

GAO

Briefing Report to the Honorable
John Kasich, House of Representatives

March 1987

FEDERAL PERSONNEL

Agencies Need to Make Greater Use of Employee Suggestion Programs



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SECRET



United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-223262

March 17, 1987

The Honorable John Kasich
House of Representatives

Dear Mr. Kasich:

This report responds to your letter of February 21, 1986, requesting information on the implementation and effectiveness of the government employees incentive awards program. In discussing the request with you and your staff, it was agreed that we would concentrate on the aspect of the awards program pertaining to employee suggestions. You were concerned that all agencies may not have established effective suggestion programs.

Under the provisions of Chapter 45 of title 5, U.S.C., as implemented by 5 CFR, Part 451, executive agencies and certain other government organizations are required to establish employee incentive awards programs, including suggestion programs. The objective of the awards programs is to improve government operations by recognizing and rewarding employees for their exceptionally meritorious achievements or suggestions. The Office of Personnel Management (OPM) is responsible for issuing regulations to carry out the programs.

In reviewing suggestion programs, we examined OPM's policies, procedures, and practices for program management and interviewed responsible officials. We obtained data on program activities for fiscal year 1985 from reports submitted by agencies to OPM, but did not verify the accuracy of the information contained in the reports. We also interviewed officials in three selected agencies. We selected the Defense Department because it employs over 1 million civilian employees and about 3 million military personnel and its components had the most active suggestion programs of all government agencies. We selected the State Department because its program was relatively inactive. The Office of the Architect of the Capitol was selected because of your expressed interest in its activities.

Our review was performed between May and September 1986. Except as noted above, our work was conducted in accordance with generally accepted government audit standards. The results of our review are summarized below and discussed in greater detail in appendix I to this report.

PROGRAM ACTIVITY VARIED WIDELY

We found that suggestion program activities and results varied widely throughout the government as shown by reports submitted to OPM. For instance, the Air Force received 16.1 suggestions per 100 employees during fiscal year 1985; 8,940 suggestions were adopted at estimated savings of \$71 million. The State Department, in contrast, received .13 suggestions per 100 employees during that same year, adopted one, and reported no tangible benefits. Some agencies reported no activity in their programs; others, such as the Architect of the Capitol, had no program at all.

OPM's regulations (5 CFR, Part 451) encourage agencies to provide the necessary resources and establish effective promotion and publicity activities. However, we found wide variations among the agencies we visited in the level of management emphasis and resources devoted to the program. The Air Force provided staffing for the program at headquarters, command, and installation levels, used an automated tracking system to monitor the status of suggestions, and actively promoted and publicized the program. In contrast, part of one employee's time was devoted to the suggestion program for the entire State Department. Moreover, State's program was not publicized or promoted.

OPM OVERSIGHT

OPM has provided guidance and offered technical assistance to all agencies in an effort to encourage suggestion programs. Although covered agencies representing the majority of the federal workforce report to OPM on their suggestion programs as required, OPM needs to identify the few which do not and ensure that they annually report on their program. OPM could use the annual reports to identify and follow up on program inactivity. The reports could also be used to determine the reasons for agencies' noncompliance with OPM regulations requiring adequate funding and effective promotion and publicizing of suggestion programs.

RECOMMENDATIONS

To strengthen program oversight, we recommend that the Director, OPM

- identify all agencies that are required to comply with incentive awards regulations;
- identify those agencies with no program, marginal (low activity) programs, or declining programs; and
- determine the reasons for (1) noncompliance with OPM regulations and (2) limited or no program activity; and seek corrective action by reporting the findings to top agency officials.

AGENCY COMMENTS

We requested comments on a draft of this report from OPM, the Departments of State and Defense and the Architect of the Capitol. Their responses are included as appendixes II through V of this report. OPM agreed that more monitoring can be done, and said it is important to note that it has been in the process of increasing oversight activities. OPM objected to the report giving the impression that agencies are unaware of their coverage under law and regulations by saying that 83 agencies representing 99.5 percent of the workforce had reported on their programs in fiscal year 1985. OPM said that it would take additional actions to assure reporting by small agencies, boards, and commissions.

