

**AUDIT OF PERSONNEL ACTION PROCESSING CONTROLS AND  
SECURITY**

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Audit Report No. 99-028



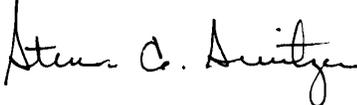
**OFFICE OF AUDITS**

**OFFICE OF INSPECTOR GENERAL**

**DATE:** July 29, 1999

**TO:** Donald C. Demitros, Director  
Division of Information Resources Management

Arleas Upton Kea, Director  
Division of Administration



**FROM:** Steven A. Switzer  
Deputy Inspector General

**SUBJECT:** *Audit of Personnel Action Processing Controls and Security*  
(Audit Report No. 99-028)

The Office of Inspector General (OIG) has completed an audit of controls and security over personnel action processing, an activity that includes the management of comprehensive data files on individual employees. These data originate from numerous events that an individual experiences during his/her employment with the federal government, such as organizational changes and changes in pay and benefits. An employee's record may include over 100 data elements, and the integrity of this data must be preserved over the employee's federal government career.

## **BACKGROUND**

FDIC's processing of personnel actions is performed using information systems operated by the FDIC and the United States Department of Agriculture (USDA) National Finance Center (NFC) located in New Orleans, Louisiana. The FDIC's Personnel Action Request System (PARS) collects the necessary information to generate a personnel action from both the requesting office and the Personnel Services Branch (PSB). The combined information is electronically transmitted to the NFC computer facility which, in turn, updates its database and transmits a completed Notification of Personnel Action (SF-50) back to the FDIC. PSB then places the form in the employee's Official Personnel Folder and forwards a copy to the employee and the originating office.

Computer security for the NFC systems is provided through the use of mainframe access control software that is used to control which NFC application systems a specific operator can access. FDIC's mainframe access control software is used to control which individuals may initiate or update requested personnel actions through PARS. Approvals of requested personnel actions are controlled by PARS accepting only those approval messages transmitted via Email from designated users. PARS uses specialized, purchased software to perform this function.

DIRM and the Division of Administration (DOA) recently initiated a project to provide the FDIC with an integrated personnel management system that will replace PARS and other personnel-related systems. FDIC management plans to implement the Corporate Human Resource Information System (CHRIS) using commercial off-the-shelf software to provide personnel action support, time and labor processing, position management, vacancy announcement tracking, benefits tracking, and performance management.

Personnel action processing was previously addressed by the OIG in an audit of the FDIC's combined personnel and payroll functions and an audit of general information systems security in the FDIC Dallas regional office. The report resulting from the combined personnel and payroll audit was entitled *Information Systems Audit of Payroll and Personnel Systems* and was issued on April 25, 1995. This report concluded that the various systems for processing payroll and personnel transactions had security weaknesses and that certain controls related to payroll processing needed to be strengthened. The report recommended changes in the review and approval process for assigning access privileges to the Corporation's systems, utilities, and databases. Management agreed with the report's recommendations and our review did not identify similar concerns. In addition, a recent audit report entitled *Information Systems Security – Dallas* (Audit Report No. D98-087) identified weaknesses in the administration of access privileges for PARS that resulted in access privileges for an excessive number of individuals. The report recommended actions to ensure that privileges were based on need. Dallas management took actions to effectively address the recommendations.

DOA has performed internal control assessments of areas related to personnel services. The assessments were performed to evaluate access controls for the Vacancy Tracking System, coding and input accuracy for personnel actions, and controls over employee benefit information. The information obtained during these assessments was used to improve controls and data accuracy.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

The objectives of the audit were to determine the adequacy of information systems processing and security controls over the origination and maintenance of individual employee personnel data related to personnel actions. Our audit was limited to the portion of the process performed by PSB at its headquarters and field locations in Dallas, Texas; and Atlanta, Georgia; and included tests of PARS process controls. We did not perform tests of the NFC process controls because these systems fall under the purview of the USDA OIG.

