



**NCUA**  
National Credit Union Administration

**OFFICE OF INSPECTOR  
GENERAL**

**AUDIT OF THE NCUA's  
COVID-19 WORK POSTURE**

**Report #OIG-21-10  
December 10, 2021**





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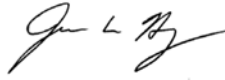
## National Credit Union Administration

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### Office of Inspector General

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**FROM:** Inspector General James W. Hagen 

**SUBJ:** The Audit of the NCUA's COVID-19 Work Posture

**DATE:** December 10, 2021

The National Credit Union Administration (NCUA) Office of Inspector General (OIG) conducted this self-initiated audit to assess the NCUA's work posture during the COVID-19 pandemic. Specifically, our objectives were to determine: (1) what factors guided NCUA management's policy decisions regarding the pandemic during the initial outbreak, (2) what factors are guiding management's future decisions to either continue a remote working posture or return to the office, (3) what factors guided management in providing NCUA staff with various benefits such as supply expenses and other leave options, and (4) what guidelines have been put in place to protect staff when a return to the office is approved, such as building safety, social distancing, and the use of personal protective equipment.

Results of our audit determined the NCUA took actions designed to protect the health and safety of staff in response to COVID-19 that were based on reliable information and expert guidance. Although we found minor weaknesses in some internal controls related to the agency's onsite approval and health self-certification processes, management changed these processes during our audit and no longer follows the processes we originally reviewed. As a result, we have no findings and therefore are not making any recommendations at this time.

We appreciate the cooperation and courtesies NCUA management and staff provided to us during the audit. If you have any questions on the report, please contact me at 703-518-6350.

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## EXECUTIVE SUMMARY

The National Credit Union Administration (NCUA) Office of Inspector General (OIG) conducted this self-initiated audit to review the NCUA's COVID-19 work posture and the actions the NCUA took to address the pandemic's impact on its staff and mission. The objectives of our audit were to determine: (1) what factors guided NCUA management's policy decisions regarding the pandemic during the initial outbreak, (2) what factors are guiding management's future decisions to either continue a remote working posture or return to the office, (3) what factors guided management in providing NCUA staff with various benefits such as supply expenses and other leave options, and (4) what guidelines have been put in place to protect staff when a return to the office is approved, such as building safety, social distancing, and the use of personal protective equipment (PPE). Because this is a fluid situation, we expanded the audit scope period to review policies, procedures, and guidance the NCUA issued from January 2020 through September 2021 related to the COVID-19 pandemic.

We determined that the NCUA took actions designed to protect the health and safety of staff in response to COVID-19 that were based on reliable information and expert guidance.

Specifically, on March 16, 2020, it mandated offsite work and did not permit staff to come to the office or perform work at a credit union, except on an exception basis approved by the NCUA's Office of the Executive Director (OED). To assess whether to allow staff to return to the office or credit unions to work, the NCUA monitored COVID-19 information it obtained from meetings with other federal financial regulatory agencies and from the Centers for Disease Control and Prevention (CDC) and Johns Hopkins University COVID dashboard, CDC recommendations, the Federal Emergency Management Agency (FEMA), and the U.S. Department of Health and Human Services (HHS). In addition, the NCUA hired a public health consultant to provide guidance as it makes decisions related to policies and procedures, during and after the pandemic. The NCUA kept its staff informed with regular communications, including emails, webinars, and a web-based portal, and provided staff with the results of workforce surveys relating to returning to and traveling for work.

Because of the mandatory offsite work posture, the NCUA provided an allowance for supplies to office-based staff, which previously was provided only to field and remote staff. The NCUA also created a special leave category related to COVID-19 and offered other options for employees who were not able to fulfill their work requirements. We determined that the NCUA relied on information from the COVID dashboard and the public health consultant in deciding not to reopen any of its offices or permit staff to conduct work at credit unions and will rely on that information before allowing staff to return to the office or a credit union. We also determined that the NCUA is prepared for when it permits staff to go to offices and credit unions. The NCUA implemented policies and procedures to ensure the health and safety of staff, provided staff with PPE, and performed building safety measures.

Although we found minor weaknesses in some internal controls related to the agency's onsite approval and health self-certification processes, management changed these processes during our



audit and no longer follows the processes we originally reviewed. As a result, we have no findings and therefore are not making any recommendations at this time.

We appreciate the cooperation and courtesies NCUA management and staff provided to us during this audit.



## BACKGROUND

On January 21, 2020, the CDC confirmed the first case of COVID-19 infection was confirmed in the United States. On January 31, 2020, the HHS declared a public health emergency, and on March 13, 2020, former President Trump declared a national emergency.<sup>1</sup> On March 15, 2020, the NCUA entered a contract with a public health consultant to assist the NCUA's pandemic-related decision-making. On March 16, 2020, NCUA management required all examination-related<sup>2</sup> and office-based staff<sup>3</sup> to telework<sup>4</sup> to ensure their health and safety. Since that time, NCUA management has continued to require a mandatory telework (offsite) posture for its staff of approximately 1,138, including no non-essential business travel and no onsite training or conferences.

The Office of Continuity and Security Management (OCSM) is responsible for establishing policy and directing agency operations to prepare for and respond to emergencies to protect NCUA personnel and critical infrastructure. In response to the COVID-19 pandemic and to ensure the health and safety of staff, the Office of the Executive Director convened an NCUA pandemic team made up of senior officials from the OED, the OCSM, the Office of the Chief Financial Officer (OCFO), and the Office of Human Resources (OHR).

### **Public Health Consultant**

During the very early stages of the COVID-19 outbreak, NCUA management learned from discussions with counterparts at other financial regulatory agencies that they had contracted with a public health consultant to help guide their pandemic-related decisions. Understanding the limitations of their medical expertise, NCUA management hired the same consultant to assist with making informed pandemic-related decisions. The NCUA's contract with the consultant is scheduled to end in September 2022.

The consultant was tasked with responding to NCUA management's requests for expert opinions on such topics as proposed agency communications, plans of action, and decisions. The consultant's opinions were based on its recent experience at the other agencies and its general knowledge of infectious disease response planning for the public sector. The consultant provided

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<sup>1</sup> Published in the Federal Register on March 18, 2020. Declaring a National Emergency Concerning the Novel Coronavirus (COVID-19) Outbreak, 85 Fed. Reg. 15337 (March 18, 2020) (noting that the U.S. Department of Health and Human Services earlier had declared a public health emergency on January 31, 2020). The Office of Management and Budget, M-20-16, titled "Federal Agency Operational Alignment to Slow the Spread of Coronavirus COVID" directed agencies to have plans and operations that included, but are not limited to "maximize telework across the nation for the federal workforce (including mandatory telework, if necessary), while maintaining mission-critical workforce needs." (March 17, 2020)

<sup>2</sup> Examination-related staff are those employees who are field or remote staff/supervisors who perform work at credit unions or other locations other than the NCUA's Central Office in Alexandria, Virginia or one of NCUA's three regional offices, Eastern (Alexandria, Virginia), Southern (Austin, Texas), and Western (Tempe, Arizona).

<sup>3</sup> Office-based staff are those employees who physically work in the NCUA's Central Office and in the regional offices. For purposes of this report, references to staff include agency contractors.

<sup>4</sup> Telework is when staff perform work from an alternate approved worksite, such as a home office.



supporting documentation and citations to support its opinions. The NCUA has used the public health consultant to inform various decisions made during the offsite work posture, including:

- Forms and policies,
- Answering questions from staff,
- Obtaining guidance on what to do if staff test positive for COVID-19,
- How long to keep staff offsite,
- Cleaning/disinfecting practices, and
- Guidance on offices' heating, ventilation, and air conditioning (HVAC) systems.

The most significant document the consultant provides to the OCSM is the COVID-19 dashboard (dashboard).<sup>5</sup> The OCSM uses the dashboard to determine whether NCUA offices may reopen and whether staff may work onsite at credit unions, based on COVID-19 data for each geographic area. The public health consultant provides the dashboard to OCSM officials on a weekly/bi-weekly basis together with the OCSM's COVID-19 Onsite Work Decision Guide (Decision Guide), which provides additional information on the status of the pandemic for decision making by the OED.

The dashboard and Decision Guide include geographically specific COVID-19 data that enables OCSM officials to monitor the pandemic in those areas of the country where NCUA staff perform work: the NCUA's three office locations<sup>6</sup> and every county that has a credit union. Using the COVID-19 dashboard and Decision Guide, OCSM officials can see when specific criteria are triggered, and a related color code indicates whether it is advisably to allow staff to return to the office or work in credit unions. The dashboard color codes are red (not met), yellow (partially met), or green (met). The consultant has provided the dashboard to OCSM officials since July 10, 2020.

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<sup>5</sup> The COVID dashboard is a tool that compiles information by geographic area from the CDC and Johns Hopkins University related to COVID-19-related factors such as whether a specific state has lifted stay-at-home orders (phase permitted), hospitalizations over a 14-day period, testing information, and health capacity. Testing information is the percentage of positive cases and the trend of the positivity rate. Health capacity is information on hospital bed occupancy by type: intensive care, in-patient, or COVID-19 related.

