.

Exhibit A: Procedures Performed and Results

Results

No exceptions were noted.

- 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 to the amount withheld for Option C Life Insurance. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

No exceptions were noted.

3. Randomly select a total of 10 employees (from each Department) who have no health benefits withholdings from the payroll information corresponding to the three RITS submissions selected above and perform the following for each employee selected.
 - a. Obtain SF-2809s covering the PPs 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:
 - 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
 - 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 coverage with an SF-2809.
 - b. Compare the result in step 3.a. to the RITS submissions. Report any differences resulting from this step and obtain management's explanation for the differences.
-

Exhibit A: Procedures Performed and Results

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Results

Personnel officers could not locate four of the SF-2809 forms in the employees' OPF supporting cancellations (one each at the Agency for International Development and the Department of Labor, and two from the Department of Homeland Security).

Additionally, for one employee at the Department of Homeland Security, we noted that health insurance had been elected; however, the payroll system showed coverage was cancelled. As a result, no health deductions were made for the PPs under review.

Department of Homeland Security personnel confirmed they did not have documentation supporting the cancellation but did not provide an explanation.

4. Randomly select a total of 10 employees (from each Department) who have no life insurance withholdings from the payroll information corresponding to the three RITS submissions selected above and perform the following for each employee selected.
 - a. Obtain the SF-2817s covering the PPs 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 cancelled Basic Life Insurance coverage.
 - b. Compare the results in step 4.a. to the RITS submissions. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

Personnel officers could not locate two of the SF-2817 forms (one each at the Agency for International Development and the Department of Housing and Urban Development).

No exceptions were noted for the forms provided.

5. Calculate the headcount reflected on the September 2013 and March 2014 *Semiannual Headcount Report* selected, as follows.
 - 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 summarized detailed payroll data supporting each *Supplemental Semiannual Headcount Report*, as follows:
 - Benefit Category (see *Supplemental Semiannual Headcount Report*),
 - dollar amount of withholdings and contributions,

Exhibit A: Procedures Performed and Results

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- number enrolled (deductions made/no deductions),
 - central personnel data file code, and
 - aggregate base salary.
- b. Recalculate the headcount reflected on each *Supplemental 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.
- c. Compare the payroll information obtained in step 5.a. and the calculated headcount from step 5.b. to the information shown on each respective *Semiannual Headcount Report*.
- d. Report any differences (i.e., gross rather than net) greater than 2 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 name, telephone number, an email address, and an explanation for the differences.

Results

Our estimate of total employees (and/or annuitants) differed by more than 2 percent from that reported on the *Supplemental Semiannual Headcount Report* (OPM 1523) for the Department of the Treasury for PP 3, 2014. NFC stated that since the dollar amounts reported on the OPM Form 1523 are correct, it will perform further research and establish an action plan to determine whether the “Total Employees (and Annuitants) on Payroll” headcount should include additional records, and if so, it plans to have the headcount corrected by the March 2015 Form 1523 submission date.

Similar to prior years, our estimated headcounts for military deposits and for salary offsets often differed by more than 2 percent from those reported by NFC on the *Supplemental Semiannual Headcount Report*. NFC stated that while total salary offset and military deposit dollars are correct, and the headcounts are only memo entries on the OPM Form 1523 and are not included in the total retirement headcount, it will perform further research to determine whether the criteria for reporting the headcounts are accurate. NFC also stated that these headcounts have very specialized criteria, and that it will need to further analyze them. Last year NFC established project 524267 to research and make required programming changes that would eliminate these differences. This

Exhibit A: Procedures Performed and Results

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year NFC indicated that the programming changes made last year were to address overall headcount issues, and until NFC looks at these specifically, it will not know if these are legitimate scenarios or new items that the programming changes from last year were not designed to address.

Also, similar to previous years, “payers of full (FEHB) premiums” are occasionally understated because they exclude those who for more than 365 days of nonpay status are “absent uniformed service when not in support of a military contingency operation.” NFC indicated that since the instructions for OPM Form 1523, line B2, item D include specifically “temporary employees, former spouses, and individuals authorized under the TCC provision” and nothing else, it interpreted the instructions exactly as stated, and as such, does not view the omission of employees on military furlough from NFC’s 1523, line B2, as an error. NFC further stated that it will communicate with OPM on this issue and if required by OPM, it will include this change, along with others that are needed, by the March 2015 Form 1523 submission.

We again noted that occasionally headcounts for FEGLI reported in the no deduction column of OPM Form 1523 differed from our estimates by more than 2 percent due to one or more of the following:

- Reporting total records instead of corresponding employees.
- Distinguishing those with and without deductions for FEGLI Option A, B, and/or C by the existence/absence of deductions for FEGLI basic.
- An age band discrepancy.

NFC indicated that the project 524267 programming changes made last year were to address overall headcount issues and that further analyses will be performed to address any issues that the programming changes from last year were not designed to address. NFC further indicated that all headcount issues are planned to be corrected by the March 2015 Form 1523 submission date.

