

MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

Internal Control Report

**Telework Program Audit
Report Number: CW-005-2019**

January 25, 2019

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Telework Program

Internal Control Review
Audit Report

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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Office of the Inspector General (OIG) conducted a review of the Maryland-National Capital Park and Planning Commission's (M-NCPPC or Commission) Telework Program (Program) procedures. This audit area was identified as a high-risk process in the OIG's annual risk assessment and was included in the annual Audit Plan approved by the Commission's Audit Committee.

Commission Administrative Procedure No. 3-01, *Telework Program* (Procedure) provides authority and guidance for teleworking. Per the Procedure, telework is a type of alternative work arrangement that provides an opportunity for employees to work from a site other than their assigned/traditional office or worksite. The Commission's Work/Life Program provides employees the opportunity to request telework on a voluntary basis. Suitability and approval of a request for telework is based on a review of the departmental work program, the employee's job duties and performance level, as well as the proposed alternate work site.

Telework has many beneficial purposes, including the following:

- Providing an environment conducive to retaining quality staff and making M-NCPPC an employer of choice for new talent. Retaining employees has the added benefit of reducing organizational costs related to employee turnover and absenteeism.
- Offering staff an opportunity to minimize commute time while maintaining and/or increasing the Commission's productivity and effectiveness.
- Improving staff efficiency and effectiveness and providing greater flexibility to meet the changing needs of business and services offered by the Commission.
- Helping staff and supervisors better balance the challenges of increased work demands and personal life while focusing on the Commission's business requirements.
- Supporting the Commission's efforts to be a more sustainable organization and regional efforts to improve air quality through the reduction of automotive cold starts and highway congestion.

The Department of Human Resources and Management (DHRM¹) is responsible for providing oversight of the Telework Program and assisting departments with the implementation of telework arrangements.

Employees interested in participating the program must submit a Telework Screening Survey and Agreement request. That request must then be reviewed and/or approved by the following before the employee can begin the telework schedule:

¹ The Division of Human Resources within DHRM

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- Supervisor/Division Chief
- Department Head
- Risk Management and Safety Office
- Division of Human Resources (review only)

In addition to regular telework agreements, the Commission allows ad-hoc and project based telework. Ad-hoc telework is an arrangement for unscheduled, short-term work. Project based telework is an arrangement where an employee is approved to telework in order to complete a specific or known project. These alternative arrangements do not require a formal agreement.

To date the OIG has identified 117 Telework Program participants.

B. Audit Objective, Scope and Methodology

Objective

The purpose of the audit was to identify opportunities to strengthen internal controls, improve operational efficiencies and help ensure compliance with Commission policies and procedures related to the Telework Program.

In addition, the audit scope was designed to identify possible fraud, waste, or abuse within the processes being audited.

Scope

The scope of our audit included, but was not limited to, the following audit procedures:

- Evaluated internal controls of key operations involved in the Telework Program;
- Interviewed key employees to obtain an understanding of the Telework Program's process(es) and to determine if the Program is administered uniformly throughout the Commission; and
- Selected a judgmental sample of Telework Program participant files for review.

The audit covered the period from 07/01/17 through 06/30/18.

Scope Limitation

All Telework Screening Survey and Agreement (telework agreement) requests should be reviewed and retained by the Division of Human Resources within DHRM. Although the Division of Human Resources is the central repository for all telework agreements, they may be unaware of employees teleworking without a telework agreement. To that end, the OIG cannot ensure their testing population included all telework participants.

Testing procedures were not designed to identify or opine on ad-hoc or project based telework arrangements.

Methodology

Inquiry, observation, data analysis, and tests of transactions to complete the objectives of this audit was performed.

The audit was conducted in accordance with the generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

C. Major Audit Concerns

The results of our evaluation and testing procedures did not indicate any major audit concerns.

D. Findings and Overall Conclusions

The results of our evaluation and testing procedures indicate deficiencies in the design or operation of internal controls with regard to the administration of the Telework Program. (see definition below).

We believe all deficiencies identified and communicated are correctable and that management's response to all recommendations satisfactorily address the concerns. It is the responsibility of management to weigh possible additional costs of implementing our recommendations in terms of benefits to be derived and the relative risks involved.

We wish to express our appreciation to the Division of Human Resources and Management, Prince George's County Department of Parks and Recreation, Montgomery County Department of Parks, Prince George's County Planning Department, and Montgomery County Planning Department's administration and staff for their cooperation and courtesies extended during the course of the review.



