



Memorandum from the Office of the Inspector General

August 8, 2006

Phillip L. Reynolds, LP 3A-C

FINAL INSPECTION REPORT 2006-5111 – REVIEW OF TVA'S PRESCRIPTION SAFETY EYEWEAR PROGRAM

At the request of TVA Occupational Health and Workers' Compensation (OH&WC), we performed a limited scope review to assess whether policies, procedures, and key control activities ensure compliance with Tennessee Valley Authority's (TVA) Prescription Safety Eyewear Program requirements. Our review of TVA's policies for, and records of, authorizing and obtaining prescription safety eyewear identified opportunities for improvement.

BACKGROUND

TVA provides prescription safety eyewear to employees who work in environments that may be hazardous to eyes. The protective eyewear is provided at a discount to TVA through a contract with AOSafety. The discount is also offered to employees and retirees who would like to purchase the same eyewear for personal use.

Employees who work in an area that requires safety eyewear are eligible to receive one pair of prescription safety eyewear with clear lenses. In addition:

- Employees required to work primarily outdoors are provided a second pair of eyewear with tinted lenses or one pair of photocromatic prescription safety eyewear.
- Prescription safety eyewear with fixed side-shields is provided to employees who work in a location with side-shield requirements.
- TVA police are eligible to receive one pair with clear lenses and one pair of prescription sunglasses.

For the time period May 2004 through December 2005, TVA purchases of prescription safety eyewear totaled approximately \$398,800. OH&WC requested this review based on (1) OH&WC noting that there appeared to be multiple approvals for individuals with the same name or same unique identifier;¹ (2) the unique identifier currently in use may not be unique to only one TVA employee; and (3) the amounts listed for payments, in some cases, were much less than what is normally paid for a pair of prescription safety eyewear.

¹ OH&WC uses a unique identifier in conjunction with the employee name to identify the applicable employee receiving the prescription eyewear.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our review was to assess whether policies, procedures, and key control activities ensure compliance with the prescription safety eyewear program. To achieve our objective, we:

- Reviewed policies and procedures to identify required processes and key control activities.
- Conducted a walkthrough of the processes with personnel from OH&WC to determine (1) if the actual process and key control activities mirror those outlined in the written policies and procedures and (2) if any additional key control activities exist.
- Selected a sample of records for authorized prescription safety eyewear purchases to (1) verify the purchases were authorized and (2) ensure policies pertaining to replacements and accessories were complied with.

Our scope included the Prescription Safety Eyewear Program policies, procedures, and key control activities that were applicable to the TVA prescription safety eyewear purchases for the period of May 2004 through December 2005. This inspection was conducted in accordance with the "Quality Standards for Inspections."

FINDINGS

TVA's policies and procedures adequately address the eligibility requirements and process to be followed in order to obtain prescription safety eyewear. However:

- The policies and procedures regarding prescription safety eyewear (1) do not address the retention of supporting documentation for purchases of prescription safety eyewear and (2) are not being complied with by all the Safety Eyewear Coordinators (SEC).
- The policies and procedures could be strengthened to clearly identify the time frame constraints for obtaining replacement eyewear.
- The current identifiers used for employees are not unique to a single employee.

POLICY AND PROCEDURE COMPLIANCE

We found that retention of supporting documentation for safety eyewear purchases is not required in applicable safety eyewear practices and procedures. However, since the purchases are made via the TVA Visa Purchasing Cards, documentation should have been maintained as required by the Visa Purchasing Card Procedure. We found, however, that complete supporting documentation was not available for approximately 18 percent of the sample we reviewed.

OH&WC procedures and Health and Safety Practice 7 (Practice 7) define the acquisition process and specifically require that:

- The requesting employee must submit a form to the SEC which includes the required prescription and selected frames.
- The SEC must request approval from the employee's supervisor.

- The employee's supervisor must determine if the safety eyewear is required for the employee's position.
- The SEC must submit the order to AOSafety for fulfillment upon receipt of supervisory approval.

We selected a sample of prescription safety eyewear purchases to assess the adequacy of key control activities. The documentation supporting the selected purchases was requested from each respective SEC by the Health Programs Coordinator. The requested documentation included the approval forms and a copy of the invoice that would have been used to reconcile the purchasing card.

The requested approval forms were not available for 14 of the 77 (18 percent) records requested. In addition, 8 of the 64 available approval forms were faxed from AOSafety to the appropriate SECs during the course of this review. While the current safety eyewear policies and procedures do not specifically address the retention of supporting documentation for purchases of prescription safety eyewear, Practice 7 requires the SEC to review and reconcile TVA Purchasing Card charges for eyewear. Additionally, TVA's Visa Purchasing Card Procedure requires that supporting documentation and the statement for Visa charges be reviewed by the designated approving official and retained for three years. Supporting documentation would include the approval forms. Accordingly, complete supporting documentation was not available for approximately 18 percent of the purchases in our sample.

In addition, our review of the records received found additional instances where Practice 7 and OH&WC procedures were not followed. Specifically, the policies and procedures outlined in Practice 7 and by the OH&WC require authorization from a supervisor prior to submitting the form to AOSafety, and that an employee required to work outdoors in activities that pose an eye hazard be eligible for one pair of transition lenses or one pair of prescription safety eyewear with clear lenses and one pair with tinted lenses. We found that:

- Six of the approval forms did not have an authorized signature.
- One employee ordered two pairs of the exact same prescription safety eyewear with transition lenses on the same day.

REPLACEMENT TIME CONSTRAINT

Practice 7 adequately documents the qualifications for prescription safety eyewear and the processes and procedures to follow to acquire prescription safety eyewear. However, Practice 7 states, "Replacements are limited to one per 12-month period." Based on our review of the information provided and discussions with OH&WC, this provision needs clarification. According to OH&WC, one replacement is allowed within 12-months from the original purchase/authorization. Practice 7 could be interpreted as a 12-month calendar year rather than 12-months duration from the purchase of the prescription safety eyewear.

UNIQUE IDENTIFIER

The last four digits of a person's social security number as prescribed by the procedures are used as the unique identifier. We found that the identifier could be the same for more than

one employee, and authorized transactions lacked consistency regarding the unique identifier and name used for the authorized purchase. In the sample requested:

- Four instances were identified where one employee is listed under two or more different employee identification numbers. The records were not available for two of these instances. The other two instances appeared to be valid purchases.
- Five instances were identified with multiple spellings of the employees name or the addition of a number at the end of the employee's name. All of the identified instances appeared to be valid purchases.

OH&WC has acknowledged that the unique identifiers have been a problem.

RECOMMENDATIONS

The Vice President of Human Resources should:

- Ensure safety eyewear procedures include a specific requirement and process for maintaining supporting documentation including details/descriptions of the items purchased, itemized costs, approval forms, AOSafety invoices, and that this requirement is reinforced through periodic training of the SECs.
- Reword the current procedures to clearly identify the time frame constraints on ordering replacement prescription safety eyewear.
- Continue to explore options for changing the identifier so it is unique for each employee and utilize correct spelling of employees' names when ordering safety eyewear.

The subject final report is being provided for your review and action. Please advise us of your planned actions in response to our findings within 60 days of the date of this report.

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If you have any question, please contact Michael A. Driver, Senior Auditor, at (423) 751-8158 or Gregory C. Jaynes, Deputy Assistant Inspector General, Inspections, at (423) 751-7821. We appreciate the courtesy and cooperation received from your staff during the review.



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