

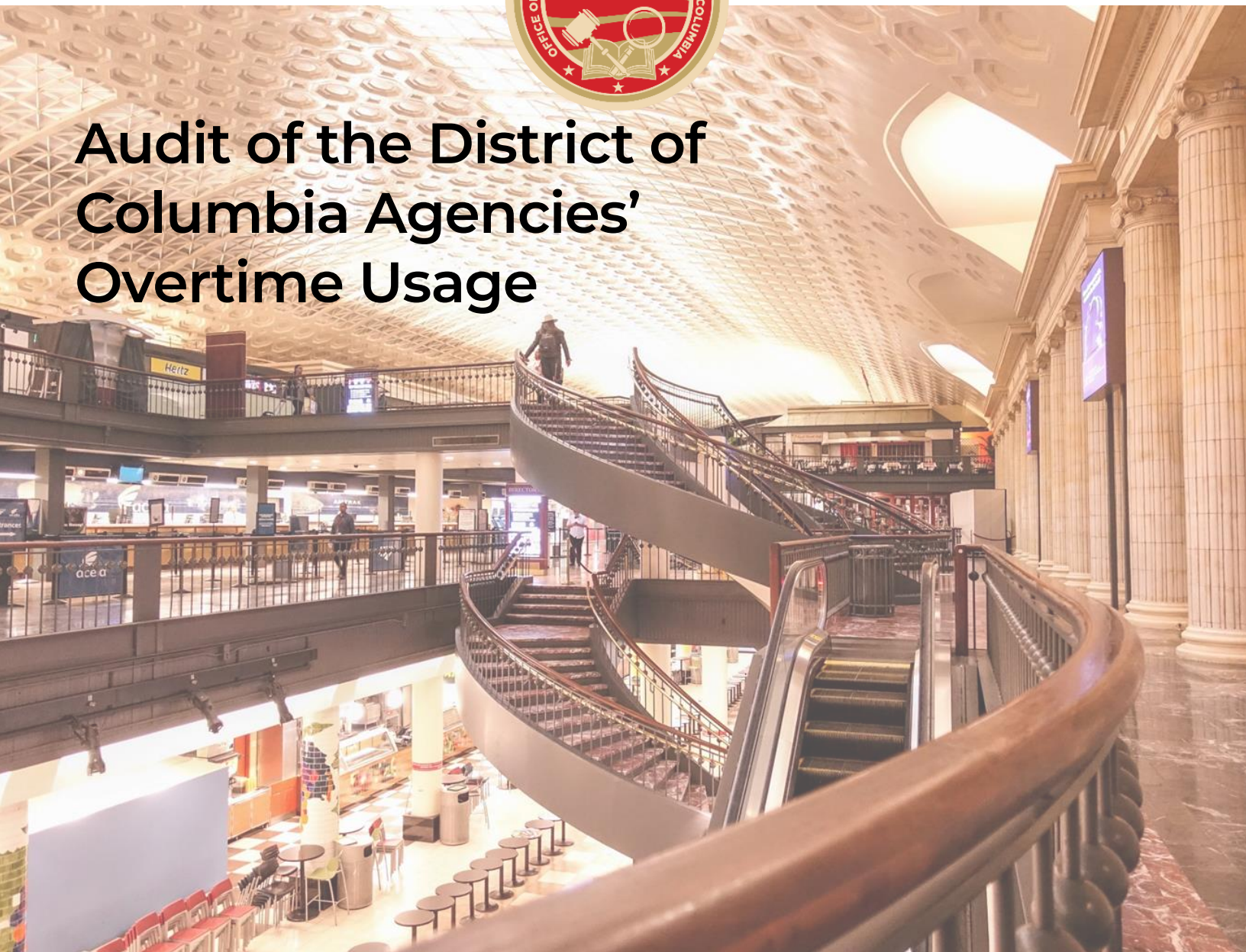
DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 22-1-03MA

November 2023



Audit of the District of Columbia Agencies' Overtime Usage



GUIDING PRINCIPLES

*ACCOUNTABILITY * INTEGRITY * PROFESSIONALISM*

*TRANSPARENCY * CONTINUOUS IMPROVEMENT * EXCELLENCE*

Mission

Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

Vision

Our vision is to be a world-class Office of the Inspector General that is customer-focused and sets the standard for oversight excellence!