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Inspector General

January 25, 2019

Conclusion Definitions

Satisfactory	No major weaknesses were identified in the design or operation of internal control procedures.
Deficiency	A deficiency in the design or operation of an internal control procedure(s) that could adversely affect an operating unit's ability to safeguard assets, comply with laws and regulations, and ensure transactions are properly executed and recorded on a timely basis.
Significant Deficiency	A deficiency in the design or operation of an internal control procedure(s) which adversely affects an operating unit's ability to safeguard assets, comply with laws and regulations, and ensure transactions are properly executed and reported. This deficiency is less severe than a material weakness, yet important enough to merit attention by management.
Material Weakness	A deficiency in the design or operation of an internal control procedure(s) which may result in a material misstatement of the Commission's financial statements or material impact to the Commission.

II. DETAILED COMMENTARY AND RECOMMENDATIONS

Findings and Recommendations

1. Provide Program Training to all Participants.

Issue: Training is not being provided to program participants by the Human Resource Division within DHRM. The OIG interviewed numerous Commission employees regarding telework training requirements, including members of the Human Resource Division, Risk Management and Safety Office, Department Managers, and Division Chiefs. Every person interviewed responded that no training was provided to program participants.

Criteria/Risk: Per Commission Administrative Procedure No. 03-01, *Telework Program*, DHRM is responsible for coordinating the mandatory training for new teleworkers.

Employees are responsible for attending required training before beginning telework and ensuring compliance with additional policies and/or guidelines addressed in the telework training session.

Failure to provide the mandatory training is a violation of Administrative Procedure No. 03-01. In addition, lack of knowledge regarding program guidelines and requirements could lead to instances of program abuse.

Recommendation: We recommend that the Department of Human Resources and Management develop, coordinate, and administer the mandatory training for all telework program participants. The training should include guidance regarding program requirements, agreement modifications and agreement reauthorizations.

Issue Risk: High

Management Response: The Employee/Labor Relations Office in the Human Resource Division will reimplement training by developing an easily accessible training on telework to include the details of the Commission's program/policy requirements and other criteria recommended by OIG. We anticipate offering the training via an online source so that it is readily available to participants as needed. After development of the telework training, Employee/Labor Relations will coordinate that all active teleworkers can access the training. The training will also be made available on an ongoing basis to new teleworkers.

Expected Completion Date: Development of the training is anticipated to be completed by April 30, 2019; implementation of the training is anticipated to be completed shortly thereafter.

Follow-Up Date: June 30, 2019

2. Ensure Required Documentation is Submitted and Approvals are Obtained

Issue: Employees are participating the Telework Program without the required Telework Screening Survey and Agreement (telework agreement). The OIG identified five (5) employees in one department that have an ongoing telework schedule but did not submit the required telework agreement and did not obtain the corresponding approvals.

Criteria/Risk: Per Commission Administrative Procedure No. 03-01, *Telework Program*, the employee must submit a completed Telework Screening Survey and Agreement to his/her supervisor for approval. A teleworker must receive approval before they can begin a formal telework schedule.

The absence of formal telework agreement is a violation of Administrative Procedure No. 03-01. Without an agreement, Division of Human Resource personnel could be unaware of the employees' participation in the program. In addition, lack of documentation could lead to abuse of the telework program and potential timekeeping fraud. Lastly, lack of awareness of the employees telework agreement could stunt management/employee communication and compromise work performance expectations.

Recommendation: We recommend that managers ensure all teleworking staff members submit formal Telework Screening Survey and Agreement requests and secure the corresponding approvals before the commencement of the telework schedule.

Issue Risk: High

Management Response: All departments agree with the recommendation that managers shall be tasked with ensuring all teleworking staff members submit a formal Telework Screening Survey and Agreement first for Department approval and subsequently for approval by the Risk Management/Safety Office and final review by the Human Resources Division prior to beginning a formal telework schedule.²

Expected Completion Date: February 1, 2019

Follow-Up Date: June 30, 2019

² See Exhibit A for full managerial response.

3. Ensure Telework Agreements are Reauthorized on an Annual Basis

Issue: During course of the audit, the OIG selected a judgmental sample of 38 telework agreements to determine whether or not the telework agreements were reauthorized, where applicable, on an annual basis. Of the 38 agreements reviewed, 29 required reauthorization. None of the 29 telework agreements had gone through the required annual reauthorization process.