<sup>6</sup> The NCUA has locations in Alexandria, Virginia; Austin, Texas; and Tempe, Arizona.



## **Onsite Approval Process and Health Self-Certification**

NCUA management instituted a process that allowed NCUA staff to work onsite with advance approval from the OED from May 2020 to the date of this report.<sup>7</sup> This approval process was implemented to assist NCUA management in navigating the unique challenges of the pandemic, such as contact tracing, yet still allow staff needing to work at an NCUA office (or work onsite at a credit union) to do so in order to accomplish the NCUA's mission. The approval process consisted of two parts: the request, which entailed sending an email to the OED explaining the reason an employee needed access to work onsite at an NCUA facility or credit union, and the completion by the employee of the COVID-19 Self Certification Form (health self-certification) that required employees to indicate whether they had experienced any COVID-related symptoms within the last 14 days<sup>8</sup> and whether they may have been exposed to the COVID-19 virus.<sup>9</sup>

Once the OED received requests from staff wanting to access an NCUA office or a credit union, OED officials reviewed the request and if approved, provided the staff's name to the OCSM. If the request was for access to the Central Office/Eastern Region Office or Southern Region office facilities, an OCSM official placed the individual's name on the appropriate staff roster for that particular office for the requested date(s) on the NCUA SharePoint site. For staff wanting to access the Western Region office facility, once approved by the OED, an OCSM official provided the approved individual's name to the Western Region, who then placed it on their Outlook office calendar for the requested date(s).

For staff who needed to go onsite to a credit union or for temporary contractors who needed to go onsite to an NCUA facility, the OED did not place their names on a roster after approval. However, the NCUA's protocol required them to complete a health self-certification before gaining entry to any NCUA facility or credit union and to wear a face covering at all times while inside.<sup>10</sup>

The OCSM initiated the health self-certification process to ensure the health and safety of staff when entering an NCUA facility or working onsite at a credit union. The NCUA began requiring the health self-certification with the Central Office/Eastern Region Office and later expanded this requirement for all staff beginning on October 12, 2020. Initially, the health self-certification protocol was valid for 7 days from the date/time of signature and was required to be re-submitted weekly if re-entering an NCUA facility or conducting onsite examination activity. However, on February 2, 2021, NCUA management changed this requirement to a daily requirement due to

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<sup>7</sup> The NCUA informed the Central Office/Eastern Region on August 19, 2021 that the agency had regressed to phase zero and any staff wishing to visit the office must receive OED approval through their Office Director/Regional Director before coming into the office.

<sup>8</sup> COVID-related symptoms listed in the self-certification included the following, which were not attributable to a pre-existing non-communicable health condition: fever or chills, cough, shortness of breath or difficulty breathing, fatigue or weakness (from illness, not exertion), muscle or body aches (from illness, not exertion), headache, new loss of taste or smell, sore throat, congestion or runny nose, nausea or vomiting, and diarrhea.

<sup>9</sup> NCUA management began the protocol to require the health self-certifications in August 2020.

<sup>10</sup> The requirement to wear a face covering inside or not has changed during our audit scope period. Currently, the requirement is to wear a face covering at all times.





the Office of Management and Budget's Memorandum M-21-15, COVID-19 Safe Federal Workplace: Agency Model Safety Principles (Jan. 24, 2021), which provided in relevant part:

[F]ederal employees and contractors working onsite will be asked to regularly complete system screening (e.g., a symptom questionnaire, an exposure history questionnaire, a temperature check), on a daily basis or upon entry to the workplace.

In addition, NCUA management told the OIG that any staff entering an NCUA facility who did not affirm their health by completing a health self-certification form would have their health information obtained upon entry by either the building security guards or NCUA management.

On July 19, 2021, NCUA management discontinued both the health self-certification and the onsite approval process protocols when it moved to phase 1, which permitted staff to voluntarily come to the office or a credit union. However, on August 9, 2021 and August 19, 2021, when the NCUA regressed to phase zero for the Southern Region/Asset Management and Assistance Center (AMAC) and the Central Office/Eastern Region Office, respectively, the NCUA reinstated the onsite approval process, which requires staff to self-screen (non-documented process) for symptoms prior to reporting to any onsite work and to obtain approval for entering into any NCUA facility. Specifically, staff are required to self-screen to confirm they are free from COVID-19 symptoms with at least one of the following being true:

- (1) I have been fully vaccinated against COVID-19. To be considered "fully vaccinated," you must have received all required doses at least 14 days prior to certification.
- (2) I have fully recovered from COVID-19 within the past 90 days, including asymptomatic disease.
- (3) Within the past 10 days, I have not tested positive for COVID-19, am not awaiting results from a COVID-19 test, nor to my knowledge have I been in close contact with anyone who is symptomatic, awaiting results of a COVID-19 test, or has tested positive.

### **Policies and Procedures**

The following are the policies and procedures that applied during the offsite work posture:

#### **Telework Policy**

NCUA Instruction 1200.8 (Rev. 4), Telework, allows eligible non-bargaining unit staff "to telework to the extent possible without diminishing staff performance or agency operation."



Article 13, Telework, of the 2018 collective bargaining agreement similarly allows eligible bargaining unit staff to telework.<sup>11</sup> Both the instruction and the collective bargaining agreement require staff to request a regular telework arrangement using a telework agreement, obtain approval from the supervisor, and acknowledge that they are expected to provide the equipment necessary to perform assigned duties. Although the NCUA provides a laptop computer to staff, staff are expected to provide a high-speed internet connection and telephone access at their own expense.

### Pandemic Plan

In February 2020, the NCUA revised its Pandemic & Infectious Disease Response Plan (pandemic plan).<sup>12</sup> The pandemic plan consists of four phases and provides specific details that must be met before the agency activates each phase.<sup>13</sup> The phases amount to recommendations for action that may be taken by the Executive Director in consultation with guidance from OCSM officials, the CDC, and other government agencies responding to the emergency, as well as coordination with the Financial and Banking Information Infrastructure Committee.<sup>14</sup>

Other than a brief 3-week period starting in July and ending in August 2021, the NCUA has been in phase zero since March 2020. During this time, management has considered the following activities related to staff safety:

- Issuing guidance for social distancing,
- Reviewing existing telework policies and agreements and explore alternatives for increases to existing telework capabilities,
- Installing and maintaining hand sanitizer stations, providing disease awareness materials by installing placards in high visibility locations, encouraging hand washing, increasing the frequency of sanitizing public surfaces, and providing supplies to staff to disinfect their desk and materials,
- Instituting travel restrictions, and
- Restricting office access for staff, contractors, and visitors.

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<sup>11</sup> Article 1 of the collective bargaining agreement defines bargaining unit employees as all employees nationwide, excluding management officials, supervisors, employees described in 5 U.S.C. § 7112(b) (confidential employees, employees engaged in personnel work, employees engaged in work affecting national security, and employees primarily engaged in investigation or audit functions), and student interns on temporary appointment.

<sup>12</sup> Version 2.2.

<sup>13</sup> The four phases are phase zero, phase 1, phase 2, and phase 3.

<sup>14</sup> The Financial and Banking Information Infrastructure Committee consists of 18 member organizations from across the financial regulatory community, both federal and state.



## Transition Plan

In July 2020, the NCUA developed a COVID-19 transition plan – phase 1 (transition plan)<sup>15</sup> in preparation for reopening its offices.<sup>16</sup> OCSM officials developed the transition plan based on guidance and best practices from the CDC, FEMA, state and local executive orders, social distancing measures, recommendations from the NCUA's public health consultant, and staff feedback from three separate NCUA workforce surveys.<sup>17</sup> The transition plan established a phased approach to take the agency from a full-time offsite work posture (phase zero)<sup>18</sup> to resumption of onsite work at the office (and credit unions) on a regular basis (phase 3). In November 2020, the NCUA issued COVID-19 Employee Transition Procedures Phase 1 (transition procedures) that provided detailed information and guidance for staff to follow in preparation for resuming work in the office on a semi-regular basis while reducing the risk of staff contracting COVID-19.

In May 2021, NCUA management decided to reopen its offices by August 30, 2021, by moving the agency to phase 1, voluntary onsite work. In preparation, on July 9, 2021, NCUA management revised the transition plan to address the resumption of onsite office work on a semi-regular basis. The revision included allowing office-based and examination staff to be onsite voluntarily, with limitations. Those limitations included allowing staff to be onsite at an NCUA facility at a 25 percent occupancy rate and requiring staff to maintain a 6-foot distance from one another. The policy also allowed examination staff to be onsite at credit unions. However, examiners would first need approval from their Office Director or Regional Director and comply with the credit union physical distancing procedures, face covering requirements, and all other local and credit union safety regulations. For travel, the policy allowed examination and office-based staff to travel with approval of the respective Office Director or Regional Director based on whether the intended geographic location met certain COVID-19 criteria. On July 30, 2021, the NCUA updated its July 9, 2021 policy which requires all NCUA staff to wear a face covering, regardless of vaccination status, while in the presence of others or in public areas.