OPM said that it regularly follows up to assure that reports are received from all agencies listed in its directory of agency incentive award administrators. While not all agencies are included in their directory, they said they will be following up to assure that as many as possible of the boards, commissions, and other small agencies that have not reported in the past will be covered.

With regard to identifying agencies with no program, marginal programs, or declining programs, OPM said that it provides program performance indicator reports to the largest agencies covering over 95 percent of the federal workforce. These reports show the number of suggestions received per 100 employees which had been previously reported to OPM by those agencies. OPM further said that as part of its program oversight function (personnel management evaluations), it reviews agency suggestion program results and/or trends and whenever warranted communicates these results to agency officials. The OPM official responsible for the program oversight function told us that these evaluations are

generally limited to ensuring that the agency had established a suggestion program. Finally, OPM said that to assist smaller agencies, it is preparing guidance for developing suggestion program policies and plans, but resources to provide further assistance were limited.

State said it was actively seeking ways to improve its employee suggestion program but current budgetary constraints were a problem. State noted that suggestions resulting in tangible savings of \$124,146 were evaluated and implemented in fiscal year 1986. Defense said it concurred with the report's findings and conclusions applicable to Defense.

The Architect of the Capitol said the reason a program had not been established is related to that agency's status in the legislative branch of the government rather than the failure to be informed that a program was required as we were told during our audit work. The Architect said that it was not clear that the intent of Congress was to make the program mandatory and provide OPM with oversight of a legislative branch agency. The Architect suggested that the way in which that Office was included under provisions of the Training Act (5 U.S.C. 4119) was more appropriate. The Training Act authorized the Architect to adopt such provisions of the Act as deemed necessary and provided that OPM would provide such advice and assistance as the Architect may request. The Architect said that this was a more satisfactory approach and would support amending the incentive award provisions of chapter 45 of title 5, U.S.C., accordingly. While the Architect may believe that the Office's involvement in the program should be permissive, the law specifically states that the incentive award provisions apply to the Office of the Architect of the Capitol. Until such time as the provisions may be changed we believe the Architect should comply with them.

As arranged with your office, copies of this report are being sent to the Director, OPM; to the heads of the other agencies included in our review; and to others who have an interest in this subject. If we can be of further assistance, please contact Ms. Rosslyn Kleeman on (202) 275-6204.

Sincerely yours,

W. J. Anderson

William J. Anderson
Assistant Comptroller General

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ABBREVIATION

OPM Office of Personnel Management

AN EVALUATION OF
GOVERNMENT SUGGESTION PROGRAMS

BACKGROUND

The Government Employees Incentive Awards Act of 1954 as amended and currently codified as Chapter 45 of Title 5, U.S.C., established the incentive awards program in the federal government. This legislation incorporated employee suggestion systems, which had been in place for many years, into the overall incentive awards program. The program requires agencies to recognize and reward employees for their exceptionally meritorious achievements or suggestions and encourage employees to contribute to the efficiency, economy, or improvement of government operations.

Under the law, the incentive awards program applies to all executive branch agencies and certain other government agencies, including the Administrative Office of the United States Courts, the Library of Congress, the Office of the Architect of the Capitol, the Botanic Garden, and the Government Printing Office. Section 4506 of Title 5, U.S.C., requires the Office of Personnel Management (OPM) to prescribe regulations for program administration.

OPM's regulations pertaining to incentive awards programs are contained in 5 CFR, Part 451. Agencies are required to

- budget adequately for awards, staff, and support services so as to assure prompt action on awards decisions;
- establish effective promotion and publicity activities to encourage employee participation;
- provide an annual report of program activity to OPM.

OPM has promoted the suggestion aspect of the incentive awards program by (1) issuing an annual Achievements periodical which highlights agencies' activities during the previous year; (2) issuing a semi-monthly Incentive Awards Notes periodical which provides news about the program; and (3) making suggestion program posters, pamphlets, and optional suggestion forms available to agencies. OPM has also included data on employee suggestions in agency performance indicator reports covering the 22 largest federal agencies (95 percent of the federal workforce) and requested all agencies to submit for OPM approval, performance management system plans that include coverage of their suggestion program policies. The indicator report provides data on 38 measures of personnel management effectiveness. One of the measures is the number of suggestions received per 100 employees. This information is obtained by OPM from the reports previously submitted by the 22 agencies.

