

CLEARANCE PROCESS

EXECUTIVE SUMMARY

We found that the clearance process for separating employees needs improvement. As a consequence, required steps were not always followed, including collection of government passports; deletion of network accounts; and repayment of bonuses under continuing service agreements. Also, the clearance process needs to be extended to contractors.

We are recommending several corrective actions, including written guidance and discussions with administrative contacts, as explained in the Audit Results section.

SCOPE AND OBJECTIVES

Our audit objectives were to evaluate compliance with the Commission's clearance procedures for separating employees, and to identify any needed improvements. During the audit, we interviewed Commission staff, reviewed clearance documentation, and selected several samples of separating employees for detailed review.

The audit was performed from June to August 2000 in accordance with generally accepted government auditing standards, with one exception. Because of time constraints, we did not evaluate the validity and reliability of data from several information systems used in the audit. In our opinion, detailed testing of these information systems would most likely not have materially affected our findings.

BACKGROUND

Our most recent previous audit (Audit No. 140) of the clearance process was issued in November 1990. The procedures for separating employees are covered in SECR 7-4, Employee Clearance Process, issued December 31, 1999.¹ The primary control is SEC Form 1455, the Employee Clearance Record (see the Appendix).

The clearance process begins in the separating employee's office. The Administrative Contact (AC) or other administrative staff initiates a personnel action, and notifies the Office of Administrative and Personnel Management

¹ The regulation also covers procedures for employees transferring within or between Commission offices.

(OAPM) and the Office of the Comptroller (OC). The employee returns office equipment and government property, and transfers files and data to the supervisor.

The employee clears with several other offices listed on the clearance form. For example, the Office of the Secretary (OS) verifies that government passports are returned, while the Office of Information Technology (OIT) deletes all computer access codes. In the field offices, the clearing official (*e.g.*, Administrative Contact) is supposed to consult with appropriate clearing officials at headquarters.

AUDIT RESULTS

We found that compliance with the clearance procedures can be improved, and that the procedures themselves need improvements. Our findings and recommendations are set forth below. We verbally discussed some less significant issues with clearance officials, rather than including them in this report. Management generally concurred with our suggestions.

ACCOUNTABILITY

Currently, the Office of Filings and Information Services (OFIS) has overall responsibility for implementing SECR 7-4, the Employee Clearance Process. There are numerous offices (*e.g.*, OAPM, OFIS, OC, OIT, OS, OED) involved in the clearance process. OFIS only performs one step in the clearance process, while much of the processing is performed by OAPM. OAPM also has more direct communication with the clearing officials that are used to administer the process. OAPM would appear to be better situated and possess more relevant skills to carry out this function. Accountability would also improve if OAPM were assigned the clearance process.

Recommendation A

OED should consider whether an organization other than OFIS should be accountable for coordinating the clearance process.

Recommendation B

The Office assigned overall responsibility by OED (see Recommendation A) should, in consultation with the various offices involved in the clearance process, discuss clearance issues (*e.g.*, the need of clearing officials in the field offices to consult with clearing officials at headquarters) with the clearing officials throughout the Commission. They should also issue written guidance on these issues (either supplementing the clearance regulation or revising it).

CLEARANCE FORMS

During the audit, we requested numerous clearance forms. We noticed that some forms were not properly completed.

Recommendation C

The Office assigned overall responsibility by OED (see Recommendation A) should, in consultation with OC, verify that a clearance form has been received and properly completed before releasing the employee's final salary check.

Some sections of the clearance form, even if properly completed, would generally not provide the user with adequate information. For instance, when OS signs the clearance form, a "yes" means that OS was visited. The form does not indicate whether a passport was issued and returned, issued and not returned, or not issued.

Recommendation D

The Office assigned overall responsibility by OED (see Recommendation A) should, in consultation with the various offices involved in the clearance process, revise the clearance form or provide additional guidance to provide the user with adequate information.

CONTRACTOR CLEARANCE AND ACCESS

During a recent investigation, our office learned that three contractor employees did not return their identification badges after ending work on a Commission contract. One of these former contractors was observed on a non-public floor of the Judiciary Plaza building, posing a security risk. We also found that some contractors who work on the public lower levels of the Judiciary Plaza building had identification badges allowing them access to the entire building. They did not have an apparent need for this access.

Contractors may also have network and e-mail accounts that should be deleted when they leave. They are not subject to a formal clearance process. Currently, it is the responsibility of either the Administrative Contact or the Contracting Officer's Technical Representative (COTR) to collect these items and/or notify the proper clearing officials.

Recommendation E

The Office assigned overall responsibility by OED (see Recommendation A) should, in consultation with the various offices involved in the clearance process, establish a clearance process for contractors, and other individuals not subject to a formal Clearance Process.