We performed a risk analysis to assess the adequacy of personnel action processing controls. We identified the existing control procedures by reviewing systems documentation and existing procedures and by interviewing PSB personnel. For each control risk, we identified and evaluated the effectiveness of existing controls. We tested the effectiveness of the control procedures by reviewing a sample of transactions and conducting tests of certain computerized controls provided by PARS at PSB offices in Washington, D.C.; Dallas, Texas; and Atlanta, Georgia. We performed our transaction reviews by judgmentally sampling transactions from the NFC database and comparing this information to source documents contained in employees' Official Personnel Folders. Our sample consisted of 99 employees in Washington, D.C.; 69 in Dallas, Texas; and 48 in Atlanta, Georgia. For each employee in our sample, we determined whether personnel actions processed during the 12-month period ending September 30, 1998 were adequately supported and timely

processed.

To assess the adequacy of security controls, we reviewed systems access lists for PARS and the NFC personnel processing systems. During our review of access privileges, we considered the individual employee's need to access and/or change personnel data and the type of system functions that should be permitted to ensure appropriate separation of duties. We also evaluated PARS security infrastructure to determine whether unauthorized users could circumvent existing controls. We performed our evaluation by reviewing security tables in the ACF2 access control software and in the DB2 database system.

We conducted the audit between September 1998 and January 1999 in accordance with generally accepted government auditing standards.

## **RESULTS OF AUDIT**

PSB developed and implemented a number of processes to enhance data integrity, including a well-administered data verification program that involves periodically sending staffing tables to all Divisions and Offices for verification and correction, followed by rigorous follow up to ensure a timely and thorough effort by the Divisions and Offices. Further, PSB's processing of personnel actions was generally performed in a timely manner and employees' Official Personnel Folders were generally complete and well-maintained.

Our comparison of NFC data to records contained in the Official Personnel Folders of 216 FDIC employees identified some discrepancies. For example, we noted seven Service Computation Date (SCD) changes that were not supported by a Request for Personnel Action (SF-52). Additionally, we noted that the 105 employee award transactions in our sample did not receive post-processing reviews. We were unable to fully quantify the accuracy of personnel data processed because PSB did not maintain copies or images of SF-52s, as submitted by the requesting FDIC organization and prior to modification by PSB.

FDIC needs additional procedures, processes, and controls to more fully protect personnel database files from unauthorized browsing and intentional or inadvertent unauthorized changes. Additional controls are needed for direct file updates performed by PSB and NFC because these transactions are performed without standardized source documents and, therefore, are not subject to PSB's reconciliation procedures. Additionally, PSB's document matching process was limited in its effectiveness because requests submitted by offices and divisions remained electronically modifiable by PSB and were printed as official documents only after PSB completed all changes and transmitted the documents electronically to NFC. The lack of historical source documentation, as submitted by the originating office, precluded our ability to determine the extent to which this control weakness resulted in actions not intended by the originating organization.

DIRM and PSB need to improve access controls for PARS, and PSB needs to more closely limit access to the NFC systems that it uses to better prevent unauthorized access to sensitive data and to enhance controls through separation of incompatible duties. Access controls were hindered by the lack of current listings identifying employees' access privileges. This lack of information was instrumental in FDIC's continued assignment of unnecessary access authorities to PARS and

its related data. Security was further diminished because at least 10 employees who, although they were not assigned access to PARS, could inappropriately access PARS data directly. Finally, FDIC's overall security over corporate data was reduced by the existence of a general use, systems level user identification (ID) and password combination originally intended for training purposes. This generic ID and password combination was not assigned to an individual, thereby eliminating accountability, and provided the ability to access all mainframe data files, including operating system files.

Many of the recommendations contained in this report are directed at improving PSB and DIRM control procedures. PSB stated its commitment to such improvements as part of its plan to engage a contractor to fully document its operating procedures. Further, DIRM took action during the audit to correct all of the security concerns that we reported to them.

### **CERTAIN CONTROL PROCEDURES NEED TO BE STRENGTHENED**

PSB can strengthen certain controls to ensure the accuracy and appropriateness of some types of transactions. PSB's primary control over the creation and modification of employee data was the matching of source documents, SF-52, with output documents, SF-50. However, some transactions such as master file updates performed by NFC, data updates performed by PSB, and employee awards were not subjected to the matching process or compensating control processes.