SUGGESTION PROGRAM ACTIVITY VARIES

During fiscal year 1985, suggestion program activity varied widely among those agencies which submitted reports to OPM. Some agencies had relatively high activity, while others had no activity. Based on annual reports submitted to OPM, the greatest activity was in three Defense agencies, as follows:

Table I.1
Suggestion Activity During Fiscal Year 1985

<u>Agency</u>	<u>Number of employees</u>	<u>Receipts</u>	<u>Receipt rate per 100 employees</u>	<u>Adoptions</u>
Army	331,660	44,398	13.4	8,935
Air Force	224,579	36,071	16.1	8,940
Navy	280,926	18,876	6.7	5,897

Agencies reporting low activity in their programs were:

- The Agency for International Development, with 3,623 employees, received four suggestions (or a receipt rate of .11 per 100 employees) and adopted one.
- The State Department, with 23,216 personnel, received 31 suggestions (or a receipt rate of .13 per 100 employees) and adopted 1.
- The United States Information Agency, with 8,876 employees, received 25 suggestions (or a receipt rate of .28 per 100 employees) and adopted 6.

Thirty of the 83 agencies submitting reports on their incentive awards programs to OPM for fiscal year 1985 reported no suggestion program activity. Each of these agencies had fewer than 1,500 employees.

SUGGESTION PROGRAMS CAN BENEFIT THE GOVERNMENT

Suggestion programs appear to be cost effective to agencies and can provide far greater benefits than amounts spent for awards and administration. For example, the Air Force reported a total of \$71 million in tangible savings resulting from its suggestion program in fiscal year 1985. An Air Force study of its 1985 program showed a benefit-to-cost ratio of \$16 to \$1.

For fiscal year 1985, 36 agencies reported tangible benefits from their suggestion programs totalling about \$200 million. Over \$180 million of this total was for agencies in the Department of Defense. Table I.2 summarizes the benefits reported by the 36 agencies.

Table I.2
Tangible Benefits Reported for Fiscal Year 1985

	<u>Savings (\$)</u>
<u>Defense agencies</u>	
Department of the Air Force	71,022,461
Department of the Army	53,373,903
Department of the Navy	47,891,447
Defense Logistics Agency	8,354,740
National Guard	2,259,100
Defense Mapping Agency	1,298,987
Defense Washington Headquarters Services	12,920
Defense Investigative Service	6,106
Defense Communication Agency	2,600
U.S. Soldiers' & Airmen's Home	1,000
Defense Nuclear Agency	300
Subtotal	<u>184,223,564</u>
 <u>Civilian agencies</u>	
Veterans Administration	3,061,331
Department of Health and Human Services	2,876,898
National Aeronautics & Space Administration	2,824,797
Department of the Treasury	2,048,240
Department of Agriculture	2,042,885
Department of the Interior	972,844
General Services Administration	722,920
Department of Commerce	336,773
Department of Transportation	310,252
Department of Energy	241,646
Department of Housing and Urban Development	215,589
Securities and Exchange Commission	109,725
Department of Labor	74,626
Government Printing Office	69,700
United States Information Agency	61,200
Agency for International Development	53,952
Nuclear Regulatory Commission	40,985
Environmental Protection Agency	26,105
Panama Canal Commission	14,337
Department of Justice	11,328
Department of Education	6,350
National Endowment for the Arts	2,550
Office of Personnel Management	1,548
Railroad Retirement Board	1,502
Federal Communications Commission	200
Subtotal	<u>16,128,283</u>
 Total	 <u>200,351,847</u>

A May 1986 report by the Merit Systems Protection Board, Getting Involved: Improving Federal Management With Employee Participation, found that suggestion programs can also provide other significant intangible benefits. The report explained that

suggestion programs enhance morale by encouraging employee involvement, provide a mechanism for management to demonstrate its receptivity to employee ideas, and provide nonthreatening means for employees to be heard.