On July 19, 2021, NCUA management determined it was acceptable for two of its three locations,<sup>19</sup> the Central Office/Eastern Region Office in Alexandria, Virginia and the Southern Region/AMAC in Austin, Texas, to open and transitioned these offices to phase 1, 6 weeks ahead of schedule. NCUA management made this decision because at the time, over 57 percent of the U.S. population had been fully vaccinated, infection rates had dropped in these two geographic locations, and all 50 states had announced they would reopen by the end of June 2021.

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<sup>15</sup> The NCUA's transition plan had no date, but the Director of OCSM told us that OCSM developed the plan in July 2020. The NCUA revised the transition plan on July 9, 2021 and updated it on July 28, 2021.

<sup>16</sup> The NCUA had planned the first reopening (phase 1) for July 6, 2020.

<sup>17</sup> The OCSM issued surveys in May 2020, July 2020, and March 2021 and communicated the results of those surveys to staff in June 2020, August 2020, and May 2021, respectively.

<sup>18</sup> Phase zero is in response to warnings and indicators that a major infectious disease outbreak or epidemic has the potential to occur. Phase 2 allows employers to continue to make telework available where possible, with limitations on the number of people in the workplace and continuing to maintain moderate to strict social distancing practices.

<sup>19</sup> The Western Region remained in phase zero during the NCUA's transition to phase 1.



However, on August 9, 2021, after spending 15 business days in phase 1, the Southern Regional Director/AMAC President informed his staff that the office had returned to phase zero due to an increase in the 14-day case rate, combined with area hospitalization trends, which included the availability of intensive care unit and emergency room services failing to meet certain criteria over a 3-week period in the three counties in and around Austin, Texas. In addition, 10 days later, on August 19, 2021, after spending 23 business days in phase 1, the OED sent an email to Central Office/Eastern Region Office staff that their offices had also returned to phase zero based on the NCUA's criteria, which included the number of COVID-19 cases/fatalities, hospitalizations, and healthcare capacities.

Emails that officials sent to the Southern Region Office/AMAC and the Central Office/Eastern Region Office staff stated that while in phase zero, any staff wishing to visit either office must first receive approval. For employees in the Southern Region Office/AMAC, the email advised staff they must first notify their supervisor of their intent to visit the office and await approval. The supervisor would then relay this information to the Director, Division of Management Services, for the purpose of gaining approval, as well as controlling onsite staff levels, and if need be, contract tracing. For employees in the Central Office/Eastern Region Office, the email from the OED indicated staff must receive approval from OED through their Office Director or Regional Director before staff could access the office.

In addition to providing phases and the criteria for each, the transition plan also covered other areas, including how the agency is addressing enhanced facility cleaning, building HVAC systems, meeting/conference room capacities, and training. The pandemic environment remains fluid, the NCUA's plans to transition to onsite work will be updated as necessary while the NCUA continues to evaluate specific aspects of each phase as new developments and new insights occur. Because of this, the NCUA is refining its transition plan for phase 2 and is in the process of developing the transition plan for phase 3.

### Pandemic Special Leave Options

On March 18, 2020, the Family First Coronavirus Response Act (FFCRA) was enacted. FFCRA initially applied from April 1, 2020, through December 31, 2020, but was later extended through March 31, 2021.<sup>20</sup> Division E of FFCRA provided federal employees with up to 80 hours of paid sick leave for illnesses related to COVID-19. In an April 8, 2020, email, the NCUA provided guidance to staff on FFCRA leave and other special leave options, which later was updated in December 2020.<sup>21</sup>

Prior to the pandemic, the NCUA did not have a weather and safety leave policy. However, on March 23, 2020, NCUA management extended the FFCRA benefits to all employees and also provided weather and safety leave as a new leave option for pandemic-related situations. The

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<sup>20</sup> On March 11, 2021, Congress passed the American Rescue Plan Act which provided 15 weeks of paid leave at no more than \$2,800 per pay period to all federal employees for COVID-19 related reasons for employees and their families from March 11, 2021 through September 30, 2021.

<sup>21</sup> The NCUA subsequently revised this guidance in September 2020 and January 2021.



weather and safety leave option allowed staff to take up to 20 hours of leave per pay period without prior supervisor approval<sup>22</sup> when unable to meet their work requirements due to the need to provide care for self or family for situations arising from the COVID-19 pandemic or if employees did not have a sufficient amount of work to complete their normal tour of duty within a pay period. The latter criterion required a discussion between employee and supervisor regarding whether additional assignments or training were available. Further, the agency required staff who used weather and safety leave to obtain supervisor approval for this leave through HR Links<sup>23</sup> and provide appropriate justification of a COVID-19-related circumstance (care for self or others and/or lack of work). An April 2020 policy required supervisors to separately track staff usage of all weather and safety leave taken for each approved purpose.<sup>24</sup>

### Supply Expense Policy

In March 2020, the NCUA extended the policy for reimbursement of supply expenses paid to office-based staff (in addition to continuing that for field and remote staff/supervisors).<sup>25</sup> NCUA management provided additional guidance to office-based and remote staff of the reimbursable supply expenses, allowable amounts benefits, and the process of submitting claims for reimbursement through Concur.<sup>26</sup> Specifically, management issued guidance in March, April, May, and September 2020 titled, “Supply Expenses for NCUA Staff during COVID-19 Pandemic,” which remains in effect as long as the agency requires staff to continue working in an offsite posture or through December 31, 2020, whichever is later. In December 2020, the NCUA informed staff that allocation for supply expenses not spent in 2020 could not be carried over for use in 2021.<sup>27</sup>

### Communication Efforts

The pandemic is a fluid situation and NCUA management has kept staff informed of COVID-related developments through regular emails, webinars, the establishment of an “Information and Updates on the Coronavirus COVID-19” portal located on the NCUA’s SharePoint site,<sup>28</sup> and a

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<sup>22</sup> Part-time employees receive an amount based on their part-time work schedule. On June 28, 2021, the NCUA informed staff that after August 28, 2021, weather and safety leave would be discretionary, limited up to 10 hours per pay period. The NCUA also informed staff that anyone taking over 10 hours of weather and safety leave must obtain supervisory approval in advance.

<sup>23</sup> HR Links is the NCUA’s timekeeping system.

<sup>24</sup> This requirement was later removed in subsequent versions of the COVID-19 Pandemic Special Leave Options guidance issued in September 2020 and January 2021.

<sup>25</sup> NCUA Instruction 1770.10 (Rev. 2), Official Supplies for Field and Remote Duty Staff (Oct. 2, 2019), allows the field and remote employees/supervisors to be reimbursed for their purchase of office supplies, up to \$500 for field employees and \$750 for field supervisors.

<sup>26</sup> Concur is a travel and expense system the NCUA uses to reimburse staff. Receipts are required for supply expenditures regardless of amount. Employees must upload or attach itemized receipts (may be electronic, photocopies or any other documentation of cost) with the expense report.

<sup>27</sup> NCUA management issued this guidance on March 17, 2020, April 10, 2020, May 18, 2020, and September 11, 2020. NCUA management also issued a memorandum on January 21, 2021, titled “2021 Supply and Telework Expenses during the COVID-19 Pandemic.”

<sup>28</sup> The portal provides information on COVID-19 to include announcements, NCUA COVID-19 policies, Frequently Asked Questions, examinations, resumption, employee resources, and situational awareness.



dedicated COVID-related email address to which staff may send questions and comments. Through regular communications and responses to staff emails, NCUA management has provided employees with updated information on the agency's offsite work posture, COVID-19 information, work posture surveys, staff benefits, and proposed resumption plans. Table 1 below is a summary of all announcements made during the scope period of our audit.



Table 1.

