

# SBA'S CORRECTIVE ACTIONS TO IMPROVE MONITORING DISTRICT OFFICES' CUSTOMER SERVICE ACTIVITIES

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# Office of Inspector General

U.S. Small Business Administration

**DATE:** September 30, 2022  
**TO:** Isabella Casillas Guzman  
Administrator  
**FROM:** Hannibal "Mike" Ware   
Inspector General  
**SUBJECT:** Verification Inspection of SBA's Corrective Actions to Improve Monitoring  
District Offices' Customer Service Activities

We inspected the U.S. Small Business Administration's (SBA) corrective actions for four recommendations from the Office of Inspector General's (OIG) audit report *SBA's District Offices' Customer Service* to determine whether SBA's corrective actions had effectively been implemented. A verification inspection is a short review that focuses on closed recommendations from prior OIG reports.

We determined [OIG Report 19-06](#) recommendations 2, 3, and 4 to be fully implemented; however, SBA management has not fully implemented recommendation 1. We will track management's implementation by reopening the recommendation and will work with SBA to establish a target date for implementing corrective actions through the audit follow-up process.

We appreciate the courtesies and cooperation extended to us during this verification inspection. If you have any questions, please contact me or Andrea Deadwyler, Assistant Inspector General for Audits, at (202) 205-6586.

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## **Background**

The U.S. Small Business Administration (SBA) administers several programs to provide entrepreneurs and small businesses with the tools and resources they need to start and expand their operations. SBA district offices are responsible for delivering services that help America's small businesses access counseling, capital, contracting opportunities, and disaster assistance. District offices connect and support entrepreneurs with products and services provided by SBA, resource partners, state, federal, and local partners, and community organizations. The SBA Office of Field Operations oversees the 68 district offices through 10 regional offices, each managed by a regional administrator, a regional communications director, and an administrative resource coordinator.

In December 2018, the Office of Inspector General (OIG) completed an audit of SBA's District Offices' Customer Service (Report 19-06) in response to a Congressional request regarding the effectiveness of SBA's district offices. We reported SBA did not have an effective process in place to assess customer service. We also found the system the agency used to track employee customer service activities did not have sufficient controls to preserve data integrity. We made four recommendations for management to improve its oversight of district office customer service.

Our objective was to determine the effectiveness of corrective actions SBA implemented to assess customer service at district offices and track and measure customer service activities.

## **Summary of Results**

SBA effectively implemented corrective actions for three of the four recommendations made by OIG. These corrective actions were implemented through its Goals and Measures Activity Tracking Tool system, which records customer outreach activities. We determined the Goals and Measures Activity Tracking Tool system has better functionality than the previous system, the Activity Contact Report. The new system also includes controls that allow for hierarchical reviews of recorded activities. Further, management enforced the policy for district office officials to record customer outreach activities in the system in a timely manner. However, program officials have not fully implemented a process to collect and analyze customer feedback.

## **Report 19-06: SBA's District Offices' Customer Service**

The following information details the original findings, recommendations, SBA's corrective actions, and OIG inspection results for recommendations 1 through 4.

## Recommendation 1

OIG Finding	OIG Recommendation 1	SBA Corrective Action(s)
<p>SBA did not assess the quality of customer service at district offices. SBA program officials believed that district office personnel used SBA Form 20, Outreach Event Survey, to collect feedback from customers. However, employees at all five district offices sampled were not aware of or did not use the form.</p>	<p>OIG recommended the Administrator require the Associate Administrator of the Office of Field Operations to coordinate with the Office of Communications and Public Liaison to revise standard operating procedure (SOP) 90 75 4, Outreach Activities, to clarify the expectation for using SBA Form 20, Outreach Event Survey, and establish a process to collect and analyze customer feedback.</p>	<p>OIG closed the recommendation on February 18, 2021 because management updated the SOP, creating SOP 90 75 5, Outreach Activities and Agreements, developed a customer survey questionnaire, collected customer feedback, evaluated the customer experience data, and prepared a plan for improving customer experience in the district offices.</p>

## Inspection Result

Management provided district office personnel with specific mechanisms to encourage customers to provide feedback, such as business cards with Quick Response (QR) codes and links on presentations and emails that directed customers to an online survey. The customer feedback data is stored in the SBA's Customer Service Experience survey system.

Although the revised SOP 90 75 5 encourages district office personnel to give customers an opportunity to provide feedback using the survey, we determined district office staff did not consistently collect and analyze customer feedback in the survey system. Staff from 5 of the 10 district offices in our sample stated they seldomly or did not collect customer feedback. Also, staff from 7 of the 10 district offices sampled either were unaware of the Customer Service Experience survey system or they told us they did not have access to it.

Ensuring staff are aware of and have access to the system is integral for management to access customer feedback to maximize program impact or make improvements to services. Therefore, we are reopening the recommendation for SBA to fully implement the process.