In addition, similar to last year, the headcounts NFC reported on Form 1523 for those “enrolled with no deductions made for retirement” include records for “unpaid employees with no FEHB collections.” In contrast, these records are excluded from other headcounts, similar to those enrolled in FEGLI with no deductions and total employees. These records should either be (1) included only in retirement headcounts - if the inconsistency is valid, (2) included in retirement and other headcounts, or (3) excluded from all headcounts.

Exhibit A: Procedures Performed and Results

Also similar to last year, we determined many of these “unpaid employees with no FEHB collections” records are for *former* employees; specifically, those who separated before the current period, but whose separations are recorded *after* the current period.² Headcount overstatements caused by including these former employees would be eliminated if all records of “unpaid employees with no FEHB collections” were excluded. In contrast, if all are included, overstatements caused by counting records of former employees would be mitigated only by reducing delays in processing separations.

Also similar to prior years, we determined retirement headcounts in the no deduction column of Section C of Form 1523 sometimes seemed slightly overstated due to how NFC sorts and summarizes records for individuals with multiple records with different types and/or department codes. NFC again indicated that the programming changes made last year were to address overall headcount issues and stated it will perform further analyses to address any issues that the programming changes from last year were not designed to address. NFC stated that it plans to have all headcount issues corrected by the March 2015 Form 1523 submission date.

6. Calculate employer and employee contributions for retirement, health benefits, and life insurance as follows:
 - a. Calculate retirement withholdings and contributions for the three PPs selected in step 1.a. as follows:
 - 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 that are greater than 5 percent of the amounts on the RITS submission, and obtain management’s explanation for the differences.

Results

Similar to prior years we again identified instances in which our calculation of military deposit dollar subtotals differed by more than 5 percent from the corresponding CSRS and FERS subtotals reported on the SF-2812³ submitted by NFC. NFC personnel stated that as

² Beginning with the 1523 forms for PP 16, 2013, NFC started excluding records of those that separated before the current period whose separations were recorded in the current period (project 524267). This modification reduces retirement headcounts in the no deduction column of Section C of Form 1523 relative to those reported for previous PPs. For obvious reasons, this modification does *not* enable NFC to exclude former employees whose separations are recorded *after* the current period.

³ SF-2812 is used to submit withholding and contribution information to OPM when an agency payroll provider is unable to transmit via RITS.

Exhibit A: Procedures Performed and Results

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noted in previous years, misallocations between FERS and CSRS may occur if errors were made when payments were processed manually; however, those errors are identified and corrected in subsequent PPs.

- b. Calculate employee withholdings and employer contributions for health benefits for the three PPs selected in step 1.a., as follows:
 - 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 that are greater than 5 percent of the amounts on the RITS submission, and obtain management's explanation for the differences.

Results

There were no differences greater than 5 percent.

- c. Calculate the basic life insurance employee withholdings and employer contributions for the three PPs selected in step 1.a., as follows:
 - i. Obtain a payroll system query from Agency Payroll Providers 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.
 - 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. above to the aggregate annual basic pay for all employees with Basic Life Insurance from step 6.c.i. above 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 Life Insurance withholding rates are in the FEGLI Program Booklet on OPM's website.
 - iii. Compare the result 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.

Exhibit A: Procedures Performed and Results

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- iv. For agency contributions: divide the results of step 6.c.ii. 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 that are greater than 5 percent of the amounts on the RITS submission, and obtain management’s explanation for the differences.

Results

There were no differences greater than 5 percent.

- d. Calculate the Option A, Option B, and Option C Life Insurance coverage withholdings for the three PPs selected by using the detail payroll reports used to reconcile the RITS reports in Step 1. 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 Option 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 PPs selected, as opposed to the sample of 25 employees in step 2.j.
 - 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. to the amounts for Option A reported on the RITS submissions. Report any differences (i.e., gross rather than net) greater than 2 percent of the amounts on the RITS submission, and obtain management’s explanation for the differences.

Results

There were no differences greater than 2 percent.

- 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 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:

(Annual rate of basic pay (rounded up)/1,000*rate*multiples).

For Option C, multiply the rate for the age group by the number of multiples chosen for each employee.

Exhibit A: Procedures Performed and Results

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- iv. Compare the result in step 6.d.iii. to 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 2 percent of the amounts on the RITS submission for Option B or Option C, and obtain management's explanation for the differences.

Results

There were no differences greater than 2 percent.

7. Compare the list of field offices/duty stations to the list of local Combined Federal Campaign (CFC) campaigns obtained from OPM's Office of CFC Operations (OCFCO). 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.)

Report as a finding the following: 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.