Risk/Criteria: Per Commission Administrative Procedure No. 03-01, *Telework Program*, all employee telework agreements should be reauthorized on an annual basis.

Failure to reauthorize the participants telework agreement is a violation of Administrative Procedure No. 03-01. In addition, an annual review helps ensure the current agreement continues to align with the employees' work program and management's performance expectations.

Recommendation: We recommend that employees, managers and Department Head's take the necessary steps to ensure applicable telework agreements are reauthorized on an annual basis.

Risk: Medium

Management Response: All departments agree with the recommendation that employees, managers, and Department Heads take the necessary steps to ensure applicable telework agreements are reauthorized on an annual basis. They recommend that the Human Resource Division, in conjunction with the Office of the Chief Information Officer (OCIO), include a process in the ERP or an alternative system that would send e-mail notifications to remind managers at the time of performance evaluations to reauthorize telework agreements, if applicable. Until the performance evaluation is automated in the ERP or an alternative system, they suggest including reminders in the paper performance evaluation about teleworking and other alternative schedules, e.g. flextime schedules.

Until the process is automated in ERP or an alternative system, the Human Resource Division within DHRM will commit to revising the performance management evaluation forms to include: a notation that upon the time of annual evaluations, supervisors should ensure that applicable annual paperwork is complete for employees on flexible work arrangements (i.e., telework, flextime, compressed work schedules). The Human Resource Division will update the evaluation forms by March 15, 2019.³

Expected Completion Date: DHRM - February 1, 2019
OCIO - TBD

Follow-Up Date: June 30, 2019

³ See Exhibit A for full Managerial Response

4. Submit Approved Telework Agreements to the Human Resource Division

Issue: During course of the audit, the OIG selected a judgmental sample of 38 participant telework agreements for review. The review sought to determine if approved telework agreements were forwarded to the Human Resource Division as required. Of the 38 files reviewed, only 30 or 79% were retained by the Human Resource Division.

Risk/Criteria: Per Commission Administrative Procedure No. 03-01, *Telework Program*, DHRM⁴ is responsible for providing oversight of the Telework Program and assisting departments with the implementation of telework arrangements.

Failure to provide the necessary program oversight could lead to abuse of telework privileges. For example, employee agreements could bypass the proper review process and improperly selected worksite locations and questionable scheduling could go undetected.

Recommendation: We recommend that employees, managers and Department Heads take the necessary steps to ensure that the applicable telework agreements are forwarded to the Human Resource Division.

Risk: Medium

Management Response: The departments agree with the recommendation that employees, managers, and Department Heads take the necessary steps to ensure that the applicable telework agreements are forwarded to the Human Resource Division within DHRM. They recommend teleworking agreements be submitted through the ERP or an alternative system. Until this process is automated in the ERP or an alternative system, they recommend an e-mail box be set up by the Human Resource Division to avoid confusion to whom or to which division it needs to be sent. There would still need to be a response back to the departments once the agreement is officially approved by the Human Resource Division.

Until the process is automated in ERP or an alternative system, the Human Resource Division will commit to implementing a general email mailbox for the Employee/Labor Relations Office within the Human Resources Division for the telework agreements (and other process documents in their work area); this general email mailbox will route directly with respective for Employee/Labor Relations staff and the general email mailbox will be set up by March 15, 2019. Employee/Labor Relations Office will continue to respond back to the departments once a telework agreement is completed (has all necessary approvals). Additionally, Employee/Labor Relations Office will coordinate placement of completed telework agreements in the employee's official personnel file.⁵

⁴ The Human Resource Division within DHRM

⁵ See Exhibit A for full Managerial Response

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Expected Completion Date: DHRM – March 15, 2019
OCIO - TBD

Follow-Up Date: June 30, 2019

5. Develop Data Base for Telework Agreements

Issue: The Human Resource Division within DHRM retains an electronic scan or a paper copy of all submitted telework agreements but does not maintain a centralized database of all participants and the corresponding details of their agreements. Hence, the Human Resource Division could not produce a listing of all program participants, but instead had to search for the individual's agreement manually, (paper copy), or by name and telework commencement date (electronic copy).

Risk/Criteria: Failure to maintain a searchable database of approved telework agreements limits Human Resource's ability to provide guidance and oversight over the Telework Program.

Recommendation: We recommend that the Human Resources Division maintain an electronic data base of all program participants and include the corresponding details of their agreements.