THE AIR FORCE HAS SUPPORTED AND
PROMOTED THE SUGGESTION PROGRAM

The Air Force has demonstrated support for its suggestion program in many ways. For example, the Air Force's program has been staffed at headquarters, command, and installation levels with each level having a suggestion program manager. Over 200 staff throughout the Air Force are devoted to administering and promoting the program. In addition, the Air Force uses an automated data system to support its suggestion program. Objectives of the data system are to ensure timely processing and feedback to suggesters as well as managers. The data system provides controls to minimize delays in the processing of suggestions, generates reports for management, and enhances timely responses to suggesters.

In addition, the Air Force promotes and publicizes its program activity. Newsletter articles, posters, handouts, promotional campaigns, bulletins, and base publications routinely advertise and discuss the suggestion program. The Air Force also gives its new employees an orientation on the program and publicizes the suggesters and their adopted ideas in a variety of ways. Base Commanders often present awards to suggesters at award ceremonies and, for those suggestions resulting in substantial savings, the Secretary of Defense has presented the awards. The Air Force Suggestion Program Manager told us that positive recognition is of great importance to suggesters and may be more motivating to employees than the cash awards they receive.

LACK OF ADEQUATE RESOURCES AND
MANAGEMENT INATTENTION HAS HINDERED
THE STATE DEPARTMENT'S PROGRAM

The State Department's suggestion program suffered a decrease in its level of activity starting in fiscal year 1981, as shown in table I.3.

Table I.3
State Department Suggestion Program, 1976-1985

<u>Fiscal year</u>	<u>Suggestions</u>	
	<u>Received</u>	<u>Adopted</u>
1976	265	53
1977	274	37
1978	209	25
1979	231	42
1980	217	47
1981	40	6
1982	63	23
1983	29	4
1984	28	2
1985	31	1

State Department officials responsible for the program attributed the low activity to insufficient resources and management inattention. They told us their suggestion program was staffed by two full-time employees through 1978. In 1979, one staff member was reassigned and the remaining staff member was given additional duties. In responding to a draft of this report, State said 5 percent of one staff member's time is now devoted to the Department's suggestion program.

State Department personnel said current workloads do not allow adequate staff time needed to administer and promote the suggestion program. Furthermore, they said lack of timely feedback to suggesters discourages continued interest in the program which contributes to low program activity. In addition, they said the Department did not attempt to promote the program further because resources could not absorb the increased activity. When we brought this to the attention of a top State Department official, he told us that he was unaware of the program's decline and agreed that the program had been understaffed.

ARCHITECT OF THE CAPITOL
HAS NO SUGGESTION PROGRAM

The Office of the Architect of the Capitol does not have a suggestion program. The agency is specifically included in the law (5 U.S.C. 4501(1)(D)). Architect of the Capitol officials told us that they have not established a program, in part because they have never been specifically informed that a program is required. In commenting on this report, the Architect said that a more appropriate reason is related to that agency's status in the legislative branch of the government. Architect of the Capitol officials also said that they have viewed the law and regulations governing incentive awards programs as permissive and not mandatory. In the comments, the Architect said that it was decided in the early 1960s to limit the agency's participation in

the incentive awards program to recognizing federal service. As a result, they do not submit annual reports to OPM as required by OPM regulations. They told us that OPM has not questioned their lack of a program and has not indicated that they are violating the provisions of 5 CFR, Part 451. In commenting on this report the Architect endorsed the concept of rewarding members of the workforce for their suggestions but said that insufficient staffing was a major obstacle to the establishment and administration of a program.

OPM HAS PROVIDED GUIDANCE AND ASSISTANCE TO AGENCIES

Based on its legislative mandate, OPM has the authority to monitor agencies' suggestion programs and seek compliance with its regulations. OPM has provided guidance and offered technical assistance to all agencies in an effort to encourage agencies to establish and support suggestion programs. OPM receives reports on suggestion programs from agencies which represent the majority of the federal workforce. OPM officials agreed that a listing of all agencies required to file annual reports was needed and said that such a list will soon be developed and used to enforce annual reporting requirements.

OPM could use the annual reports to identify agencies with inactive or declining programs for further follow up. Also, OPM could ensure that such programs receive adequate funding and are effectively promoted and publicized as required.

AGENCY COMMENTS FROM THE OFFICE OF
PERSONNEL MANAGEMENT



United States
**Office of
Personnel Management**

Washington, D C 20415

Note. GAO comments supplementing those in the report text appear at the end of the appendix.