PSB did not perform document matching for these types of transactions because they were not originated by SF-52s created through PARS and transmitted electronically to NFC. Instead, these transactions were entered directly into the NFC Personnel Action Processing System (PACT) by PSB or directly into the data base files by NFC, bypassing both PARS' controls and PSB's reconciliation controls. PACT is the main online remote entry system used to forward personnel actions to NFC. The Master File updates made by NFC and the PACT update transactions made by PSB were in particular need of compensating controls because, in addition to not being subjected to a reconciliation process, they were not supported by an audit trail.

Master File updates by NFC are infrequent and none were noted in our audit sample. The data affected are computer-derived, in the form of cumulative totals on elapsed days of employment, used to determine the achievement of milestones related to probationary periods and particular terms of appointment. However, because changes to these data are not reconciled or subject to an audit trail, other controls mechanisms are needed to ensure the accuracy and integrity of these data.

Compensating controls are also needed for PSB data updates made via the PACT system Data Update screen. Although classified by NFC as unofficial changes, up to 40 different employee-related data elements can be entered or modified through the Data Update screen without a record of the action, including probationary period start date, grade retention expiration date, annual leave category, and Thrift Savings Plan eligibility code.

Employee awards were also not processed through PARS, but were input directly to PACT without the preparation of an SF-52. Instead, PSB employees prepared voucher sheets listing the

affected employees and their respective award amounts. However, PSB had not established a pre- or post-processing review using the voucher sheets, and the transactions were not recorded in an audit trail.

Sound internal control practices dictate that transactions should be adequately controlled to ensure proper authorization, input, and processing. Without such controls, PSB cannot be assured that its records and related personnel actions are accurate and appropriate. We were unable to determine the extent to which the lack of such controls contributed to inaccuracies in personnel records because PSB did not maintain source documentation for all transactions.

### **Recommendation**

We recommend that the Director, Division of Administration,

- (1) Develop procedures to ensure the integrity of NFC-generated, PACT-generated, and employee award transactions.

### **SUPPORT FOR PERSONNEL ACTIONS CAN BE IMPROVED**

PARS did not ensure that personnel actions were fully documented. When processing a request for a personnel action, the submitting organization initiated and approved an SF-52 through PARS and transmitted the request to PSB. However, this document remained electronically modifiable by PSB and was printed as an official document only after PSB made additions and modifications and transmitted the document to NFC. Further, PARS provided PSB the capability to change, without an audit trail, all SF-52 data elements, except for employee name and social security number.

While we recognize that it is sometimes necessary for PSB to change SF-52s submitted by client organizations because of its specialized expertise and possession of information not always available to the originating organization, controls are needed to ensure that requests continue to accurately represent the intent of the requestor. While a copy of the SF-50 is forwarded to the employee and the client organization, PSB had not established a procedure requiring clients to compare SF-50s with the original requests submitted through PARS.

Sound internal control practices dictate that all transactions are traceable to properly authorized source documents and that accountability is established for data origination and changes to ensure that erroneous or unauthorized transactions are limited and identified. Weaknesses in such control practices may result in the processing of personnel actions that are not consistent with the intent of the originating organization. The extent to which this may have occurred could not be determined due to the cited absence of an audit trail.

We recognize that it may not be cost beneficial to address the control weakness cited through changes to PARS because DOA is currently planning to acquire and implement the Corporate Human Resources Information System (CHRIS) to provide for its overall data processing

requirements, including the processing of personnel actions. However, these control weaknesses should be addressed through the CHRIS project to ensure that personnel actions are properly authorized and consistent with the intent of the originating organization.

## **Recommendations**

We recommend that the Director, Division of Administration,

- (2) Develop written procedures, requiring submitting organizations to compare SF-52s submitted to PSB to SF-50s received at the end of the process to ensure the accuracy and consistency of the personnel actions processed and report the results to PSB.
- (3) Ensure that the CHRIS subsystem intended to replace PARS incorporates the capability to preserve a permanent image or record of the original SF-52 submitted by the requesting organization and provides an audit trail of changes and additions made to the request.