Results

We analyzed 62,234 records of employees with CFC deductions reported by NFC for PP 3, 2014. Of these employees, 60,798 had the same duty station code in PP 16, 2013 and PP 26, 2013, which roughly coincide, respectively, with the beginning and end of the 2013 CFC solicitation period. Of these, we identified 27 instances in which a Federal agency had a CFC deduction for an employee whose official duty station was in an area with no corresponding CFC. See Exhibit B for a chart listing the Federal agency, the duty station code, and the campaign receiving the funds, as well as NFC's management response.

8. Compare a list of accounting codes to the identified campaigns for each field office/duty station.
 - a. Determine the accounting code for each field office/duty station.
 - b. Determine if the name of the campaign, Principal Combined Fund Organization (PCFO), address of the PCFO in the agency payroll provider's system agree with the information for that field office/duty station on the list of local CFC campaigns obtained from OPM's OCFCO.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 14 of 15

Report as a finding the following: 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 to the information on the list of all local CFC campaigns obtained from OPM's OCFCO. A chart detailing the differences should be included. Obtain management's explanation for the differences and a corrective action plan.

Results

We identified differences between PCFO names or addresses in the NFC system and those in the list of local CFC campaigns provided by OPM. See Exhibit C for a chart detailing the differences and NFC's management response.

9. Sort the report of all employees with CFC deductions by official duty station.
 - a. Compare the official duty stations to the campaigns identified for those locations.
 - b. Compare the accounting codes for each employee with CFC deductions to the accounting code identified for that employee's official duty station. Determine if this agrees to the accounting code identified for that field office/duty station.

Report as a finding the following: 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 corrective action plan.

Results

Of the 62,234 employees with CFC deductions reported by NFC for PP 3, 2014, 60,798 had the same duty station code in PP16, 2013 and PP 26, 2013 that roughly coincide, respectively, with the beginning and end of the Fall 2013 CFC solicitation period. We identified 1,577 instances where NFC's CFC code for a deduction was not consistent with OPM's CFC code for the employee's duty station. See Exhibit D for a chart detailing the differences and NFC's management response.

10. From the list of accounting codes that do not agree with the field office/duty station, select a judgmental sample of two pledges per Federal agency and request the hard copy pledge form or electronic copy of the pledge form from the agency.
 - Determine if the pledge form used was for the correct campaign based on the official duty station.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 15 of 15

Report as a finding the following: 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.

Results

We requested 16 CFC pledge forms from 8 agencies.⁴ Agencies were unable to provide four of the requested pledge forms, one each from the Departments of Justice, Commerce, Homeland Security, and the Treasury. Of the 12 pledge forms received, 10 were for the incorrect CFC campaign. See Exhibit E for a chart listing the Federal agency, the correct campaign, and the campaign used.

⁴ Agency for International Development did not have any CFC codes that did not agree with the field office duty station; all other departments tested had at least two.

Exhibit B: Combined Federal Campaign (CFC) Deductions for Employees With No Local CFC Campaign

Exhibit B – Page 1 of 2

This chart lists instances in which a Federal agency has a CFC deduction for an employee whose official duty station is in an area with no CFC campaign. OPM data show CFC code of “N/A” for each of the duty stations listed below. This chart has separate columns for duty station code, the CFC code for the campaign receiving the funds, and number of exceptions per Federal agency.

Duty Station	CFC Per the National Finance Center	DEPARTMENT				
		Agriculture	Commerce	Justice	Homeland Security	Farm Service Agency County Offices ⁵
081500073	0141	1				
264410021	0452			1		
281760101	0500	1				
401110149	0712					1
401510009	0712			1		
421710105	0990		1			
426970065	0754	1				
480820271	0606				1	
483570255	0852				6	
485260163	0852				6	
485280389	0606				6	
487090463	0249				1	
Totals		3	1	2	20	1
Grand Total		27				

⁵ Farm Service Agency County Office is reported separately from the Department of Agriculture.

Exhibit B: CFC Deductions for Employees With No Local CFC Campaign

Exhibit B – Page 2 of 2

NFC Response

As noted in prior years, the CFC personnel for the individual campaign areas are responsible for the solicitation, distribution, and collection of the CFC pledge forms for their campaign areas, and the agencies' human resources management personnel are responsible for processing the CFC allotments for their own employees. NFC did not process the CFC allotments for the 27 employees OIG identified as having a duty station in an area with no local CFC campaign. Since the CFC is a once-a-year activity that may include employees both new and unfamiliar to the process, the errors were most likely caused by inexperienced personnel accepting pledge forms from employees in duty stations with no corresponding CFCs.

Exhibit C: Name, Principal Combined Fund Organization (PCFO), and Address Differences

Exhibit C – Page 1 of 2

The table below shows the differences identified between the information in NFC’s system and OPM’s CFC campaign information.