Risk: Medium

Management Response: The Employee/Labor Relations Office within the Human Resources Division has implemented a database of the Commission employees who telework, which includes the pertinent details of the respective telework agreements. A database was completed for calendar year 2018. A database has been created for calendar year 2019 and will be updated on an ongoing basis upon the receipt of new, modified, and/or reauthorized telework agreements. Individual departments are welcome to maintain their own database of their respective department's teleworkers.

Expected Completion Date: Completed

Follow-Up Date: June 30, 2019

EXHIBIT A – FULL MANAGERIAL RESPONSES

2. Ensure Required Documentation is Submitted and Approvals are Obtained

Full Managerial: All departments agree with the recommendation that managers shall be tasked with ensuring all teleworking staff members submit a formal Telework Screening Survey and Agreement first for Department approval and subsequently for approval by the Risk Management/Safety Office and final review by the Human Resource Division prior to beginning a formal telework schedule.

Montgomery County Department of Parks has sent to the Human Resource Division within DHRM all teleworking agreements on file as of October 2018. In addition, the Department has drafted a checklist to be used at annual performance evaluations (attached). The checklist addressed at the annual evaluation is appropriate since telework is conditional upon satisfactory performance evaluations. This will include a reminder to initiate/reauthorize the telework agreement. Divisions will send scans of these checklists along with any required forms (including the telework work agreement) to a newly created central e-mail address (mcp-msdhrforms@montgomeryparks.org and listed in the Global email address list as MCP-MSDHRFORMS) managed by MSD HR staff who will upload them to MC Pulse in the MSD Compliance Library. Telework Agreements (new or renewed) are also emailed to the Human Resource Division for their review. The divisions will be responsible for placing the original updated forms in the department employee file.

Prince George's and Montgomery County Planning Departments will also adhere to the following internal process consistent with the Commission's approved telework policy: The Department has reviewed all current telework agreements. Those employees who wish to continue to telework must seek reauthorization at the time of their evaluation (Please refer to PGPL's response for #3). All new, eligible employees who wish to telework will be required to review the Telework Program Administrative Procedures and submit their completed Telework Screening Survey and Agreement (Appendix A) to their supervisor/Division Chief for discussion and review for approval. (If a denial is recommended, the supervisor will provide a written response supporting the denial to forward with the employee's written request to the Director.) The Director will review the telework forms and associated documentation to approve or deny the employee's request. The Director's decision is not grievable. Once the Director approves the Telework Screening Survey and Agreement, the Department's Senior Human Resources Specialist or Administrative Specialist will forward the documents (including photographs of the workspace) to the Risk Management/Safety Office for review of the telework workspace to either approve, deny or make recommendations for safety improvements. If the telework workspace is approved, the employee will be scheduled for mandatory telework training, which may be waived, if they have completed a prior telework arrangement. (Note: Telework may not begin until after training is completed. Once the Department has received notification of the employee's completion of training, the employee is sent a copy of the approved Telework Agreement, and a date is determined by the employee, employee's supervisor and/or division chief.) For Prince George's Planning, the Department's Senior Human Resources Specialist will update the Department's internal telework database and if VPN Access is needed, the Department's

EXHIBIT A – FULL MANAGERIAL RESPONSES

Network Support Group will be notified via email. The employee will be required to complete the VPN request form, which must be approved by their supervisor and the IT Division Chief. The form shall be added to the Department's VPN database for tracking purposes. Revisions will be made to the VPN database as necessary (i.e. following resignations, retirements, dissolution of telework privileges, etc.). For Montgomery Planning, most of the staff have laptops and the laptops already have the VPN software pre-installed. A request is sent to the helpdesk from the individual's supervisor who approves VPN access. Following the ITI Chief's approval, the user is added to a group that gives them access to VPN.

Prince George's County Department of Parks and Recreation has reviewed all current Telework agreements to ensure that the appropriate approvals were obtained. Additionally, any incomplete applications were addressed and routed for approval. Moving forward, each division in conjunction with DPR HR will be responsible for facilitating the Telework process.

Montgomery County Planning Department has reviewed all current telework agreements. They have renewed several agreements and requested agreements from staff that did not have agreements on file. They have created a database to collect this information and reminder notification will be placed on the calendars of the divisional administrators until an automated system is implemented.