Month/Year	Summary of Announcements
February 2020	<ul style="list-style-type: none"> <li>The NCUA monitoring COVID-19</li> </ul>
March 2020	<ul style="list-style-type: none"> <li>Continuing to monitor COVID-19 &amp; develop recommendations</li> <li>Changes to travel and telework policy</li> <li>Implemented mandatory telework, offsite examination posture, and travel restrictions</li> <li>Finalized information and guidance for supply expenses for office-based staff</li> </ul>
April 2020	<ul style="list-style-type: none"> <li>Clarification on temporary weather and safety leave and supply expenses</li> <li>Update supply expenses guidance &amp; FFCRA guidance</li> <li>Extended mandatory telework, offsite examination posture, and travel restrictions</li> <li>Developing a transition plan and hired a public health expert</li> </ul>
May 2020	<ul style="list-style-type: none"> <li>Supply expense guidance updated</li> <li>Workforce survey #1 and plan to return to onsite work</li> <li>Extended mandatory telework, offsite examination posture, and travel restrictions</li> <li>NCUA building access and the requirement to wear a face mask</li> <li>Ordered PPE to disseminate to staff</li> </ul>
June 2020	<ul style="list-style-type: none"> <li>Reopening plan (phase 1)</li> <li>Reopening plan canceled</li> <li>Information on physical distancing requirements</li> </ul>
July 2020	<ul style="list-style-type: none"> <li>Extended mandatory telework, offsite examination posture, travel restrictions and the self health assessment</li> <li>Workforce survey #2</li> </ul>
August 2020	<ul style="list-style-type: none"> <li>Extended mandatory telework, offsite examination posture, and travel restrictions</li> </ul>
September 2020	<ul style="list-style-type: none"> <li>Chairman's message regarding proposed reopening phase 3</li> <li>Extended mandatory telework, offsite examination posture, and travel restrictions and an update to supply expense guidance</li> </ul>
October 2020	<ul style="list-style-type: none"> <li>Completion of health certification prior to onsite work</li> </ul>
November 2020	<ul style="list-style-type: none"> <li>NCUA COVID-19 response</li> <li>Revised instruction on recording FFCRA leave</li> </ul>
December 2020	<ul style="list-style-type: none"> <li>Extended mandatory telework, offsite exam posture, and travel restrictions</li> </ul>



January 2021	<ul style="list-style-type: none"> <li>Chairman's message regarding Congress extending FFCRA's 80 hours of leave until March 31, 2021</li> </ul>
February 2021	<ul style="list-style-type: none"> <li>NCUA requires a daily health assessment instead of validation for 7 days</li> <li>Extended mandatory offsite work posture; weather and safety leave includes COVID-19 testing and vaccination</li> </ul>
March 2021	<ul style="list-style-type: none"> <li>Extended mandatory offsite work posture, workforce survey #3, and reminder to contracting officer representatives that approval is required for contractors' onsite work</li> </ul>
April 2021	<ul style="list-style-type: none"> <li>Reminder to Contracting Officers Representative for contractor approval for onsite work</li> </ul>
May 2021	<ul style="list-style-type: none"> <li>Extended mandatory offsite work posture and reimbursement for COVID-19 testing; consulting with public health expert on mask requirements in NCUA offices</li> </ul>
June 2021	<ul style="list-style-type: none"> <li>No health self-certification required but self-screen before onsite work</li> <li>No mask required in office for fully vaccinated staff</li> <li>As of August 28, 2021, through October 9, 2021, use of weather and safety leave limited to 10 hours per pay period</li> </ul>
July 2021	<ul style="list-style-type: none"> <li>NCUA began phase 1 on July 19, 2021, for two offices</li> <li>Transition beyond phase 1 no sooner than August 30, 2021, with 2 weeks' notice to staff prior to transition</li> <li>NCUA will provide a weekly scorecard of COVID-19 information</li> <li>NCUA will provide staff with PPE by July 16, 2021</li> <li>Face masks are required in offices for all</li> </ul>
August 2021	<ul style="list-style-type: none"> <li>NCUA will provide staff at least 4 weeks' notice prior to implementing subsequent phase of onsite resumption plan</li> <li>The two NCUA offices in phase 1 returned to phase zero</li> <li>Cancellation of onsite MERIT<sup>29</sup> training</li> </ul>
September 2021	<ul style="list-style-type: none"> <li>All staff required to be vaccinated by November 22, 2021, whether onsite or teleworking, and required to attest to and provide proof of vaccination status</li> </ul>

<sup>29</sup> NCUA's new web-based examination platform, Modern Examination and Risk Identification Tool (MERIT).





## RESULTS IN DETAIL

The objectives of our audit were to determine: (1) what factors guided NCUA management's policy decisions regarding the pandemic during the initial outbreak, (2) what factors are guiding management's future decisions to either continue a remote working posture or return to the office, (3) what factors guided management in providing NCUA staff with various benefits such as supply expenses and other leave options, and (4) what guidelines have been put in place to protect staff when a return to the office is approved, such as building safety, social distancing, and the use of PPE.

As detailed below, we determined NCUA management considered numerous factors designed to ensure the health and safety of its staff, including providing certain benefits to staff.

### Numerous Factors Considered During the Outbreak

NCUA management considered numerous factors designed to ensure the health and safety of its staff beginning with the initial outbreak of the COVID-19 virus in December 2019 and into January 2020. During that time, NCUA management carefully monitored the virus's spread and the manner in which it was spreading, attended meetings regarding COVID-19 with other federal financial regulatory agencies, and gathered information from the COVID-19 dashboard. In addition, we determined NCUA management followed guidance from the CDC and reviewed announcements from the World Health Organization (WHO), and the HHS. In its meetings with the other federal financial regulatory agencies, it learned about a consultant, which it hired to provide expert assistance to help guide decisions during and after the pandemic.

GAO's Standards for Internal Control in the Federal Government (Green Book), Principle 13 provides that management should use quality information to achieve the entity's objectives and that management should obtain relevant data from reliable internal and external sources in a timely manner so that the data can be used for effective monitoring.<sup>30</sup>

We found management's timely consideration of relevant data from reliable sources to make pandemic-related decisions and timely communication to staff of decisions to be effective internal controls designed to ensure staff's health and safety.

### Details

In December 2019, OCSM officials became aware of the COVID-19 virus and by mid-January 2020 they realized its severity and obtained information from the CDC, the WHO, and the HHS to keep NCUA senior management knowledgeable about the situation. While OCSM officials continued to monitor the virus, they sent an agency-wide email to all NCUA staff in late January 2020 on developments they had learned about.

<sup>30</sup> GAO-14-704G at p. 59 (September 2014).



To ensure the NCUA was prepared for the pandemic, OCSM and OHR senior management officials reviewed all applicable policies and procedures that could impact staff or operations. This included a review of the NCUA's 2015 instructions regarding the NCUA Emergency Management Program,<sup>31</sup> its Infectious Disease Response Plan,<sup>32</sup> and the collective bargaining agreement. We determined NCUA management's review and revision of all applicable NCUA instructions to ensure the health and safety of its staff were not only consistent with U.S. Occupational Safety and Health Administration regulations<sup>33</sup> but also demonstrated early on that NCUA management was aware of the circumstances and the impact a pandemic could have on the agency and its ability to meet its mission.

After reviewing the NCUA's pandemic plan, OCSM officials made minor revisions, which included adding restrictions on staff traveling to credit union locations where the disease was known to have been or where it was spreading, and restrictions on access to the office or credit unions for staff who had traveled to locations where the disease was known to have been or where it was potentially spreading.<sup>34</sup> In addition, OHR officials reviewed the telework instruction for non-bargaining unit employees, but made no revisions. Our audit determined no revisions to telework policies were needed because they addressed unscheduled telework situations. Although OHR did not revise the telework policies, we found the NCUA sent an email to all supervisors that encouraged them to review the telework agreements with their staff to ensure everyone had a telework agreement in place in anticipation of an agency-wide mandatory offsite work posture. We determined NCUA management's actions to review their policies and procedures was consistent with the Green Book's provision that "management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks" and demonstrated OHR and OCSM officials' preparedness should the OED decide to move the agency to a mandatory offsite work posture.

Our review of NCUA's emergency management instructions determined they adequately address the use of telework to maintain a safe environment. While the NCUA was preparing for a possible mandatory offsite work posture, the pandemic team communicated daily with OED officials and met regularly with their counterparts from other federal regulatory agencies on the pandemic. We learned attendance at these meetings assisted NCUA officials in learning about COVID-19 developments and allowed them to benchmark with the other agencies regarding their decisions on work posture, including the hiring of a consultant with expertise in major medical crises to advise on such issues. In this regard, the Green Book provides that "management communicates quality information externally through reporting lines so that external parties can help the entity achieve its objectives and address related risks." We determined that NCUA management's involvement in external meetings and otherwise

<sup>31</sup> NCUA Instruction 9902, Emergency Management Program (July 31, 2015).

<sup>32</sup> NCUA Instruction 9902.1, NCUA Infectious Disease Response Plan (Nov. 24, 2015). OCSM revised the Pandemic Plan in February 2020 and retitled it NCUA Pandemic and Infectious Disease Response Plan.

<sup>33</sup> Occupational Safety and Health Administration regulations require employers, including federal agencies, to provide their workforce a safe and healthful workplace.

<sup>34</sup> The OCSM official based travel restrictions on recommendations from authorities that included the U.S. Department of State and the CDC.



communicating regularly with peers at other federal regulatory agencies were important to NCUA management's pandemic-related decision making.

Based on our review of management's actions during the initial COVID-19 outbreak, we determined that agency officials adequately monitored the COVID-19 situation in the early stages of the pandemic. We determined management considered numerous factors that helped guide their decisions, which included in part: (1) reviewing and updating all disaster-related policies and procedures, (2) reviewing information from the CDC and other federal health-related agencies and the WHO, (3) attending meetings with peers at other federal regulatory agencies, and (4) hiring a public health expert to consult. All these factors combined helped guide the NCUA's pandemic team to make informed decisions designed to ensure the safety and health of all NCUA staff.