CFC			PCFO	OPM	NFC
NAME (Per OPM)	CODE				
	OPM	NFC			
CFC of New York City	0626	364170	Name	EarthShare	UNITED WAY OF NEW YORK CITY
Pacific Northwest CFC	0728	411650	Type of ac	S	C
Greater Texarkana Area CFC	0854	486850	Type of ac	C	
King County CFC	0923	531960	City	Kent	SEATTLE
Central and Northern New York CFC	0638	366450	Routing	021300077	022000046
			Account	██████████	██████████
			Street	200 Washington Street, Suite 402 A	P.O. BOX 2129
			City	Watertown	SYRACUS
			Zip	13601-3307	13220

Exhibit C: Name, Principal Combined Fund Organization (PCFO), and Address Differences

Exhibit C – Page 2 of 2

NFC Response

NAME (Per OPM)	NFC Response	NFC Action
CFC of New York City— OPM #0626	The Central Receipt Point (CRP) Org was <u>not</u> highlighted to indicate a change was required on OPM's 2013 CFC Disbursements Master List of Updates received on 12/12/13.	NFC will update the CRP Organization in Table Management (TMGT) table 006 Name Address 2 field to "Earth Share" per OPM spreadsheet received 12/12/13.
Pacific Northwest CFC— OPM #0728	NFC's system is correct; account type should be "C." On 2/7/2014, NFC's Certification & Disbursements Section notified OPM that funds were being returned after OPM notified NFC to change account type from C to S. OPM personnel researched and advised NFC to change account type back to C, and OPM would provide a corrected spreadsheet with the March 2014 updates correctly listing the account type as C. On 2/14/2014, NFC made the necessary change.	No action required by NFC.
Greater Texarkana Area CFC – OPM #0854	No account type is indicated in TMGT table 006. The last update made to CFC 0854 (NFC#48-6850) was 12/29/2009. Disbursed funds to date have been deposited to the correct account.	NFC will update TMGT table 006 to reflect "C" in the type account field.
King County CFC – OPM #0923	The CRP City was not highlighted to indicate a change was required on OPM's 2013 CFC Disbursements Master List of Updates received on 12/12/13.	NFC will update the CRP City in TMGT table 006 to reflect "Kent" per OPM spreadsheet received 12/12/13.
Central and Northern New York CFC – OPM #0638	NFC's system is correct. On 2/28/2014, NFC updated TMGT table 006 using OPM's 2013 CFC Disbursements Updates spreadsheet for March, 2014, received by NFC on 2/27/2014.	No action required by NFC.

Exhibit D: Accounting Code Differences

Exhibit D – Page 1 of 19

The chart below lists the correct campaign, the duty station code, the campaign used, and the number per Federal agency.

OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
0002	010330073	0005	1										
	010350073	0211				1							
	010350117	0990		1									
0004	011730089	0002			1								
		0990			2								
0005	012130101	0990	1		1								
	013050125	0002			1								
0051	040130003	0990							1				
	040170005	0052							2				
	040231005	0606	1										
	040297021	0052	17										
	040431003	0990							1				
	040530019	0052			1								
		0990							3				
	040620027	0105							1				
0052	040370013	0106						1					
		0560						1					
		0990			1			1					
	040490013	0990		1									
0072	050860045	0249		1									
	051360123	0809			1								
0095	061370019	0116										1	
0096	060120037	0990		1									
	061410059	0990		1									
	061430037	0990			2								
	061440037	0990		1									
	061782059	0990		1									
	061786059	0990							2				
	061970037	0839			1								
		0923				1							
		0990		1					1				
	061980037	0427										1	
		0560										1	
		0990							2	1		2	
	063070065	0105							1				
		0990		1									
	063250059	0105							18				
	063420059	0095								1			

Exhibit D: Accounting Code Differences

Exhibit D – Page 2 of 19

OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
		0106							2				
	063851065	0105								2			
	064025037	0990		1									
	069990037	0249		1									
0105	060410065	0051								40			
		0990								2			
	060560073	0106							1				
	061200073	0990		1									
	062650065	0096								1			
	063260073	0117		1									
		0249		1									
		0923		1									
		0990		1	2					1			
0106	060010001	0897								1			
	060050049	0870	1										
	060330095	0990					1						
	060340001	0751	1										
	060980113	0728	1										
	061300067	0249		1									
	062140081	0249		1									
	062480001	0809										1	
		0990								1			
	062840001	0249		1									
	063150067	0839				1							
		0990	1									2	
	063290075	0140				4							
		0141					1						
		0626								1			
		0990		1	3	1	1			1		4	1
	063340085	0990										1	
	063490097	0249		1									
0115	060538111	0096										1	
	063460083	0096				1							
	063860111	0096										1	
	064027111	0096				1							
0117	063450087	0105		1									
0140	080430041	0141					1						
	082050101	0141	1										
0141	080200013	0990		2									