EXHIBIT A – FULL MANAGERIAL RESPONSES

3. Ensure Telework Agreements are Reauthorized on an Annual Basis

Full Managerial Response: All departments agree with the recommendation that employees, managers, and Department Heads take the necessary steps to ensure applicable telework agreements are reauthorized on an annual basis. They recommend that the Human Resource Division, in conjunction with the Office of the Chief Information Officer (OCIO), include a process in the ERP or an alternative system that would send e-mail notifications to remind managers at the time of performance evaluations to reauthorize telework agreements, if applicable. Until the performance evaluation is automated in the ERP or an alternative system, they suggest including reminders in the paper performance evaluation about teleworking and other alternative schedules, e.g. flextime schedules.

Until the process is automated in ERP or an alternative system, the Human Resource Division within DHRM will commit to revising the performance management evaluation forms to include: a notation that upon the time of annual evaluations, supervisors should ensure that applicable annual paperwork is complete for employees on flexible work arrangements (i.e., telework, flextime, compressed work schedules). The Human Resource Division will update the evaluation forms by March 15, 2019.

Montgomery County Department of Parks will implement the new checklist as described in #2 to ensure reauthorization of telework agreements.

Prince George's County Planning Department will also adhere to the following internal process: The Department will require all existing employees, who wish to continue to telework, to seek reauthorization on an annual basis. This will be done in conjunction with an employee's annual performance evaluation. The Department's Senior Human Resources Specialist will review the Department's existing telework database and email the Telework Screening Survey and Agreement to employees whose anniversary date is within two months. The employee will be responsible for forwarding their completed "new" Telework Screening Survey and Agreement to their supervisor at least 45 days prior to their anniversary date. (Performance evaluations are due to the Planning Director's Office 30 days prior to the anniversary date.) The supervisor will discuss their determination for reauthorization approval concurrent with their annual performance evaluation and document in the comment section of the performance evaluation form.

Montgomery County Planning Department generally follows the protocols described by Prince George's Planning Department with minor modifications – their Administrative Specialist will follow up with the Division admins via e-mail reminders approximately 45 days prior to the anniversary date.

Prince George's County Department of Parks and Recreation. During the annual performance evaluation process, approved Telework agreements will be reviewed for continued authorization, modification or termination, in accordance with Administrative Procedure No. 03-01.

EXHIBIT A – FULL MANAGERIAL RESPONSES

4. Submit Approved Telework Agreements to the Human Resource Division

Full Managerial Response: The departments agree with the recommendation that employees, managers, and Department Heads take the necessary steps to ensure that the applicable telework agreements are forwarded to the Human Resource Division within DHRM. They recommend teleworking agreements be submitted through the ERP or an alternative system. Until this process is automated in the ERP or an alternative system, they recommend an e-mail box be set up by the Human Resource Division to avoid confusion to whom or to which division it needs to be sent. There would still need to be a response back to the departments once the agreement is officially approved by the Human Resource Division.

Until the process is automated in ERP or an alternative system, the Human Resource Division will commit to implementing a general email mailbox for the Employee/Labor Relations Office within the Human Resource Division for the telework agreements (and other process documents in their work area); this general email mailbox will route directly with respective for Employee/Labor Relations staff and the general email mailbox will be set up by March 15, 2019. Employee/Labor Relations Office will continue to respond back to the departments once a telework agreement is completed (has all necessary approvals). Additionally, Employee/Labor Relations Office will coordinate placement of completed telework agreements in the employee's official personnel file.

Montgomery County Department of Parks is planning to perform an annual "sweep" to circulate the summary spreadsheet of approved telework agreements to all Chiefs (and their administrative staff) to confirm that agreements are current and have been re-authorized annually. This is in addition to the annual performance evaluation checklist to ensure 100% compliance.

Prince George's and Montgomery County Planning Department will also adhere to the following internal process: Following approval of the Telework Screening Survey and Agreement by the Department Head, the Department's Senior Human Resources Specialist or Administrative Specialist will continue to scan and email all approved telework agreements to the Risk Management and Safety Office. All telework requests (including denials) and associated documents will be entered into the Department's Telework Database by the Senior Human Resources Specialist or Administrative Specialist. Copies will be forwarded to the employee, manager and Division administrative assistant. Submitted copies, both approved and denied, will be filed in the Department's employee personnel file and in the Current Employee Work Schedule file for documentation purposes.

Prince George's County Department of Parks and Recreation. The divisions will forward all approved telework agreements to DPR HR office that will compile all agreements within the Department. Additionally, DPR HR Office will be responsible for forwarding the agreements to the Human Resources Division within DHRM.