**Control Environment  
Related to Pandemic  
Response Generally  
Effective**

We determined NCUA management generally maintained an effective control environment to ensure the safety and well-being of its employees throughout the pandemic. Specifically, NCUA management established an approval process to track NCUA office access and the health of employees for times when employees needed to work onsite at an NCUA office or at a credit union to accomplish the agency's mission. In addition, we learned

NCUA management administered workforce surveys as part of its overall pandemic response to help make decisions regarding the transition back to a resumption of onsite work when pandemic-related conditions are favorable. Although we identified control weaknesses in the NCUA's approval process for onsite work, management changed the process in July 2021 and no longer requires employees to complete a self-certification health form. As a result, this issue is no longer relevant; therefore, we are not making any recommendations related to this finding.

## Details

### Onsite Approval Process

During the offsite work posture, NCUA management implemented an onsite approval process to allow staff to gain access to NCUA offices and credit unions to accomplish the agency's mission. This process denied entry to staff who had tested positive for COVID-19.<sup>35</sup> We tested the onsite approval process to ensure it was working as intended for staff entering NCUA's Central Office. We determined the process needed strengthening due to control breakdowns in the process; however, we are not making any recommendations at this time because as previously mentioned, NCUA management changed its process during the scope period of our audit.

We obtained and reviewed building entry rosters and building entry door activity data for four randomly selected dates: February 11, 18, 24, and March 2, 2021, along with the associated health self-certification history list for the selected dates to determine whether: (1) NCUA staff

<sup>35</sup> A person testing positive for COVID-19, whether showing symptoms or not, had to quarantine for 2 weeks.



had been approved to enter the building; and (2) NCUA staff had completed the required health self-certification form in accordance with established COVID-19 building access protocols.

Staff Not Listed on Approved Rosters

Based on the results of our tests, we determined 15 percent (7 of the 47) of staff who entered the NCUA's Central Office facility and were onsite working (showing main entry door activity) were not listed on approved rosters for onsite work for the date(s) we tested. Of the seven employees who entered without proper approval, we also determined three did not certify their health by completing the required health self-certification form. Table 2 below shows the details of our staff roster testing by date of activity.

Table 2.

**Staff Roster Testing**

Date	No. of Staff with Entry Door Activity	Staff with Entry Door Activity (Not Listed on Rosters)	Staff with Entry Door Activity (Not Listed on Rosters and No Health Self-Certified Form)	Staff with Entry Door Activity (Not Listed on Rosters with Health Self-Certified Form)
2/11/2021	14	3	1	2
2/18/2021	2	0	0	0
2/24/2021	20	4	2	2
3/2/2021	11	0	0	0
<b>TOTALS</b>	47	7	3	4

Staff Did Not Always Complete Health Self-Certification Forms

We also determined that approximately 26 percent (11 of 43) of employees who received approval to enter an NCUA facility did so without completing the required health self-certification form. This occurred because building security officers did not perform their due diligence to ensure all staff listed on approved rosters had completed a health self-certification form prior to entry. As a result, NCUA management had no assurance that all staff entering an NCUA facility did not exhibit signs of having COVID-19, resulting in uncertainty whether those staff who did not complete the self-certification may have infected other staff who were in the office.<sup>36</sup> Table 3 below shows the details of our health self-certification form testing.

<sup>36</sup> We recognize that the self-certification form was not a guarantee that a staff member did not have COVID-19, such as if a staff member was not truthful on the form, did not know he or she had been exposed to COVID-19, or had mild or no symptoms.



Table 3.

**Health Self-Certification Form**

Date	No. of Staff on Approved Rosters	Completed Health Self-Certified Form (With Door Activity)	Did Not Complete Health Self-Certified Form (With Door Activity)
2/11/2021	12	8	3
2/18/2021	2	2	0
2/24/2021	16	9	7
3/2/2021	13	10	1
<b>TOTALS</b>	43	29	11

During our audit scope period, in February 2021, NCUA management changed its office access process by discontinuing the weekly health self-certification requirement based on federal guidance from the Safer Federal Workforce Task Force, the CDC, and in consultation with the health consultant. Before the change, the health self-certification protocol was valid for 7 days from the date/time of signature and was required to be re-submitted weekly if re-entering an NCUA facility or conducting onsite examination activity. After the change, the protocol requires staff to self-screen, which does not need to be documented, each time before entering any NCUA office. In addition, as previously mentioned, NCUA management reverted the Southern Region Office/AMAC and the Central Office/Eastern Region Office to phase zero (mandatory offsite work) due to changes in local and national threat levels of the COVID-19 virus. Under phase zero, previously and currently, office-based and examination staff may only perform work onsite with OED or the Regional Director approval and staff must also check in with the security officer upon entry into an NCUA office.

We informed NCUA management of the results of our internal control test work and they agreed with our findings. An OCSM official acknowledged there had been control breakdowns due to poor oversight and miscommunication regarding staff approved for building entry not being added to the daily rosters, and that building security officers allowed staff who had been approved by OED to enter a facility without verifying they had completed the health self-certification form. Although we are not making a recommendation to correct the control weaknesses we identified, we caution management to be aware of these types of control breakdowns should NCUA management ever revert back to requiring staff to complete health self-certification forms before entering an NCUA office.



## Surveys Conducted

During our audit scope period, NCUA management administered three workforce surveys in part to gauge staff satisfaction of the agency's handling of employee's safety concerns related to the pandemic and employee comfort with returning to the office and different modes of travel. In addition, in September 2020, the Office of Personnel Management (OPM) administered its annual Federal Employee Viewpoint Survey (FEVS) that in part asked for federal employees' perspectives related to the government-wide mandatory offsite work posture.<sup>37</sup> We determined that NCUA staff were largely satisfied with the agency's response to the pandemic as indicated by their responses to both the FEVS and the NCUA's surveys.

We reviewed the results of the three NCUA surveys and the FEVS and also interviewed NCUA management to obtain their views on the mandatory offsite work posture and any impact it may have had on their offices. Management indicated that staff adapted well to the offsite work posture, most staff preferred working offsite, and nearly all functions continued without interruption. Regarding the NCUA surveys, we determined that over 90 percent of NCUA staff participated in all three surveys and 87 percent of NCUA staff participated in the FEVS. Results of the surveys follow.

### *NCUA Workforce Surveys*

In May 2020, NCUA management sent staff the first workforce survey to prepare for its planned phased approach to return to work. This first survey received a response rate of 96 percent and requested staff to provide information regarding:

- Level of concern about returning to work,
- Hindrances to returning to work,
- Level of concern traveling to work via particular modes of transportation, and
- Level of comfort of examination staff to work at credit unions.

The NCUA provided staff with the results of this survey, which indicated on average 17 percent of the responding staff did not have any concerns returning to work and 36 percent of the responding examiners felt comfortable going into a credit union within the next 4 months, which at the time, would have been in September 2020. However, on June 25, 2020, NCUA management made the decision to rescind a planned move to phase 1 and kept the agency at phase zero after a resurgence of COVID-19 cases in some areas of the country.

NCUA management continued to keep the agency in an offsite work posture into the summer of 2020 and in July 2020 provided staff with a follow-up workforce survey to again assess views on the pandemic and the continued offsite work posture. This second survey had a participation rate

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<sup>37</sup> The OPM administered the survey on September 15, 2020 and closed it on October 27, 2020.



of approximately 94 percent and asked staff to provide their responses to many of the same questions as the previous survey, with the addition of questions related to school-age children and the agency's performance addressing the impact of the pandemic.

The results of the July survey indicated that 32 percent of field-based examination staff were very likely to participate in voluntary resumption of onsite work in January 2021, compared to only 16 percent of office-based staff. In addition, 61 percent of staff indicated that concerns regarding school-age children did not apply to them, which we found consistent with our testing of employees' use of weather and safety leave, discussed later in this report, where the results showed only 4 percent of this leave was used by staff to care for school-age children. Staff also gave the NCUA an "Excellent" rating for accommodations for telework posture, detail of communication, frequency of communication, keeping employees safe, and timing of changes.

In March 2021, NCUA management sent staff a third survey focusing on voluntary resumption of onsite work. The survey asked staff to respond to the following questions:

- Would you volunteer for onsite work in May, June, July, August, or September 2021, if 25 percent of the country was vaccinated?
- Would you volunteer for onsite work in May, June, July, August, or September 2021, if 50 percent of the country was vaccinated?
- Would the availability of the vaccine affect your willingness to volunteer for onsite work?
- Do you plan to get vaccinated when it becomes available?
- How comfortable are you traveling via personally owned vehicle and via public transportation?
- If permitted to travel for training, what is your comfort level attending in-person MERIT training after you are vaccinated?
- Given the current state of the pandemic, how would you prefer to take MERIT training in 2021?