Exhibit D: Accounting Code Differences

Exhibit D – Page 3 of 19

OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	080345005	0990								1			
	080600031	0249											1
		0831										1	
		0839							1				
		0852								1			
		0990		7		1			4				
	080860069	0870	1										
		0990	1										
	081435059	0140	1										
		0372	1										
		0990				1			1				1
0185	121510031	0189							2				
		0990		1					1	1		2	
	122350019	0990		1									
	122940073	0990			1								
0189	120290099	0990		1									
	121080111	0990											1
	121440086	0990		1									
	122010086	0096							1				
		0192			1				1				
		0249		1									
		0626							1				
		0990			1				1			1	
	122083011	0191		1									
		0990							7				
	122260011	0249		1									
	122300093	0990	1										
0192	120810127	0185	1										
	121483009	0249		1									
	121840117	0990		1									
	121895095	0197			3								
	122190127	0189		1									
	122250095	0990		1									
	122360095	0189							1				
		0943	1										
		0990	1	1					2				
	123270095	0990		1									
0193	120457071	0990		1									
	121070071	0197			1								
0197	122730103	0990		2									

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	122806103	0192			1								
	122950057	0189							1		1		
		0990		1	1				1			2	
	123173101	0990		1									
0210	135460275	0211							4				
0211	130270059	0990	1										
	130280089	0990	1		1				1				
	130280121	0990	2	5				1	1	2		3	
	131060089	0809										1	
		0990										1	
	131610089	0990							1				
	133100135	0990		1									
	134790121	0990											1
	135070067	0374				1							
0212	130310245	0211			1								
		0218			1								
		0249		1									
	450020003	0990											1
0214	131280215	0211			2				1				
0218	134910051	0211						1					
		0990						1					
0225	152400003	0728		1									
		0990		1					2				
	153002001	0249		1									
	158850001	0728	1										
0249	171550019	0528										1	
	171670031	0524				1							
		0964	1									1	
		0990	3	3	3	1	1		9	2			2
	171670043	0990		1					2				
	172440043	0964										1	
		0990										1	
	172870031	0990		1									
	173940031	0990		1									
	174867043	0990									1		
	176375043	0990		5									
	177000197	0990		1									
	179390197	0545	1										

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
0257	178220167	0249					10						
		0528	1										
0259	177460201	0249		1									
0283	180940165	0990		1									
	181420105	0249		1									
	182210097	0355							1				
		0990						1					
	184840167	0990		1									
	185200157	0458	1										
		0990	1										
0339	204000079	0524	1										
0351	211315221	0355	1										
0355	181480163	0283			1				1				
		0528										1	
	182270019	0990		2									
	184340175	0283	1										
	212090111	0283							1				
		0990										1	
0371	220040079	0372				1							
	221230055	0990		1									
	221250019	0372							2				
	221560073	0809	1										
0372	221070109	0374	11										
	221690071	0374							2				
		0500							1				
		0990		1									
0373	222130017	0372							2				
0374	220150033	0072	2										
		0372							3				
		0506	1										
		0990							1				
0391	230160011	0990							1				
	232500009	0427		1									
	235900019	0427		2									
0405	100130001	0751							1				
	100490003	0751							3	2			
	240030003	0409	4										
		0944	2										
		0990		6									
	240033003	0990							1				

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	240050510	0751		1									
		0990				1						4	
	240358027	0990		1									
	240381027	0990		1									
	240401003	0990		1									
	240496003	0990		1									4
	240515027	0990		1									
	240530027	0990		2									
	240543005	0990		1									
	240580021	0990		3									
	240673003	0990							1				
	240730043	0409		16									
		0990		1									
	241090021	0990		1									
	241189005	0990		1									
	241195015	0990											1
	241296005	0990		1									
	241380045	0990		1									
	241585005	0990	1										
	241640021	0990				1							
	241662027	0990		1									
	241669003	0990		1									
	241696013	0990		1									
	512564001	0990		1									
0409	240930037	0405											2
0427	250120025	0249		1									
		0432							1				
		0571										1	
		0606							1				
		0626											1
		0990		2								1	
	250125021	0990					1						
	250850005	0770							2				
	251280005	0770		9									
	251465021	0990		1									
0432	090630003	0427					1						
	251270013	0427										1	
0452	260940125	0990		1									
	261210163	0990							1				

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	261260163	0684								1			
		0990		4						2		1	
	263080147	0684								2			
	263500099	0990		1									
	264166163	0990			1								
	264251125	0990		1									
0453	261730049	0452			2								
0458	260320017	0452			2								
		0453			1								
	261430065	0452			1								
0466	262160047	0990		1									
	262450043	0990										1	
	262470053	0670	1										
	263050103	0452			2								
		0454			1								
0481	271900137	0672							1				
		0990										1	
	274760053	0452								1			
		0990					1						
	274810053	0990		1									
	275335069	0672							1				
	276330123	0990	1										
	277360135	0672							3				
	382580013	0672							1				
0500	280230047	0189				1							
	281020047	0372										1	
0503	281220049	0189				1							
0520	291800019	0528									1		
0521	296910161	0528			2								
0524	202820209	0528								2			
	203010045	0990											1
	203020103	0808			1								
	203080091	0990										1	
	203490161	0185							1				
	204285091	0528										1	
	294120095	0051	1										
		0095										1	
		0211										1	
		0528								1			