JAN 16 1987

In Reply Refer To

Your Reference

Ms. Rosilyn S. Kleeman
Senior Associate Director
General Government Division
U.S. General Accounting Office
Washington, DC 20548

Dear Ms. Kleeman:

This is in response to your recent letter which enclosed for review and comment the draft briefing report entitled, "Agencies Need to Make Greater Use of Suggestion Programs".

Discussed on page 3.

The draft report points up the fact that OPM has provided guidance and offered technical assistance to all agencies in an effort to strengthen suggestion programs, that suggestion program activity and results vary widely among Federal departments and agencies and recommends that OPM more actively monitor agencies' compliance with regulation. We welcome the acknowledgment of OPM's extensive efforts to assist agencies. While we agree that more monitoring can be done, we feel it is important to note that we have been in the process of increasing our oversight activities. We will continue to do so to the extent resources are available and can be utilized in a cost-effective manner.

See comment 1.

The draft report fails to mention several initiatives taken by OPM during the past fiscal year. These include: (1) providing agencies with program performance indicator reports, including the annual Personnel Management Indicators Report (PMIR) for program evaluation and planning purposes, and (2) requesting all Federal agencies, under recent OPM regulations, to submit for OPM approval, Performance Management System Plans that include coverage of their suggestion program policies.

Our additional comments, addressing the recommendations to strengthen OPM program oversight, are:

Discussed on page 3.

(1) Identify all agencies that are required to comply with incentive awards regulations. This recommendation and the draft report's statement that "OPM has not identified those agencies required to comply with the incentive awards program . . ." give the impression that agencies are unaware of their coverage under law and regulations. The record, as

AGENCY COMMENTS FROM THE OFFICE OF
PERSONNEL MANAGEMENT

Discussed on page 3. documented in the draft report, tells a more accurate story. As noted in the report, 83 agencies submitted reports to OPM on their incentive awards programs in FY 85, representing over 99.5 percent of the Federal workforce. This is not surprising since our regulations require agencies to report on their use of incentive awards authorities and we regularly follow up to assure reports are received from all agencies listed in our directory of agency incentive awards administrators. This publication includes all departments and agencies as well as 11 Federal boards and commissions.

Discussed on page 3. In addition, as noted above, we require agencies to submit to us, as part of their performance management system plans, coverage of their suggestion program policies. The performance plans will not be approved if they lack coverage of the suggestion program. While very few employees are involved (less than one half of one percent of the workforce), we will be following up to assure that as many as possible of the boards, commissions and other small agencies that have not reported in the past, will be covered.

Discussed on page 3. OPM has published and will continue to publish and distribute, at least annually, a directory of incentive awards administrators at agency headquarters' level to facilitate program information exchange, OPM/agency communication, and the referral of employee suggestions for evaluation and possible implementation.

Discussed on page 3. (2) Identify those agencies with no program, marginal programs, or declining programs. OPM has provided, and will continue to provide, agencies with program performance indicator reports, including for the largest agencies covering over 95 percent of the workforce, an annual Personnel Management Indicators Report (PMIR) for program evaluation and planning purposes. These reports include coverage of performance management and specifically include agency and Government-wide data on suggestion submissions, percentage adopted, and benefit/award ratios.

Discussed on page 3. (3) Determine the reasons for (1) non-compliance with OPM regulations, and (2) limited or no program activity, and seek corrective action by reporting its findings to top agency officials. OPM, as a continuing function of its program oversight, reviews agencies' program results and/or trends and, wherever warranted, takes actions to conduct an on-site evaluation and/or to communicate these results to agency officials for appropriate action. During fiscal year 1986, OPM conducted eight on-site evaluations at agency headquarters in addition to more than 500 installation assessment visits which included coverage of the suggestion program. To assist smaller Federal agencies, OPM is preparing guidance for use in developing incentive awards program policies and plans. However, the amount of

AGENCY COMMENTS FROM THE OFFICE OF
PERSONNEL MANAGEMENT

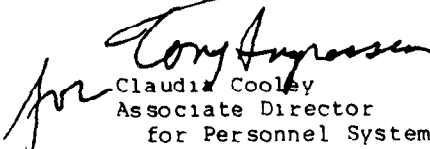
resources to provide further assistance to small Federal organizations is limited, and is determined principally on the basis of cost/benefit considerations.