Responses for all staff indicated approximately 41 percent were very likely to volunteer to return to onsite work in September 2021.<sup>38</sup> In addition, approximately 47 percent responded that the impact on the availability of the vaccine would affect their willingness to volunteer for onsite work.

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<sup>38</sup> The response rate for the prior 4 months – May 2021 (20.7 percent), June 2021 (24 percent), July 2021 (28.5 percent), and August 2021 (34.6 percent).



### *OPM Federal Viewpoint Survey*

The NCUA had an 87 percent response rate to the FEVS and 26 of 68 (38 percent) of the FEVS questions related to the pandemic. Overall, the NCUA received a global satisfaction index score of 78 percent, which was 7 percent higher than other medium-sized agencies. Staff gave NCUA management high marks for its performance related to the pandemic, including effective communications, showing concern for the health and safety of staff through the issuance of policies and procedures aimed to protect employees, and for providing an environment where staff can voice concerns about staying healthy and safe.

### *OIG Survey of NCUA Management*

The OIG conducted a survey of a sample of NCUA managers to determine their views on the offsite work posture and the potential impact it may have had on work. We surveyed 20 NCUA managers in the Central and regional offices and received responses from 18 of 20 (90 percent). In response to our survey, managers across the NCUA indicated that their office and staff had adapted well to the offsite work posture and that nearly all office functions had continued without interruption. Managers also indicated in their survey responses that nearly all staff preferred to continue to work offsite.

Managers also indicated that their offices became more efficient during the offsite work posture. Several managers noted the following positive actions taking place due to the agency's offsite work posture:

- An increase in the amount of work routed electronically,
- Teambuilding events included in the office calendar,
- More frequent meetings using technology such as video conferencing, and
- More electronic information sharing between credit unions and examination staff because credit union staff were under the same offsite work posture.

Managers noted there were some challenges, including no internal or external face-to-face meetings or other personal interactions and large volumes of electronic data received from credit unions. Managers also noted staff successfully addressed these challenges through IT solutions such as virtual meetings, increased use of email, and the NCUA's secure file transfer portal.

The Green Book provides that management should:

periodically review policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks. If there is a significant change in an entity's process, management reviews this process in a timely manner after the change to





determine that the control activities are designed and implemented appropriately.

Our audit determined that management complied with this Green Book directive through the onsite approval process, use of the health self-certification form, and by considering staff viewpoints through surveys on the work posture and the pandemic.

### Employee Benefits

Due to the agency-wide mandatory offsite work posture and factors related to COVID-19, NCUA management allowed office-based staff to be reimbursed for office supplies and offered special leave options of weather and safety leave and the required FFCRA COVID-related leave. The agency extended to office-based staff its long-standing policy allowing examination field staff and supervisors to claim reimbursement for a limited amount of office supplies on a yearly basis.<sup>39</sup> The special leave options were new to the NCUA.

We reviewed staff use of office supply reimbursements and the special leave options. The following are the results of our review.

### *Office-Based Staff Supply Expenses*

NCUA management extended the reimbursement of supply expenses to office-based staff because of the mandatory offsite work posture that began on March 16, 2020. Office-based staff seeking reimbursement had to submit their expenses through Concur for reimbursement and include receipts, regardless of the expense amount, with their Concur expense report. On September 11, 2020, NCUA management extended the reimbursement of supply expenses until such time as the agency would no longer be in a mandatory offsite work posture, increased the authorized allowance amount, and changed the requirements for internet and telephone reimbursement for office-based staff.

We tested requests for reimbursement of supply expenses for office-based staff with telework agreements who regularly teleworked before the mandatory offsite work posture (test group) to determine whether these employees requested reimbursement of supply expenses after the reimbursement policy was extended to office-based staff. Prior to March 16, 2020, staff who signed an agency telework agreement were expected to provide the equipment necessary to perform their assigned duties, including at a minimum, high-speed internet and telephone access at the employee's expense. We conducted our testing for the period covering March 16, 2020, through March 12, 2021, for employees who had a telework agreement in place prior to March 16, 2020.

Results of our test determined that after the NCUA allowed all staff to receive reimbursement for supplies and communication-related expenses (high-speed internet and telephone), it spent a total

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<sup>39</sup> NCUA Instruction 1770.10 (Rev 2), Official Supplies for Field and Remote Duty Employees (Oct. 2, 2019) allows offices to allot \$500 annually for each field/remote employee and field supervisors are authorized up to \$750 for official supplies.



of \$283,443 on reimbursements. Of this amount, we determined that 112 of 133 (84 percent) of the test group submitted reimbursement requests for supply expenses totaling \$96,297, of which we determined \$46,763 (49 percent) was for communications-related expenses even though those employees had signed an agreement before the pandemic that such expenses would be their responsibility.

We observed a significant increase in reimbursements for supply expenses for the period from September through December 2020. In September 2020, supply expense reimbursements increased 36 percent from the prior month, and in the fourth quarter, NCUA's reimbursements increased an additional 66 percent.<sup>40</sup> We asked OCFO management officials if they were aware of the increase in reimbursements for this 4-month period and whether they performed any analysis to determine why it occurred. Although OCFO officials had not conducted an analysis, they informed us that they had anticipated the increase for several reasons, which included a policy change in September 2020 that allowed office-based staff to be reimbursed for mobile hot spots<sup>41</sup> and the December 31, 2020, cut-off date for submission of reimbursement requests. OCFO officials explained that after that date, staff could not be reimbursed for expenses incurred in 2020. On January 21, 2021, NCUA announced to staff that it would continue reimbursing supply and communications expenses<sup>42</sup> until the NCUA was no longer in a mandatory offsite work posture.

### Special Leave Options

#### *Weather & Safety Leave*

The NCUA did not have a weather and safety leave policy in place prior to the pandemic. However, because of the pandemic, the NCUA offered employees the following special leave option:

Weather and safety leave can be used:

- Up to 20 hours (or a part-time employee's 2-week equivalent) of weather and safety leave per pay period for employees who are unable to meet their basic work requirement due to the need to provide care for self or family for situations arising from the COVID-19 pandemic, and
- Additional hours (approved) by the Regional/Office Director as needed for:

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<sup>40</sup> NCUA's fiscal year operates on a calendar year basis.

<sup>41</sup> A mobile hot spot is an ad hoc wireless access point that is created by a dedicated hardware device or a smartphone feature that shares the phone's cellular data.

<sup>42</sup> Reimbursable supply expenses consist of paper, pencils, pens, highlighters, staples, clips, file folders, post-it notes, etc., as well as computer-related supplies such as printer cartridges. Reimbursable communication expenses consist of internet access charges and monthly broadband services.



- Providing care for self or family situation arising from the COVID-19 pandemic beyond the initial 20 hours of weather and safety leave authorized, or
- Employees who do not have sufficient work to complete their normal tour of duty in a pay period and have discussed alternative assignments and training options with their supervisor, who has determined (with the Regional or Office Director) that additional work is not available.

Staff submitted requests for weather and safety leave in HR Links and indicated in the Requestor Comments whether the requested leave was for COVID-19 care or lack of work due to COVID-19.

We learned during our audit that supervisors were not authorized to request additional information or clarification from employees when approving a pandemic-related leave request. During our interviews with supervisors, several expressed concern that employees could be taking advantage of the agency's weather and safety leave policy by claiming up to 20 hours of pandemic-related leave every pay period, with no means by the supervisor to verify the legitimacy of the submitted leave request, despite supervisors being responsible for approving and attesting to the legitimacy of the type and amount of leave their employees take. As for staff taking weather and safety leave due to an insufficient amount of work to perform, we determined employees requesting this type of leave had to consult with and get pre-approval from the Regional/Office Director before taking such leave.

The NCUA's policy to approve 20 hours of weather and safety leave per pay period without verification ability by supervisors, resulted in our audit only being able to determine whether employees submitting leave requests for weather and safety leave took more than the allowable 20-hour limit in any given pay period.

Our review and analysis determined that NCUA staff submitted requests for approximately 48,500 hours of weather and safety leave during our 10-month testing period from March 16, 2020, through January 8, 2021. We conducted this analysis to determine whether: (1) any employees taking pandemic-related leave exceeded the maximum number of hours (20) allowed without prior approval per pay period; and (2) the number of hours staff used for weather and safety leave due to not having a sufficient amount of work to perform.

We determined that of the 567 staff who submitted requests for weather and safety leave, 16 exceeded the 20-hour limit in a pay period.<sup>43</sup> We asked OCFO officials<sup>44</sup> whether they were aware this was happening and, if so, whether they conducted any type of analysis. OCFO officials informed us that they were aware of this because they review and regularly report to the

<sup>43</sup> Our analysis did not include staff approved to exceed the 20-hour limit from their Regional/Office Director. For the 16 employees who did not have approval, 2 exceeded the limit in 2 consecutive pay periods, the other 14 exceeded it once.

<sup>44</sup> The OCFO is responsible for payroll transactions for leave and the OHR is responsible for policy for leave.