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
		0831										1	
		0839				1							
		0990										1	
	294120165	0990		1									
	294490095	0990	1										
0528	171360117	0257	1										
	290335099	0990	1										
	295910189	0990	1										
	296410023	0524	1										
	297080510	0249		1									
		0524	1			1							
		0990	1										
0540	300100111	0030	1										
	300130031	0545	1										
0542	301050101	0540							1				
0543	301290069	0540	1										
0545	300680029	0924	1										
	300830063	0211	1										
		0543	1										
0551	312830109	0552							1				
0552	197850193	0990					1						
	310580177	0551	1										
	311900053	0551											1
	313240099	0524	1										
0560	320120003	0096							20				
		0606	1										
0571	330070013	0990		1					1				
	330098013	0990	1										
	330100017	0990		1									
	330310011	0990							1				
	330385003	0990		1									
	330430015	0990										1	
	360050001	0626										11	
		0638			1								
		0990								3			
	500100025	0432										1	
		0626											1
	500200007	0990		1									

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	500765007	0990								1			
0589	340640003	0990		1									
	340844023	0626										1	
	341081035	0990		1									
	341390025	0432		6									
	341520017	0990		1									
	342050039	0751				1							
	342130013	0626											1
		0990							1				
	342498027	0990				1							
	343096035	0751			4								
0606	350030001	0650	1										
		0990	2										
	350050015	0185							12				
	350230029	0990							1				
	350500023	0990							1				
	350510028	0990											2
	482190141	0845				1							
		0990							4		1		
	485525377	0847							1				
		0990							1				
	486375229	0990							1				
0621	360706009	0990		1									
	360750029	0975							1				
		0990							1				
	360830069	0626											1
	362260069	0638	6										
	366622055	0990		2									
0626	364170005	0427							1				
		0990			3								
	364170047	0990										1	
	364170061	0249		1									
		0481										1	
		0642							1				
		0990			1	1	1	1	2				2
	364170081	0642							1				
		0990		1					1				
0627	361850015	0621			1								

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
0631	366220065	0638				1							
0638	362940109	0249		1									
	364540075	0621							1				
	366010067	0990					1						
	366450045	0621							11				
0639	362995119	0990		1									
	366670119	0626			1								
		0990							1				
0642	360500103	0427		1									
	360597103	0990		1									
	363933103	0249		1									
	365270103	0990							1				
	366550059	0626										2	
0650	370170021	0655			1				5				
		0990		1									
0654	370350031	0189		1									
	373250049	0990			1								
0655	370110183	0990		1									
	370712077	0990			1								
	370800183	0990		1									
	370870119	0211			2								
		0249		2									
		0990					1		1				
	372730069	0990		2									
	373750183	0211			1								
		0650	1										
	375120067	0990		1									
	451110057	0990		1									
0656	373600125	0990		1									
	374090105	0249		1									
	375060129	0249		1									
		0990		1									
0660	374070159	0655	1										
0670	380370015	0481			1								
	381600093	0672	1										
0672	381020017	0481	1										
0682	210800117	0684										1	
		0686										1	
	211150015	0990										2	
	211190117	0990				1							
	211980067	0249			1								

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	391610061	0249		1									
		0975			1								
		0990								1			
0684	390410093	0990		1									
	391680035	0682										1	
		0831										1	
		0990	1		1	1		1					
	396320085	0990		1									
	398630151	0685	1										
	422640049	0621								1			
	422769049	0621								3			
	428850123	0748	1										
0685	391800049	0481	1										
		0990	1										
	392270049	0682										1	
	399150049	0249		1									
0686	392090113	0990		1									
	394610165	0682										1	
	398300021	0990		1									
	399040027	0685	1										
0712	403550109	0709										1	
		0715										2	
		0990			1								
0715	403310101	0712								1			
	404780143	0712					1						
0727	410459035	0728	2										
0728	410480053	0924	1										
0740	422822055	0990		1									
0746	423500043	0740								1			
		0751								2			
		0990								1			
	429610133	0655	1										
		0990		1									
0749	420115119	0751								1			

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	424053119	0751			1								
0751	340540009	0589	1										
	340598007	0589							2			2	
	340696005	0589	1										
	341230007	0990		1									
	341270001	0589	1										
	341290005	0589	1										
	341833005	0990							3				
	342081005	0589							4				
	343380021	0589										1	
	343760033	0589	1										
	420630037	0990		1									
	420910017	0990		1									
	421860079	0249		1									
	422530071	0249		1									
	422545091	0990		1									
	424520071	0746							1				
	425074091	0990											1
	426120091	0249		1									
	426540101	0141	1										
		0211				1							
		0405										1	
		0626				1							
		0749							1				
		0990		18	2					1		2	
	429010029	0249		1									
	429310077	0249		1									
0754	423900129	0990		1									
	424010021	0990			1								
	424290129	0990		1									
	424865053	0748	1										
	426600003	0990				1							
	428880125	0249		1									
	429650129	0990		1									
0770	250140023	0427										1	
	251330007	0427							1				
	251517001	0897		1									
	440053009	0897		1									
	440055003	0990											1