Recommendation F

OAPM should modify the process for issuing building identification badges for contractors, in order to limit their building access, as appropriate.

During the audit, OAPM concurred with the recommendation and stated that they will issue guidance to the Administrative Contacts in order to limit building access.

PASSPORT RETURN

Employees who travel overseas on Commission business are issued a government passport. When separating, they are required to return the passport to OS, which sends it to the State Department. Passports are a key identification document subject to possible misuse, so their timely return is important.

OS indicated that separating employees from the field offices do not always return passports. Some clearing officials from the field offices stated that they send passports to OAPM or OC rather than to OS.

We selected a sample of ten former field office and fifteen former headquarters employees, who were issued passports, according to OS's records. The sampled employees separated before OS implemented (in fiscal year 1999) an automated system to better track passport issuance and return.² Seven of the field office employees and four of the headquarters employees may not have returned their passports to OS.³

Recommendation G

OS, in consultation with OAPM, the Comptroller's Office, and the separated employees, should determine whether passports of the separated employees that we identified have been returned. If not, it should notify the State Department.

CONTINUING SERVICE AGREEMENTS

New employees who receive a recruitment or relocation bonus must sign a continuing service agreement. Under the agreement, the employee must work at the Commission at least a year, or else repay the bonus.

We reviewed an OAPM listing of all employees receiving bonuses since fiscal year 1998, and identified two employees who worked less than a year. Neither OAPM nor OC had documentation (*e.g.*, accounting records, canceled checks) indicating that

² The computer system is only being used for new transactions.

³ We are unsure as to whether the passports were actually returned because: (1) the clearance form does not provide the user with adequate information (see Recommendation D), (2) OS's method to track the issuance of passports (prior to the implementation of the computer system) was a manual process that was susceptible to human error, (3) the field offices may have sent the passport to another office, instead of OS.

the pro-rated portion of the bonus (approximately \$1,750) was repaid for one of these individuals.

Recommendation H

OC, in consultation with OAPM, should implement procedures to ensure that separating employees repay bonuses when required. OC should obtain repayment from the separated employee we identified, if appropriate.

COMPUTER ACCESS

ADP liaisons are required to notify OIT when an employee separates. OIT then deletes the employee's network and e-mail accounts. We were informed that the ADP liaisons were generally not providing notification, until recently.

We selected thirty-nine separated employees for review.⁴ The network accounts were not deleted for ten of these employees, and one employee still had an e-mail account. We do not know whether the ADP liaison notified OIT in these instances. However, regardless of whether the ADP liaison provided notification, OIT staff sign the clearance form for headquarters employees.

Recommendation I

OIT should delete network and e-mail accounts for the employees we identified. It should determine whether other former staff still have computer access.

During the audit, OIT distributed an e-mail to ACs and ADP liaisons about deleting e-mail accounts of former employees. OIT staff stated that they will use the information gathered from this process to determine whether these former employees also have LAN accounts and access to other Commission computer systems. OIT staff also indicated that they would soon implement a database for identifying who has access to the various Commission computer systems. This database should help ensure that access is deleted in a timely manner, when employees separate.

MISCELLANEOUS ISSUES

We identified several miscellaneous issues, which are being resolved or can be resolved through Recommendation B (concerning written guidance and discussions with administrative contacts). They are summarized below.

Unpaid interns (volunteers)

Unpaid interns are not completing an employee clearance form, even though they receive access to Commission resources (*e.g.*, identification badges, computers, library books, and other property).

⁴ Because of the methodology used to select our sample, the results of our testing cannot be projected onto the entire universe.

Training obligations

Officials in the Employee Development Branch of OAPM stated that the field offices are not notifying them when employees separate. The branch determines whether separating employees have any unsatisfied training obligations. We found no instances of any unsatisfied obligations.

Lexis-Nexis and Westlaw access

We identified numerous errors in the access reports for Lexis-Nexis and Westlaw, including instances of former employees having access, current employees with multiple accounts, and current employees listed in the wrong office. The contractor involved indicated that it was aware of these problems, and was working with Commission offices to correct them.

Department of Interior access

We recently issued a draft report on the conversion to the Department of Interior payroll/personnel system. The report found that fifty separated employees still had access to the system. OAPM staff concurred with our recommendation to address this problem.

Performance Evaluations

Supervisors who leave are required to complete a performance evaluation for their eligible staff. We found, based on our limited testing, that this requirement is generally not being enforced, although supervisors are, in some cases, providing input to other supervisors. None of the staff we interviewed expressed any concern (*e.g.*, an unfair evaluation) over how the performance evaluation was handled.