OED these transactions and the cumulative number of weather and safety leave hours. OCFO officials also explained if they find an employee exceeds the 20-hour limit within a pay period, they remind the supervisor of the requirement to keep weather and safety leave to the 20-hour/pay period limit per employee. OCFO officials told us that reminding supervisors is essentially all they can do in these situations because supervisors are ultimately responsible for approving the amount and type of leave their employees take. We learned during our audit that NCUA management revised the weather and safety leave policy on August 28, 2021,<sup>45</sup> to allow staff to use up to 10 hours of weather and safety leave per pay period without supervisory approval.<sup>46</sup>

We also determined that approximately 581 hours (1.2 percent) of the 48,500 weather and safety leave hours were requested by staff because of lack of work. However, of these 581 hours, we determined employees took 530 hours (91 percent) because of a weather-related incident that caused a power outage or some other type of issue, such as the employee's laptop stopped working or their Personal Identity Verification card<sup>47</sup> did not allow them to connect remotely to the NCUA network. As a result, we determined staff took only 51 hours of leave that were attributable to situations where they did not have enough work. In all cases, we verified that the Regional/Office Director pre-approved these 51 hours of leave.

#### *Family First Coronavirus Response Act (FFCRA)*

Congress enacted the FFCRA on April 1, 2020, and subsequently extended it through March 31, 2021. The NCUA informed staff of FFCRA leave through the establishment of a policy titled COVID-19 Pandemic Special Leave Options. The FFCRA did not impact staff annual or sick leave and allowed the use of FFCRA leave if employees were not able to work (including telework) because they were subject to any of the following factors:

- (1) Subject to a federal, state, or local quarantine or isolation order related to COVID-19,
- (2) Advised by a health care provider to self-quarantine related to COVID-19,
- (3) Experienced COVID-19 symptoms and sought a medical diagnosis,
- (4) Cared for an individual subject to an order described in (1) or self-quarantined as described in (2),
- (5) Cared for their child, whose school or place of care was closed (or childcare provider was unavailable), due to COVID-19-related reasons, or
- (6) Experienced any other substantially similar condition specified by HHS.

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<sup>45</sup> NCUA management formalized this policy when they later issued it in October 2021, outside the scope period of our audit.

<sup>46</sup> Weather and safety leave exceeding the 10-hour limit needed advance supervisory approval.

<sup>47</sup> NCUA staff use the Personal Identity Verification card to log into NCUA computers and network.



We reviewed transactions for FFCRA leave, particularly those instances when employees indicated on their timesheets “Option 2” – Advised by a health care provider to self-quarantine related to COVID” (Option 2) for the period covering April 1, 2020, through December 31, 2020.

We selected this FFCRA option to determine the impact that NCUA’s offsite work posture has had on slowing the spread of the COVID-19 virus throughout the agency over the past 8 months<sup>48</sup> when the leave was applicable. As a result of our analysis, we determined that 74 of 1,138 employees (6.4 percent) claimed Option 2. Employees who made this claim used approximately 2,700 hours of leave in total, but none exceeded the individual maximum number of 80 FFCRA hours. We further analyzed the agency’s leave usage against those employees who claimed Option 2 to determine the impact working offsite had on the agency.

Although we did not gather information on what staff did during personal time to keep themselves healthy and COVID-free, we believe NCUA management’s decision to mandate that the entire agency go to an offsite work posture may have contributed to helping keep NCUA’s COVID-19 exposure to approximately 6 percent of agency personnel. OCFO officials said they regularly reviewed this information to see how it impacted the agency. During our audit scope period, NCUA management did not externally report the amount of FFCRA leave taken by staff, but an OHR management official indicated to us that the NCUA will provide such data should OPM ever make a request. As previously noted, because FFCRA expired on March 31, 2021, staff will no longer be taking this type of leave.

**Cautious Approach  
to Reopening  
Offices Continues**

We determined the NCUA continues to take a cautious approach to reopening its offices by using information from the COVID dashboard and federal guidance to implement its phased transition plan to resume onsite work. Specifically, as previously mentioned, the NCUA implemented phase 1 on July 19, 2021, and reopened the Central Office/Eastern Region Office and the Southern

Region/AMAC Office. However, 15 days (August 9, 2021) and 30 days (August 19, 2021) later, the NCUA reverted the Southern Region/AMAC and the Central Office/Eastern Region Office, respectively, to phase zero, based on its resumption criteria. When the resumption criteria indicates that it is advisable to return to onsite work, we believe the NCUA will be adequately prepared to reopen its offices based on its new and revised policies and procedures and HVAC improvements that are designed to ensure the health and safety of staff.

We arrived at this conclusion based on our observations that the NCUA has used guidance and best practices from the CDC, the White House, the WHO, and other federal health-related agencies, and collaborated and consulted with its public health consultant and other federal financial regulatory agencies, in preparing for the eventual reopening of its offices. This included in part: (1) establishing office occupancy limits, (2) limiting business travel, (3) offering virtual training, (4) conducting HVAC maintenance in all NCUA offices, and (5) requiring employees

<sup>48</sup> During our audit scope period, the FFCRA was applicable for 11 months (April 2020 through March 2021).



to be fully vaccinated regardless of their work posture (telework or onsite) and wear face covering.<sup>49</sup> NCUA management communicated to staff its plans, resources, and safety measures it will use to resume onsite work. We have determined that the NCUA management's actions address all facets of the pandemic and align with current federal guidance. Management's actions ensured the agency's internal control structure over its operations functioned appropriately and addressed the inherent risks the agency faces from the pandemic. We determined management's actions aligned with the Green Book, which states in part:

Management considers external requirements and internal expectations when defining objectives to enable the design of internal control. Legislators, regulators, and standard-setting bodies set external requirements by establishing the laws, regulations, and standards with which the entity is required to comply.

Based on pandemic data from July 1, 2021, the NCUA reopened two offices on July 19, 2021. At that time, over 57 percent of adults in the U.S. were fully vaccinated, infection rates had continued to drop steadily, and all 50 states had reopened by the end of June 2021. Under NCUA's transition plan, phase 1 was voluntary for staff to return to the office. The NCUA informed its staff that reopening (or regression) is based solely on the geographic data and information from the COVID dashboard. NCUA management told us they plan to keep employees informed of counties entering phase 1 with metrics they will post weekly on the NCUA's SharePoint site.

In July 2021, we reviewed NCUA's phase 1 transition plan, which included updates on the NCUA's policy on vaccines and face covering, training and travel methods, daily self-screening for COVID-19 symptoms, and enhanced cleaning (sanitizing and HVAC air in-take). Although federal guidance has changed, which now requires vaccinations for all federal employees (and federal contractors) and face coverings, we learned that examination staff already had been complying with the credit union industry's requirements for face coverings, social distancing, and all other credit union, state, and local safety requirements.

During phase 1, the NCUA's plan is to maintain a 25 percent occupancy rate in NCUA offices. To ensure offices do not exceed the occupancy rate, staff are required to register for onsite work before entering a facility through the occupancy registration list located on the NCUA's SharePoint site. Employees will select the date for the location they plan to enter an NCUA office. If an employee enters an NCUA office and has not registered on-line to be onsite for work, security officers will register the employee. However, if the office has reached its 25 percent occupancy limit for the day, the employee will not be permitted to enter.

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<sup>49</sup> The vaccination requirement is consistent with Executive Order 14043, Requiring Coronavirus Disease 2019 Vaccination for Federal Employees (Sept. 9, 2021). In addition, the Safer Federal Workforce Task Force, which was established by Executive Order 13991, Protecting the Federal Workforce and Requiring Mask-Wearing (Jan. 20, 2021), indicated that federal employees need to be fully vaccinated by November 22, 2021. [Vaccinations | Safer Federal Workforce](#). Employees who refuse to be vaccinated or do not provide proof of vaccination to their agency are subject to discipline, up to and including removal, unless they have received an exception or have an exception request under consideration.



In addition to these measures, the NCUA is allowing staff to travel<sup>50</sup> and attend onsite training with prior approval from their Regional or Office Director. However, before travel or training can commence, pandemic conditions in the geographic area of destination must meet established criteria through several metrics, which employees can find on the NCUA's SharePoint site. The metrics indicate whether criteria have been met for the specific state and county in the following categories:

- Phase permitted,<sup>51</sup>
- Number of weeks met,
- Hospitalization trend,
- Death trend,
- Inpatient bed use, and
- Intensive care unit bed use.

On August 12, 2021, 7 days before NCUA management informed staff of its regression to phase zero for the Central Office/Eastern Region Office, the metrics indicated that 82 percent of the counties in the United States that had a credit union or an NCUA facility located within their borders were at phase zero. Therefore, NCUA employees could not travel to any of the locations that had not met the established metrics for each of the above criteria/categories. By August 26, 2021, that same metric had climbed to 98 percent, which included the location of the NCUA's planned MERIT training.<sup>52</sup> On August 27, 2021, the NCUA canceled its onsite MERIT training for its examination staff using this same metric.