## **SUPPORT FOR CHANGES IN SERVICE COMPUTATION DATES CAN BE IMPROVED**

PSB had not established controls that ensured the integrity of SCD data. PSB must initiate SCD changes when it identifies an error in the originally entered date. This generally occurs when an incorrect date is reported from an employee's prior agency. SCD changes are generally originated by PSB and not based on an SF-52 received from a submitting organization. Of the personnel data changes originated by PSB, changes in SCD are one of the more critical in terms of impact because they affect employee benefits such as amount of annual leave earned and retirement eligibility. PSB maintained source documentation for all nine of the SCD changes contained in our sample. Two SCD transactions were supported by SF-52s and seven were supported by computer-generated worksheets or hand-written calculations. However, four of the seven transactions supported only by worksheets or manual calculations did not identify the individual who prepared the supporting documentation or entered the transaction. In addition, only the two SCD transactions supported by SF-52s contained evidence of supervisory review.

Sound internal control practices dictate that transactions should be supported by documentation identifying the individual originating and entering the transaction and evidence of supervisory review. Without such controls, PSB cannot be assured of the integrity of SCD data. We did not determine the extent to which these needed control improvements impacted the accuracy of SCD data because of the general absence of SF-52s supporting these transactions and the related difficulty in identifying the transactions.

## **Recommendation**

We recommend that the Director, Division of Administration,

- (4) Develop procedures requiring a standard format for supporting SCD calculations and for identifying the individual responsible for the calculations and that the resulting transactions are input to PARS or the NFC system based on a properly approved SF-52.

## **WEAKNESSES IN PARS AND NFC SECURITY ADMINISTRATION**

PSB can improve its procedures for controlling access to PARS and the NFC systems used to process personnel actions. PSB provided employees with PARS access authorities that reduced controls by providing, in some cases, the ability to perform incompatible functions. Further, PSB employees and former PSB employees who no longer had a need for such access were provided access authorities to NFC systems used to process personnel actions.

Security and control for PARS is administered through a system of control tables that determines who can gain access to PARS and what functions they can perform. We identified 26 individuals in PSB's Washington, D.C., office who were provided the incompatible authorities of both establishing and filling positions. Limiting the functions that a system user can perform can enhance controls by separating incompatible duties.

Further, we identified individuals in PSB's Washington D.C. office who were performing the control function of matching input documents with output documents who were also given PARS privileges for creating, modifying and deleting data.

The unneeded access authorities noted were due, in part, to the lack of periodic information available to PSB on assigned access authorizations for PARS. PSB had not created or requested that DIRM create a report identifying PARS users and their assigned access authorities. Without such information, effective control over PARS access and related processes is difficult to attain.

PSB can also improve security for personnel action processing by better controlling access to NFC systems that are used in the processing of personnel actions. Ten PSB employees and four non-PSB employees were assigned access authorities to NFC's PACT system, which provides the ability to modify personnel-related data online without an audit trail of the actions performed. The assignment of such authorities to 10 PSB employees does not appear to be necessary due to the limited use of this form of data entry and the lack of controls discussed earlier in this report. In addition, PSB, in not revoking PACT authorities for former PSB employees, further reduced controls over personnel action processing.

Sixty-three PSB employees and four former PSB employees were assigned authority to access NFC's Suspense Inquiry and Correction System (SINQ), which enables users to access transactions in suspense due to edit errors and make corrections. Access to error correction applications such as SINQ should be limited to only PSB employees who need the access to carry out their duties. While we did not determine the number of PSB employees who require such access, the assignment of these authorities to such a large number of employees, including employees no longer assigned to

PSB reduces controls and increases the risks to data integrity.

## **Recommendations**

We recommend that the Director, Division of Administration,

- (5) Review the duties of each employee on the Systems Support Staff to identify those who do not need access to both the Classification Review option and the Review of SF-52 option and modify the system tables to provide access to only those employees who require such access to perform their duties.
- (6) Reassign duties and/or revise PARS access privileges so that individuals performing the control function of matching input documents (SF-52s, etc.) with output documents (SF-50s) are not provided the ability to create, modify, or delete data.
- (7) Revoke access privileges to the NFC SING system for all individuals not in PSB and for PSB employees who do not require such access to ensure effective and efficient SING processing.
- (8) Revoke access privileges to the NFC PACT system for individuals who are not in PSB and limit the number of PSB employees to the number needed to effectively and efficiently perform PACT processing.
- (9) Develop, periodically distribute, and review reports identifying individuals assigned access authorities related to personnel action processing. Based on these reviews, ensure that all unnecessary access authorities are revoked.