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	440185005	0990								1			
	440190007	0990			1								
0772	450409015	0185								1			
0773	450520079	0189				1							
	451060083	0774		4									
0774	451040045	0249		1									
0791	462250103	0792			1								
0792	462450099	0551	1										
0808	471300093	0811										1	
0809	471620157	0211					1		1				
		0990										1	
0811	470650037	0211			1								
	471200113	0506	2										
		0809	2										
	471760037	0351										1	
0830	484140303	0832										1	
	484560329	0606							1				
0831	480330453	0002										1	
		0095										1	
		0249		1									
		0839					1						
		0990		1								1	
0832	480150375	0990											1
0838	482290047	0846							6				
0839	481539439	0845							1				
	481730085	0990			1								
	481730113	0845							1				
		0990					1		1				
	481840121	0990							1				
	482450439	0990									3		
	483420113	0249		1									
	484802085	0249		1									
	486001113	0249		1									
0845	481440041	0990	1										
	481695201	0682										1	
	483280201	0773			1								
		0838				1							
		0839					1						
	483580201	0990		1									

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	485430245	0189		1									
		0990							1				
	486660157	0990		1									
0847	482500131	0846							1				
	483080247	0846							9				
	483899479	0846							2				
	487660505	0846							4				
0852	486090029	0831										1	
		0846							2				
		0847							1				
		0990			1								
0854	053810091	0072							6				
0861	484160005	0846	1										
0870	080590029	0141	1										
	081040077	0141	1										
	081700085	0141	1										
	160080043	0990	1										
	160160001	0728	1										
	491350057	0751										1	
	491590041	0051	1										
	491700035	0141	1										
		0606	1										
		0990			1	1						2	
0891	510440540	0249		1									
		0900							2				
		0990		1									
	510985015	0249		1									
0896	511180650	0897										1	
	511720700	0990		1									
0897	511760710	0896			1							1	
		0990							1				
	512540810	0249		1									
0898	510690047	0990											2
	511020630	0990	1	6									
	511393099	0990		1									
	511461137	0990		1									
	512010153	0990			226								
	512303177	0990		1									
	512307179	0990		4									

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	512570061	0990		4									
0900	512060760	0712									1		
		0990										1	
0901	510180121	0990		1									
	510993019	0990		1									
	512100770	0990	1										
0905	510160043	0990			1								
	511040187	0990		1									3
	511190660	0990		1									
	511480139	0990		1									
	512640840	0990			17				2				
0921	530760009	0925	1										
	531255035	0923		1									
	531730035	0923			1								
0922	531850005	0990											1
0923	530170033	0931							29				
	531030033	0925	1										
	531050033	0096		1									
	531960033	0106						1					
		0141										1	
		0728			1								
		0925	4		1				1				
		0931										1	
		0990		4					1				1
0924	160630049	0870	1										
	161300035	0545	1										
	532110063	0990			1								
0925	530800053	0249		1									
	531102067	0923		1									
0928	532460007	0924	6										
0931	530110073	0990			1								
	530150073	0923							1				
		0990							1				
	530500061	0728	1										
		0990	1										
	530690061	0728	1										
		0923			1								
0940	540170081	0990				1							
	540480039	0754							1				
0941	540540033	0990			1								

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	542843049	0944	1										
0943	541660003	0990			1							1	
0944	541840061	0990										1	
0957	552780025	0249		1									
		0964										1	
0964	552070131	0990		1									
	552880073	0957	1										
	553100079	0106						1					
		0249				1							
		0990			1							1	
0975	RQ0450000	0189										1	
	RQ0480000	0185										2	
		0990			1								
	RQ0930000	0185								1			
0990	110010001	0096				1			2				
		0141				1				1			
		0185								1			
		0189				1			1				
		0249				1							
		0283				1			1				
		0405	1						1				
		0427							1				
		0524	2			1							
		0606							1				
		0626							2				
		0682				1							
		0751				1	1					1	1
		0770				1							
		0839				1			1				
		0900				1				2			
		0905							2				
		0923						1					
		0975										1	
	240228033	0405			1								
	240710033	0405			5								
	241089033	0751										1	