Although the NCUA reverted to phase zero, management is refining its phase 2 implementation plan, which is delayed because of the pandemic's current trends. However, to ensure staff have adequate PPE when the agency eventually transitions to a mandatory onsite work posture, the NCUA sent each employee a PPE supply kit on July 28, 2021.

In addition, on September 24, 2021, the NCUA informed staff that the agency would follow Executive Order 14043, Requiring Coronavirus Disease 2019 Vaccination for Federal Employees. All NCUA employees, with limited exceptions, must be fully vaccinated by November 22, 2021, regardless of whether they work onsite or telework and must attest to their

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<sup>50</sup> The NCUA is allowing employees to travel by all means—privately owned vehicle, rental car, and common carrier (e.g., airplane, train).

<sup>51</sup> The term "phase permitted" refers to the phase that NCUA has permitted at a particular location (phases 0 through 1), based on specific criteria.

<sup>52</sup> The NCUA had scheduled onsite MERIT training beginning August 30, 2021, in Omaha, Nebraska, located in Douglas County.



vaccination status and provide proof. The email also explained that NCUA management was working with the public health consultant for implementation of this new protocol and would provide staff with an update when available.

As a result of the policies and other measures NCUA management has put in place, including its continued planning efforts over its phased transition plan, collaboration with its public health consultant and other federal health agencies, regular consultation with peers at other financial regulatory agencies, performing HVAC maintenance at all offices, and providing employees with PPE, we believe the NCUA has established adequate controls to help protect the health and safety of staff once management approves a resumption of onsite work at an NCUA office or credit union.





## OBJECTIVE, SCOPE, AND METHODOLOGY

We developed our objectives for this engagement from the OIG's 2021 Annual Work Plan. Specifically, our objectives were to determine: (1) what factors guided NCUA management's policy decisions regarding the pandemic during the initial outbreak, (2) what factors are guiding management's future decisions to either continue a remote working posture or return to the office, (3) what factors guided management in providing NCUA staff with various benefits such as supply expenses and other leave options, and (4) what guidelines have been put in place to protect staff when a return to the office is approved, such as building safety, social distancing, and the use of PPE.

To achieve our objectives, we conducted this audit virtually from February 2021 to December 2021. The scope of our audit covered policies, procedures, and guidance related to the agency's management of its staff's health and safety due to COVID-19 from January 2020 through September 2021.

To achieve our objectives, we:

Interviewed NCUA management to obtain an understanding of the agency's processes, factors, and guidance implemented to ensure the health and safety of staff.

Obtained and reviewed the NCUA's policies, procedures, and guidance related to COVID-19, the agency's work posture, supply expenses, and special leave options.

Reviewed the results of three workforce surveys sent to staff in May 2020, July 2020, and March 2021.

Conducted a survey of 20 NCUA managers to assess the impact the offsite work posture had on their office and any adaptations that were made, whether their office had regular teleworkers before the mandated onsite work posture, and whether supervisors were tracking the special leave options.

Reviewed list of office-based employees. As of February 28, 2020, NCUA had 1,138 employees of which 133 (12 percent) were regular teleworkers as defined by NCUA Instruction 1200.8 (Rev. 4).

For these 133 employees, we determined whether they received reimbursement for communications and supply expenses from March 16, 2020, through March 12, 2021. In addition, we obtained documents on the monthly total costs for all office staff during this audit scope period.

Reviewed the NCUA's onsite approval process. Obtained and reviewed the approved rosters of staff and associated main entry door activities at the Central Office for February 11, 2021, February 18, 2021, February 24, 2021, and March 2, 2021. In addition, we obtained and



reviewed the health self-certifications data for the same dates to determine whether staff who were onsite completed the health self-certification form.

Obtained and reviewed email approvals for staff to go onsite to credit unions for work.

Reviewed the agency listing of weather and safety leave reported by staff for the period covering March 16, 2020, through January 8, 2021.

Reviewed the list of employees who reported using FFCRA leave Option 2 “healthcare provider advised to self-quarantine related too COVID” for the audit scope period covering April 1, 2020, through December 31, 2020. In addition, we reviewed the transactions to determine whether any employees exceeded the maximum 80-hour FFCRA limit.

Reviewed GAO’s Green Book and applied the appropriate internal control components and principles for the audit.

Obtained and reviewed the following documents issued by the Executive Office of the President:

- The President’s Coronavirus Guidelines for America (March 16, 2020)
- The President’s Coronavirus Guidelines for Opening Up America Again (April 16, 2020)
- Executive Order 13991, Protecting the Federal Workforce and Requiring Mask-Wearing (Jan. 20, 2021), which established the Safer Federal Workforce Task Force
- National Strategy for the COVID-19 Response and Pandemic Preparedness (Jan. 21, 2021)
- Safer Federal Workforce Task Force, COVID-19 Workplace Safety: Agency Model Safety Principles (July 29, 2021)
- Executive Order 14043, Requiring Coronavirus Disease 2019 Vaccination for Federal Employees (Sept. 9, 2021)
- Guidance from the Safer Federal Workforce Task Force (2021)

Obtained and reviewed the following Office of Management and Budget memoranda:

- M-20-13, Updated Guidance on Telework Flexibilities in Response to Coronavirus (March 12, 2020)
- M-20-14, Updated Federal Travel Guidance in Response to Coronavirus (March 14, 2020)
- M-20-15, Updated Guidance for the National Capital Region on Telework Flexibilities in Response to Coronavirus (March 15, 2020)
- M-20-16, Federal Agency Operation Alignment to Slow the Spread of Coronavirus COVID-19 (March 17, 2020)
- M-20-23, Aligning Federal Agency Operations with the National Guidance for Opening Up America Again (April 20, 2020)
- M-21-15, COVID-19 Safe Federal Workplace: Agency Model Safety Principles (Jan. 24, 2021)



- M-21-25, Integrating Planning for a Safe Return of Federal Employees and Contractors to Physical Workplaces with Post-Reentry Personnel Policies and Work Environment (June 10, 2021).

Obtained and reviewed OPM memoranda on COVID-19, human resources flexibilities, authorization to use weather and safety leave, guidance on workforce posture, management of visitors to federal facilities, and domestic and international travel by federal staff.

Reviewed the NCUA's survey results from the 2020 OPM FEVS.

We used computer-processed data from NCUA's third-party systems (HR Links and Concur). We did not test controls over these systems, but we relied on our analysis of information from management reports, correspondence files, and interviews with management to corroborate data obtained from these systems to support our audit conclusions.

We conducted this audit from February 2021 through December 2021 in accordance with government auditing standards (Yellow Book) and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



## NCUA MANAGEMENT RESPONSE



National Credit Union Administration  
Office of the Executive Director

### SENT BY EMAIL

**TO:** Inspector General, James Hagen  
**FROM:** Executive Director, Larry Fazio LARRY FAZIO Digitally signed by LARRY FAZIO Date: 2021.12.08 16:45:00 -0500  
**SUBJ:** Audit of the NCUA's COVID-19 Work Posture  
**DATE:** December 8, 2021

Thank you for the opportunity to review the draft report on the *OIG's Audit of the NCUA's COVID-19 Work Posture*. Throughout the COVID-19 pandemic, the NCUA's response has focused on three priorities - protecting the health and safety of NCUA staff and contractors so the agency can continue to perform its mission, taking steps to help address the impact of COVID-19 on credit unions and their members, and preparing for how the pandemic may affect the future financial condition of credit unions and the National Credit Union Share Insurance Fund.

We concur with the report's conclusions and continue to refine our processes to best respond to the ongoing pandemic. Thank you for the opportunity to comment.

If you have any questions regarding this response, please contact Shameka Sutton at (703) 548-2485 or at [SSutton@ncua.gov](mailto:SSutton@ncua.gov).



## ACRONYMS AND ABBREVIATIONS

ACRONYM	TERM
CDC	Centers for Disease Control and Prevention
consultant	public health consultant
COVID-19	Coronavirus Disease 2019
Decision Guide	COVID-19 Onsite Work Decision Guide
FFCRA	Family First Coronavirus Response Act of 2020
FEMA	Federal Emergency Management Agency
FEVS	Federal Employee Viewpoint Survey
Green Book	Standards for Internal Control in the Federal Government
HVAC	Heating, ventilation, and air conditioning
HHS	U. S. Department of Health and Human Services
health self-certification	COVID-19 Self Certification Form
NCUA	National Credit Union Administration
OCFO	Office of the Chief Financial Officer
OCSM	Office of Continuity and Security Management
OED	Office of the Executive Director
OHR	Office of Human Resources
OIG	Office of Inspector General
OPM	Office of Personnel Management
pandemic plan	NCUA's Pandemic & Infection Disease Response Plan
PPE	Personal Protective Equipment
public health consultant/consultant	Public health expert
transition plan	NCUA COVID-19 Transition Plan
WHO	World Health Organization