## **WEAKNESSES IN PARS SYSTEMS LEVEL SECURITY ADMINISTRATION**

DIRM had not taken action to appropriately limit direct access to PARS files. The FDIC mainframe access control facility (ACF2), and security features of the DB2 data base management system are used to protect PARS from unauthorized direct file access, an activity which would effectively circumvent the PARS application level security controls. Prevention of direct access to PARS files is vital the integrity and security of PARS data.

ACF2 protects PARS and other mainframe application systems by linking individual user identifications (IDs) with specific computer resources and files. The ACF2 rules contained three IDs that enabled the users to directly access PARS files and perform read and update functions without being subjected to the controls provided by the PARS application system. The identity of all individuals using the IDs could not be determined because one of the IDs was assigned generically rather than to a specific user. The ID was created for general purpose training use and was not revoked when it was no longer needed. Consequently, anyone using this ID could bypass the accountability controls that would identify the persons responsible for any actions taken. Because the training ID was inadvertently linked with DIRM Production Control Unit

privileges, persons using this ID could read or edit all data residing on the FDIC's mainframe without being held accountable for their actions. This security exposure was further compounded because a user of this ID could also edit operating system files and, therefore, manipulate mainframe operations, including bringing about a system shutdown without detection or accountability.

In addition to the overly powerful ID issued for training purposes, the ACF2 rules contained another ID with direct access to PARS files, which was issued to an employee in the Division of Finance. The ID was included in a group ID intended for the DIRM database administration group and, therefore, had read and update privileges to most FDIC mainframe data. Finally, the ACF2 rules contained an ID that was issued to a DIRM contract person no longer assigned to the PARS project.

ACF2 administration, pertaining to DB2 backup datasets, can also be improved. Because ACF2 tables did not include a rule concerning the backup datasets, a default rule applied that gave read and update privileges to 77 individuals in four DIRM operating groups that should not have been provided these capabilities. Thus, these individuals could read sensitive personnel data. Some of these individuals were also provided the capability to improperly modify the backup data files.

Similar to ACF2, the FDIC's DB2 data base management system also has tables linking users with files they are allowed to access. The DB2 tables, however, perform this function at a greater level of specificity as to what data elements can be accessed. Seven individuals listed on these tables had inappropriate 'read' access to PARS data, including one individual who had update capabilities as well. This individual, a DOS Administrative Assistant, could read and edit all DB2 files, bypass accountability controls, and grant similar privileges to anyone in FDIC.

These conditions were presented to DIRM during our audit. DIRM completed corrective actions prior to issuance of this report. Therefore, we are not making any formal recommendations regarding these conditions.

## **CORPORATION COMMENTS AND OIG EVALUATION**

Written responses were provided by the Directors, DIRM and DOA, on June 10, 1999 and July 9, 1999, respectively. These responses are presented in Appendices I and II of this report. The Director, DIRM, confirmed in his response that all issues requiring DIRM action had been implemented prior to receiving the draft report. The Director, DOA, stated that most actions have either been completed or will be completed by August 15, 1999. One exception pertained to a recommendation regarding actions associated with the implementation of a system to replace PARS (recommendation 3). DOA officials indicated that this recommendation would be implemented by July 1, 2001. DOA's response expressed disagreement with a proposed recommendation contained in the draft report regarding reducing the number of individuals assigned system administrator privileges. DOA's response also indicated only partial concurrence with recommendation 2. In a subsequent meeting, DOA prepared and presented documentation indicating that six of the ten individuals cited in the draft report as having system administrator authorities had reduced administrative capabilities. We confirmed this statement

and, therefore, removed this finding and recommendation from the final report. During this meeting, DOA officials also agreed to fully implement recommendation 2 and provided a planned completion date of August 15, 1999.

The Corporation's responses to the draft report provided the elements necessary for management decisions on the report's recommendations. Therefore, no further response to this report is necessary. Appendix III presents management's proposed action on our recommendations and shows that there is a management decision for each recommendation in this report.