## Recommendation 2

OIG Finding	OIG Recommendation 2	SBA Corrective Action(s)
<p>District office officials were required to enter all credible customer service activities into the system used to track customer service activities within 2-7 business days after an activity occurred. However, we found employees entered activities into the system up to 7 months after the activity occurred. Program officials and district office officials told us the system was frequently inaccessible throughout the year and that prevented them from entering their activities in a timely manner. OIG also found employees did not always provide sufficient documentation to support the entries.</p>	<p>OIG recommended the Administrator require the Associate Administrator of the Office of Field Operations to enforce a policy to timely record customer activities in the Activity Contact Report system and establish requirements for documenting and maintaining support for the customer service activities reported.</p>	<p>OIG closed this recommendation on January 17, 2020 because management established a goal activity sheet for district office officials, which incorporates a requirement for recording customer service activities in the system timely as a critical element in employee performance plans. Management also replaced the Activity Contact Report system with the Goals and Measures Activity Tracking Tool system. Management also established a policy that requires employees to enter customer service activities in the new system within 7 business days after the activity or within 2 days after returning to the office.</p>

## Inspection Result

For each of the 10 district offices we sampled, we reviewed 2 employees' goal activity sheets to verify that management continues to hold staff accountable for timely data entry in the Goals and Measure Activity Tracking Tool system. All 20 of the goal activity sheets we reviewed included the requirement for an employee to enter events in the Goals and Measures Activity Tracking Tool system.

Management established a requirement for district office employees to record, and supervisors to approve, customer service entries in the tracking tool system within 7 business days after completing an event or 2 days after returning to the office. They also incorporated in the system a feature on the home screen dashboard to prompt supervisors to review entries and allow them to send reminders out to employees to complete scheduled entries as they are becoming past due.

We consider the recommendation implemented given the improvements SBA made to the system and management's continued use of the goals and activity sheets for enforcing staff's recording of activities.

### Recommendation 3

OIG Finding	OIG Recommendation 3	SBA Corrective Action(s)
We identified that the system used to track customer service activities did not prevent individuals with approval authority from reviewing and approving their entries. We observed a district director enter and approve his own customer service entry in the system.	OIG recommended the Administrator require the Associate Administrator of the Office of Field Operations to implement controls for hierarchical reviews and approvals for district directors' entries.	OIG closed this recommendation on November 12, 2019 because management implemented the Goals and Measures Activity Tracking Tool system to replace the previous system used to track customer service activities. Management provided district office personnel with user guides for employees and supervisors. The supervisor's user guide states that they can unprotect the sheet to approve entries.

### Inspection Result

We verified that the new tracking tool system has controls in place that ensured only individuals with approval authority were able to approve customer service activities that district office employees recorded in the system. For the 10 district offices we reviewed, the district director and deputy district director had approval authority. We found over 99 percent of the 12,124 customer service activities from the 10 district offices we reviewed between March 2021 and July 2022 had appropriate approvals and did not approve their own entries. We consider this corrective action fully implemented and effective.

### Recommendation 4

OIG Finding	OIG Recommendation 4	SBA Corrective Action(s)
District directors did not effectively use customer service activity data to plan and strategize where to focus employees' outreach activities. In addition, the system used to track customer service activities lacked the functionality to filter employees' activities by zip codes, counties, or rural and urban areas.	OIG recommended the Administrator require the Associate Administrator of the Office of Field Operations to implement a plan and establish a timeframe to improve the functionality of Activity Contact Report system or replace the system.	OIG closed the recommendation on November 12, 2019 because management replaced the system used to track customer service activities with the Goals and Measures Activity Tracking Tool system. Management provided system user guides detailing features to filter outreach activities that occurred by counties and cities throughout the country. The system also included a feature for staff to identify the strategic objective that the outreach activity intended to support.

## **Inspection Result**

We verified the Goals and Measures Activity Tracking Tool system has features where personnel in district offices can filter outreach events across the country. The system can also be used as a tool to strategize outreach events. We consider this corrective action fully implemented and effective.

## **Recommendation**

We are reopening recommendation 1 from Report 19-06, *SBA's District Offices' Customer Service*.

1. Fully establish a process to collect and analyze customer feedback.

## **Scope and Methodology**

We selected all four recommendations from SBA OIG Report 19-06 to follow up on the program office's corrective actions. We reviewed management's justification and documentation of the corrective actions implemented to close the recommendations. These recommendations were closed because SBA provided evidence it had implemented corrective actions on addressing customer service and the system used to track outreach events. We selected 10 of the 68 district offices to test program officials' compliance with the established policies and procedures. We interviewed or emailed officials in the 10 district offices to obtain an understanding of the procedures they followed. We obtained employee activity sheets that incorporated the requirement to record customer service activity entries in the Goals and Measures Tracking Tool system as part of district office employees' job performance plan from the district offices sampled. We also observed program officials navigate through the Customer Service Experience survey and Goals and Measures Tracking Tool systems.

## **Use of Computer-Processed Data**

We relied on information from the Goals and Measures Tracking Tool system to verify that the system was implemented, and employees entered customer service entries in a timely manner. Program officials used the system to schedule, record, summarize and otherwise document substantial discussions, training events, presentations, and other interactions with lenders, resource partners, small businesses, and other stakeholders. Through judgmental testing, we verified entries were completed and submitted electronically through the system. We also observed controls that preserved data integrity and reviewed supporting documentation for applicable records. Therefore, we believe the data recorded in the system was reliable for the purpose of this verification inspection.

We also observed the functionality of the Customer Service Experience survey system to verify that management had the capability to analyze the feedback collected from the customer survey questionnaires. We found district offices inconsistently used the system and reopened a recommendation to address this concern.

We conducted this inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. These standards require that we adequately plan inspections, present all factual data accurately, fairly, and

objectively, and that we present findings, conclusions, and recommendations in a persuasive manner. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our inspection objectives.