See comment 2.

A final point of a technical nature is that the language cited in the proposed report addressing agency requirements has been superseded by 5 C.F.R. 451 language contained in the Performance Management System Regulations issued March 11, 1986.

We appreciate the opportunity to review and furnish comments on this report.

Sincerely,


for Claudia Cooley
Associate Director
for Personnel Systems
and Oversight

AGENCY COMMENTS FROM THE OFFICE OF
PERSONNEL MANAGEMENT

The following are GAO's comments on the Office of Personnel Management's letter dated January 16, 1987.

1. Report has been clarified on page 6 to reflect these initiatives.
2. Report has been clarified on page 6 to reflect the language in the most current regulations.

AGENCY COMMENTS FROM THE DEPARTMENT OF STATE

United States Department of State

Comptroller

Washington, D. C. 20520

January 7, 1987

Note: GAO comments supplementing those in the report text appear at the end of the appendix.

Dear Mr. Conahan:

I am replying to your letter of December 4, 1986 to the Secretary which forwarded copies of the draft report entitled Agencies Need to Make Greater Use of Suggestion Programs.

The enclosed comments on this report were prepared in the Bureau of Personnel.

We appreciate having had the opportunity to review and comment on the draft report.

Sincerely,

Handwritten signature of Roger B. Feldman in cursive script.
Roger B. Feldman

Enclosure:
As stated.

Mr. Frank C. Conahan,
Assistant Comptroller General,
National Security and
International Affairs Division,
U.S. General Accounting Office,
Washington, D. C. 20548

AGENCY COMMENTS FROM THE DEPARTMENT OF STATE

January 5, 1987

GAO DRAFT REPORT: AGENCIES NEED TO MAKE GREATER USE OF
EMPLOYEE SUGGESTION PROGRAMS

See comment 1. The Department of State Employee Suggestion Program has declined dramatically as a direct result of the substantially reduced resources that the Department has been able to provide for the program in recent years. Until 1978 one personnel officer was assigned full-time to the position of Suggestion Program Coordinator. This position was eliminated in 1979 and the duties were transferred to the Awards Officer. This Officer not only handles the entire Incentive Awards Program (including the suggestion program), but also administers the Senior Executive Service performance evaluation system, and for several months of the year serves as staff advisor to a Foreign Service selection panel. Thus, this officer is able to devote no more than five percent of her time, on an annual basis, to the suggestion program.

See comment 2. The State Department Incentive Awards Program is extremely active and serves approximately twenty-three thousand employees both in Washington and overseas. During FY 86, approximately four thousand three hundred employees were recognized under the Incentive Awards Program, not including performance pay awards and Presidential awards to members of the Senior Foreign Service and the Senior Executive Service.

See comment 1. The limited resources available do not allow for consistently timely processing and review of suggestions or for aggressive substantive publicity for the program. Both of these factors have tended to discourage interest and decrease participation in the program.


Discussed on page 4 The Department is actively seeking ways to make greater use of the Employee Suggestion Program by exploring other locations for the Program and/or creating another position in the present location. Current budgetary stringencies, however, present a problem in this regard.

AGENCY COMMENTS FROM THE DEPARTMENT OF STATE

- 2 -

Discussed on page 4.

During the last fiscal year the State Department evaluated and implemented suggestions resulting in tangible benefits in the amount of \$124,146. We hope to improve upon that situation in the present fiscal year.


George S. Vest
Director General of the
Foreign Service and
Director of Personnel
Bureau of Personnel

AGENCY COMMENTS FROM THE DEPARTMENT OF STATE

The following are GAO's comments on the Department of State's letter dated January 7, 1987.

1. This information appears on page 10 of our report in our account of discussions with State Department officials during our review.
2. This information relates to other aspects of the incentive awards program which are not the subject of this report.

AGENCY COMMENTS FROM THE ARCHITECT OF THE CAPITOL

Washington, DC 20515

January 28, 1987

Mr. Frederick D. Wolf
 Director, Accounting and
 Financial Management Division
 United States General Accounting Office
 Washington, D.C. 20548

Dear Mr. Wolf

I would like to thank you for the opportunity to review and comment on your draft briefing report entitled Agencies Need to Make Greater Use of Suggestion Programs.