**CORPORATION COMMENTS – DIVISION OF INFORMATION RESOURCES  
MANAGEMENT**

# FDIC

**Federal Deposit Insurance Corporation**

3501 North Fairfax Drive, Arlington, VA 22226

Division of Information Resources Management

June 10, 1999

**MEMORANDUM TO:** David H. Loewenstein  
Assistant Inspector General



**FROM:** Donald C. Demitros, Director  
Division of Information Resources Management

**SUBJECT:** DIRM Management Response to the Draft OIG Report Entitled,  
*Audit of Personnel Action Controls and Security*  
(Audit Number 98-904)

The Division of Information Resources Management (DIRM) has reviewed the draft audit report and agrees with the findings. We would like to thank the OIG staff for working so effectively with the DIRM ISS staff during this audit. Although no formal recommendations were identified for DIRM, there were a number of necessary corrective actions that were identified by the OIG and completed by DIRM prior to the issuance of this draft report. Each condition and the associated corrective actions are identified below.

## **WEAKNESSES IN PARS SYSTEMS LEVEL SECURITY ADMINISTRATION**

- DIRM had not taken adequate actions to limit direct access to PARS files. The ACF2 tables contained three IDs which enabled the users to directly access PARS files and perform read and update functions without being subjected to the controls provided by the PARS application system. Two of the IDs also allowed access to most FDIC production datasets.

Corrective Action Taken: 10/28/98 – The identified DIRM contractor who was no longer assigned to PARS was removed from the UID.

10/28/98 – The identified DOF employee with inappropriate access to PARS was removed from the UID.

10/29/98 - The general purpose training ID was removed from the Production Control UID.

- ACF2 tables did not include a rule concerning the backup datasets, a default rule applied that gave read and update privileges to 77 individuals in four DIRM operating groups that should not have been provided these capabilities.

Corrective Action Taken: 12/11/98 - The 'write' access for the DB2 back-up datasets was limited to production control and two people in the DIRM General Systems Support Unit

DIRM ISS reviewed all ACF2 corrective actions again 3/31/99 and all issues had been resolved.

- Seven individuals listed on these (DB2) tables had inappropriate 'read' access to PARS data, including one individual who had update capabilities as well.

Corrective Action Taken: 3/24/99 - The identified individual with update capability was removed from the group\_id PAR.

4/8/99 - The six identified individuals with 'read' access were deleted from the secondary IDs.

Please address any questions to DIRM's Audit Liaison, Rack Campbell, on 516-1422.

cc: Vijay Deshpande, OICM  
Janet Roberson, DIRM RMB  
Sunil Porter, DIRM ISS

## CORPORATION COMMENTS – DIVISION OF ADMINISTRATION



**FDIC**  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW, Washington, D.C. 20429

Division of Administration

JULY 09, 1999

**MEMORANDUM TO:** David H. Lowenstein  
Assistant Inspector General

*Arleas Upton Kea*

**FROM:** Arleas Upton Kea  
Director

**SUBJECT:** Management Response on Draft Report Entitled *Audit of Personnel Action Controls and Security*

The Division of Administration (DOA) has completed its review of the draft report issued by the Office of the Inspector General (OIG) entitled “*Audit of Personnel Action Controls and Security*” (audit number 98-904). DOA appreciates the study performed by the OIG. As noted in the OIG report, DOA PSB is committed to making improvements in documenting its operating procedures. Overall, DOA agrees with the report's conclusions.

DOA has evaluated each of the report recommendations and provides the following proposed management decisions for your review.

**MANAGEMENT DECISION**

**Recommendation 1:** Develop procedures to ensure the integrity of NFC-generated, PACT-generated, and employee award transactions.

**Management Response 1:** DOA concurs with this recommendation. PSB has developed procedures to enhance data integrity with respect to master file updates performed by NFC, data updates performed by PSB, and employee award transactions.

**Recommendation 2:** Develop written procedures, requiring submitting organizations to compare SF-52s submitted to PSB to SF-50s received at the end of the process to ensure the accuracy and consistency of the personnel actions processed and report the results to PSB.

**Management Response 2:** DOA concurs in part with the recommendation. It is the current business practice among the Division/Office Administrative Staffs to routinely compare the Personnel Action Requests (PARS) to the SF-50s to ensure that actions are properly processed. In addition, a Sr. Personnel Staffing Assistant reviews for accuracy all SF-50s by comparing

them to the SF-52 and supporting documentation. Furthermore, employees act as a compensating control by evaluating the SF-50 upon receipt. We believe that these actions address the intent of the recommendation.