Exhibit D: Accounting Code Differences

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OPM's CFC	Duty Station	NFC's CFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	241360031	0941			1								
	241450031	0923		1									
	241675031	0405				2							
	510040510	0249		5									
		0897			1								
	510100013	0211	1										
		0940				1							
		0975	1		1								
	510900600	0105							1				
	512034059	0391							1				
	512130107	0405							1				
		0905							35				
	AA0800000	0189							4				
	AQ6000000	0225	2	10					2				
	BD2000000	0189							11				
	BF2500000	0189							6				
	BF5000000	0189			3				13				
	CA1750000	0249							2				
	CA7000000	0621							11				
	CA7700000	0846							1				
		0995							30				
	CQ7000000	0225		1					18				
	FM5000000	0225	1										
	GQ0480000	0225		1									
	GQ0495000	0225	1		2								
	GQ0850000	0225							1				
	MX5300000	0606							1				
Total	1,577	Subtotals	166	295	356	47	27	13	494	23	10	110	36

Exhibit D: Accounting Code Differences

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AG..... Department of Agriculture
CM Department of Commerce
DJ Department of Justice
DL Department of Labor
FD Federal Deposit Insurance Corporation
FR..... Consumer Financial Protection Bureau
HS Department of Homeland Security
HU Department of Housing and Urban Development
SB..... Small Business Administration
TR Department of the Treasury

Exhibit D: Accounting Code Differences

Exhibit D – Page 19 of 19

NFC Response

Of the 1,577 differences OIG identified between the OPM CFC code based on the employees' duty station and the NFC CFC code used for the employees' CFC deductions, 2 of the differences were the result of NFC-processed CFC allotments (one for a USDA Office of Chief Financial Officer (agency 90) employee and one for a USDA National Appeals Division (agency NA) employee). The remaining 1,575 differences were the result of processing by the personnel offices of various USDA and non-USDA customer agencies of NFC. Details for the two NFC-processed allotments are provided below:

As noted in the past 2 years, the agency NA difference involved a hearing officer, whose duty station is his home in Monroe, Louisiana, and his regional office is in Memphis, Tennessee. NA hearing officers are hired for a particular location allowing them to work from their homes across the United States, and they are responsible for reporting to their respective regional offices. According to OPM guidance, if the employee's duty station is in Monroe, Louisiana, the employee should be contributing to the Fort Polk-Central Louisiana CFC. However, because the employee's regional office is located in Memphis, Tennessee, which is included under the CFC of the MidSouth, the employee used the pledge form for the CFC of the MidSouth. NFC personnel correctly processed the employee's CFC allotment based on the CFC pledge form provided by the agency, and the employee's CFC deductions were sent to the CFC of the MidSouth.

The agency 90 difference involved an NFC employee who works at NFC's primary computing facility in Denver, Colorado, and his duty station is in Lakewood, Colorado. Per OPM guidance, if the employee's duty station is in Lakewood, Colorado, the employee should be contributing to the Rocky Mountain CFC. The employee used the correct CFC form; however, NFC personnel incorrectly processed the employee's CFC allotment using the Greater New Orleans Area CFC code. NFC will correct the processing error so that the funds will be sent to the intended CFC.

Because NFC processed CFC allotments for only agency 90 and NA employees for the 2013 campaign, NFC is responsible for only 0.1 percent of the difference identified by OIG (2 of 1,577 differences). Other customer agencies' personnel are responsible for processing CFC allotments for their own employees, which represented the remaining 99.9 percent of the difference. Since the CFC is a once-a-year process, employees unfamiliar with the process may use the wrong form, and agency personnel unfamiliar with the process may accept and process CFC forms from employees who are in duty stations outside of the CFC campaign areas. This may be common for agencies that have multiple duty locations. As such, we feel the root cause is human input/process errors, and the findings should be subjected to acceptable normal input error rates.

Exhibit E: Incorrect Combined Federal Campaign (CFC) Pledge Forms

Exhibit E – Page 1 of 1

The following table lists all instances in which the incorrect CFC pledge form was used by the employee, including the Federal agency, the correct campaign, and the campaign used.

CFC				
Department	Correct Per OPM		Per Pledge Form Used by Employee	
Agriculture	0051	Arizona CFC	0052	Maricopa County CFC
Agriculture	0051	Arizona CFC	0052	Maricopa County CFC
Commerce	0571	Northern New England	0990	CFC of the National Capital Area
Justice	0249	Chicago Area CFC	0990	CFC of the National Capital Area
Labor	0141	Rocky Mountain CFC	0990	CFC of the National Capital Area
Homeland Security	0105	So Cal CFC	0051	Arizona CFC
Housing and Urban Development	0571	Northern New England	0990	CFC of the National Capital Area
Small Business Administration	0106	CFC Norcal	0990	CFC of the National Capital Area
Small Business Administration	0839	Dallas-Fort Worth	0990	CFC of the National Capital Area
Treasury	0831	Central Texas CFC	0002	Central Alabama CFC

Exhibit F: Statistical Plan Sampling Methodology

As noted in the Auditors' Report, we performed procedures prescribed by OPM, solely to assist OPM with respect to the employee withholdings and employer contributions reported by the Department of Agriculture's NFC. OPM sets the sampling methodology for each procedure described in each step in Exhibit A. The sufficiency of the procedures 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 or the sampling design and methodology.

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