Discussed on page 11.

I endorse the concept of an incentive awards program as a way to improve the effectiveness and efficiency of the work force, and to reward the members of that work force for their suggestions or meritorious service. I have taken under advisement the need to establish and actively administer an incentive awards program. A major obstacle will be to secure sufficient staffing to provide proper leadership, guidance and control over such a program; we are presently not so staffed. With that in mind, I have limited my comments to that portion of the report that applies directly to this Office.

Discussed on pages 4 and 10.

The report states that the Architect of the Capitol has no suggestion program, and that a program has not been established because we have never been specifically informed that a program is required. It also mentions our view that the law and regulations governing incentive awards programs are permissive and not mandatory. It is probably more appropriate to state that the reason that this Office has not establish a program is more related to our status as a Legislative Agency rather than the failure to be specifically informed that a program is required.

Discussed on page 10.

In the early 1960's a review was conducted of the incentive award provisions of title 5, United States Code, as related to the operations of the Office of the Architect of the Capitol. It was decided at that time to limit participation to that of a program for recognition of Federal Service through the presentation of service pins and certificates. Subsequently, in response to inquiries from the Office of Personnel Management and requests for filing annual reports in connection with our incentive awards program, we outlined the limited nature of our program and filed the necessary reports accordingly.

AGENCY COMMENTS FROM THE ARCHITECT OF THE CAPITOL

January 28, 1987

page two

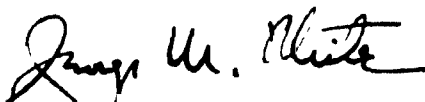
Discussed on page 4.

I am informed that this limited level of participation by this Office in the Federal Incentive Awards Program was based on several reasons. First, it was not clear that it was the intent of Congress to make the program mandatory and provide the Office of Personnel Management with oversight in regard to the Office of the Architect of the Capitol which, as you know, is an agency of the Legislative Branch. Secondly, other similar Congressional offices, i.e., the Senate Sergeant at Arms and the Clerk of the House, with a number of employees involved in somewhat similar work, are not subject to the provisions of Chapter 45 of title 5, U.S.C. In addition, the Civil Service Reform Act of 1978 excluded, for the most part, the Architect of the Capitol from coverage under its provisions. I believe this exclusion recognized that it would be improper to place this Office under an act primarily applicable to the competitive service and the Executive Branch.

Discussed on page 4.

The recent inclusion of the Office of the Architect of the Capitol under the Training Act (section 4119 of title 5, U.S.C.) was, in my judgment, the means by which this Office should be included under the provisions of title 5, of the United States Code. That Act which, incidentally, was made applicable by legislation suggested by this Office, authorizes the Architect, by regulation, to make applicable such provisions of the Training Act to employees of this Office as is deemed to be necessary for an effective program. It also provides that the Office of Personnel Management shall provide the Architect of the Capitol with such advice and assistance as the Architect may request in order to enable the Architect to carry out the purposes of section 4119 of title 5, U.S.C. I believe that this is a more satisfactory approach and urge that Chapter 45 be amended to allow the Architect of the Capitol the opportunity, without Office of Personnel Management oversight, to implement, by regulation, an incentive awards program for employees of the Architect. This office would be pleased to lend support to such an effort.

Cordially,



George M. White, FAIA
Architect of the Capitol

AGENCY COMMENTS FROM THE DEPARTMENT OF DEFENSE



ASSISTANT SECRETARY OF DEFENSE

WASHINGTON D C 20301-4000

FORCE MANAGEMENT
AND PERSONNEL

8 JAN 1987

Mr. Frank C. Conahan
Assistant Comptroller General
National Security and
International Affairs Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Conahan:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "Agencies Need To Make Greater Use of Employee Suggestion Programs," dated December 12, 1986 (GAO Code 966252/OSD Case 7183).

Discussed on page 4. The Department has reviewed the report. The DoD concurs with those findings and conclusions applicable to Defense and has no further comments. The Department appreciates the opportunity to comment on this draft report.

Sincerely,

David J. Armor
Principal Deputy

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