**Recommendation 3:** Ensure that the CHRIS subsystem intended to replace PARS incorporates the capability to preserve a permanent image of the original SF-52 submitted by the requesting organization and provides an audit trail of changes and additions made to the request.

**Management Response 3:** DOA concurs with the recommendation. The CHRIS subsystem will incorporate the capability to track all changes to a personnel action from the original request to the final processed action submitted by the Servicing Personnel Office. The information will be retained in the database as a permanent record for a specified time.

**Recommendation 4:** Develop procedures requiring a standard format for supporting SCD calculations and for identifying the individual responsible for the calculations and that the resulting transactions are input to PARS or the NFC system based on a properly approved SF-52.

**Management Response 4:** DOA concurs with the recommendation. Personnel Assistants will use the FRC Retirement Calculator to determine the SCD's (Leave, Retirement and RIF) for all new employees, including those who come to FDIC from another Federal Agency. The information sheet will be filed in the employee's OPF. Additionally, PSB will require the Personnel Assistant to sign the information sheet and have the information reviewed by the Personnel Specialist before the sheet is filed in the OPF. The information sheet will show the employment dates used to calculate the SCD, the name of the Personnel Assistant who prepared the sheet, and the Personnel Specialist who reviewed it. We anticipate that this practice will be implemented by August 1, 1999.

**Recommendation 5:** Review the duties of each employee on the Systems Support Staff to identify those who do not need access to both the Classification Review option and the Review SF-52 option and modify the system tables to provide access to only those employees who require such access to perform their duties.

**Management Response 5:** DOA concurs with the recommendation. A review will be made of each staff member's need to access PARS, and appropriate action will be taken. We anticipate completing this action by August 1, 1999.

**Recommendation 6:** Reassign duties and/or revise PARS access privileges so that individuals performing the control function of matching input documents (SF-52s, etc.) with output documents (SF-50s) are not provided the ability to create, modify, or delete data.

**Management Response 6:** DOA concurs with the recommendation. A review will be made to determine the level of access to PARS required by each staff member, and appropriate action will be taken. We anticipate completing this action by August 1, 1999.

**Recommendation 7:** Reduce the number of PSB employees assigned PARS System Administration access privileges to the minimum number needed to ensure effective operation of processing personnel actions.

**Management Response 7:** DOA does not concur with the recommendation. We reviewed the roles and responsibilities for those employees who currently have system administrator privileges within PARS. We find the number of personnel with administrator privileges is appropriate. Four of the ten individuals in PSB/Washington identified as system administrators are the program managers/data stewards and system administrators of PARS. The other six individuals identified as system administrators are “User System Administrators” in the Washington Personnel Services Section (WPSS). WPSS has three teams processing PARS actions. For each team, there is a primary and a backup administrator. The User System Administrator function was designed to enable these WPSS teams to process or move personnel actions when members of the WPSS are on leave to meet processing deadlines.

**Recommendation 8:** Revoke access privileges to the NFC SING system for all individuals not in PSB and for PSB employees who do not require such access to ensure effective and efficient SING processing.

**Management Response 8:** DOA concurs with the recommendation. Access for most of the individuals outside of PSB has been revoked. A thorough review has been made of the remaining individual accesses, and a request to revoke access was prepared and sent to the National Finance Center (NFC) on May 28, 1999. Certain individuals with access to NFC SING system will remain because the individuals perform functions (e.g., technical support, back-pay and settlement cases) that require access to the system.

**Recommendation 9:** Revoke access privileges to the NFC PACT system for individuals who are not in PSB and limit the number of PSB employees to the number needed to effectively and efficiently perform PACT processing.

**Management Response 9:** DOA concurs with the recommendation. Access for most of the individuals outside of PSB has been revoked. A thorough review has been made of the remaining individual accesses, and a request to revoke access was prepared and sent to the National Finance Center (NFC) on May 28, 1999. Certain individuals with access to the NFC PACT system will remain because the individuals perform functions (e.g., technical support, back-pay and settlement cases) that require access.

**Recommendation 10:** Develop, periodically distribute, and review reports identifying individuals assigned access authorities related to personnel action processing. Based on these reviews, ensure that all unnecessary access authorities are revoked.

**Management Response 10:** DOA concurs with the recommendation. A quarterly review of PARS and NFC access has been established. Our first review was completed at the end of the 2<sup>nd</sup> quarter 1999. We made modifications to existing PARS reports to show access information.

We will continue to seek ways to improve our personnel action controls and security and would appropriate changes, as deemed necessary. We thank you for this opportunity to respond to the report. If you have any questions regarding the response, our point of contact for this matter is Andrew Nickle, Audit Liaison for the Division of Administration. Mr. Nickle can be reached at (202) 942-3190.

Cc: Cindy Medlock

### MANAGEMENT RESPONSES TO RECOMMENDATIONS

The Inspector General Act of 1978, as amended, requires the OIG to report the status of management decisions on its recommendations in its semiannual reports to the Congress. To consider FDIC's responses as management decisions in accordance with the act and related guidance, several conditions are necessary. First, the response must describe for each recommendation

- the specific corrective actions already taken, if applicable;
- corrective actions to be taken together with the expected completion dates for their implementation; and
- documentation that will confirm completion of corrective actions.

If any recommendation identifies specific monetary benefits, FDIC management must state the amount agreed or disagreed with and the reasons for any disagreement. In the case of questioned costs, the amount FDIC plans to disallow must be included in management's response.

If management does not agree that a recommendation should be implemented, it must describe why the recommendation is not considered valid. Second, the OIG must determine that management's descriptions of (1) the course of action already taken or proposed and (2) the documentation confirming completion of corrective actions are responsive to its recommendations.

This table presents the management responses that have been made on recommendations in our report and the status of management decisions. The information for management decisions is based on management's written response to our report and subsequent discussions with management representatives.

| <b>Rec. Number</b> | <b>Corrective Action: Taken or Planned/Status</b>  | <b>Expected Completion Date</b> | <b>Documentation That Will Confirm Final Action</b>       | <b>Monetary Benefits</b> | <b>Management Decision: Yes or No</b> |
|--------------------|--|---------------------------------|---|--------------------------|---------------------------------------|
| 1                  | PSB has developed procedures to enhance data integrity of NFC-generated, PACT-generated, and employee award transactions.  | July 23, 1999                   | DOA written procedures                                    | None                     | Yes                                   |
| 2                  | PSB will develop written procedures requiring submitting organizations to compare SF-52s submitted to PSB to SF-50s received at the end of the process to ensure the accuracy and consistency of the personnel actions processed and report the results to PSB.  | August 15, 1999                 | PARS Directive  | None                     | Yes                                   |
| 3                  | The CHRIS subsystem, intended to replace PARS, will incorporate the capability to track all changes to a personnel action from the original request submitted by the requesting organization to the final processed action.  | July 1, 2001                    | Completion of PARS portion of CHRIS                       | None                     | Yes                                   |
| 4                  | PSB will require a standard format for supporting SCD calculations to be signed by the Personnel Assistant and by the Personnel Specialist who reviewed it.  | August 1, 1999                  | DOA standardized information sheet and written procedures | None                     | Yes                                   |
| 5                  | PSB will review the duties of each employee on the Systems Support Staff to identify those who do not need access to both the Classification Review Option and the Review SF-52 option and modify the system tables to provide access to only those employees who require such access to perform their duties. | August 1, 1999                  | PARS system tables  | None                     | Yes                                   |
| 6                  | PSB will reassign duties and/or revise PARS access privileges so that individuals performing the control function of matching input documents with output documents are not provided the ability to create, modify, or delete data.  | August 1, 1999                  | PARS system tables  | None                     | Yes                                   |
| 7                  | Access to the NFC SING system for most of the individuals outside of PSB has been revoked. A thorough review has been made of the remaining individual accesses, and a request to revoke access was prepared and sent to the NFC.  | July 23, 1999                   | NFC reports on access privileges                          | None                     | Yes                                   |
| 8                  | Access to the NFC PACT system for most of the individuals outside of PSB has been revoked. A thorough review has been made of the remaining individual accesses and a request to revoke access was prepared and sent to the NFC.   | July 23, 1999                   | NFC reports on access privileges                          | None                     | Yes                                   |
| 9                  | A quarterly review of PARS and NFC access has been established. DOA made modifications to existing PARS reports to show access information.  | July 23, 1999                   | Access reports on file                                    | None                     | Yes                                   |