Core Values

Accountability * Integrity * Professionalism
Transparency * Continuous Improvement * Excellence





Executive Summary

Audit of the District of Columbia Agencies' Overtime Usage

WHY WE DID THIS AUDIT

The Office of Inspector General (OIG) identified this engagement due to increases in District agencies' overtime budgets and spending, and the effect that relying on overtime may have on District operations. Based on a preliminary risk assessment, the OIG focused on nine District agencies with some of the highest overtime expenditures, and that had employees who doubled their annual compensation in overtime pay. This audit focused on planning, management, and oversight of overtime at the nine agencies during Fiscal Year (FY) 2021.

OBJECTIVES

The objectives of this audit were to assess:

1. Overtime usage by District agencies;
2. Adherence to District overtime policies; and
3. The effect overtime usage has on District operations.

WHAT WE FOUND

When the COVID-19 pandemic began, many agencies struggled with employee shortages and absenteeism, which resulted in excessive overtime usage due to noncompliance with or lack of internal control related to overtime management. During the COVID-19 pandemic, certain agencies experienced new or additional duties and challenges, increasing overtime usage above historical trends.

We found that nine District agencies underestimated overtime needs by 53 percent—or \$31.5 million¹ in total. We also found that the agencies consistently failed to follow District policies to (1) complete prior authorizations for overtime work and (2) submit reprogramming requests for additional overtime budget approval. District agencies did not perform budget variance and utilization analyses to develop accurate overtime budgets. They also did not reprogram funding when overtime budgets were overspent.

¹ The cumulative local overtime budget amount for the nine District agencies audited was \$59.15 million and actual spending was \$90.61 million, resulting in a budget shortfall of \$31.50 million.

Executive Summary

Additionally, agencies did not equitably distribute overtime among eligible employees, validate the necessity for excessive overtime pay, or limit overtime hours to prevent productivity decline during FY 2021. Moreover, one agency incorrectly accounted for overtime hours, which resulted in over- and under-payments of overtime to employees. Further, two of the nine agencies incorrectly paid overtime to ineligible managerial employees.

As a result of ineffective planning for overtime needs, noncompliance with government policies, and the COVID-19 pandemic instigating employee absences or additional work demands, the District was subject to spending pressures, health and safety risks, absenteeism, turnover, productivity decline, improper overtime payments, and inefficient and ineffective use of government resources.

WHAT WE RECOMMEND

We made 16 recommendations to nine District agencies. Specifically, we recommend that agencies should perform overtime budget variance and utilization analyses, assess personnel needs strategically, and ensure estimations of overtime needs are accurate or reprogram funds when underestimations occur. In addition, agencies must follow government overtime policies, including, but not limited to, the overtime prior authorization requirement. Agency supervisors and financial officers must fulfill their duties and responsibilities to enforce policies and monitor overtime usage. The District should consider uniform consequences for noncompliance with overtime policies. By implementing these recommendations, these agencies can (1) improve management of overtime usage, (2) enhance transparency, and (3) control unnecessary spending.

MANAGEMENT RESPONSES

In total, we made 106 recommendations to nine District agencies for actions deemed necessary to correct the identified deficiencies. Nine district agencies responded to 106 recommendations in the following manner: 74 agreements; three partial agreements; 16 agreements with alternative solutions to the suggested recommendation; and 13 disagreements.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



OIG

November 9, 2023

Kevin Donahue
City Administrator
Office of the City Administrator
John A. Wilson Building
1350 Pennsylvania Avenue NW, Suite 513
Washington, DC 20004

Dear Administrator Donahue:

Enclosed is our final report, *Audit of the District of Columbia Agencies' Overtime Usage* (OIG Project No. 22-1-03MA). We conducted this audit in accordance with generally accepted government auditing standards (GAGAS). Our audit objectives were to assess: (1) overtime usage by District agencies; (2) adherence to District overtime policies; and (3) the effect overtime usage has on District operations. This audit was included in our *Fiscal Year 2022 Audit and Inspection Plan*.

We provided the draft report on September 30, 2023, to you, the District of Columbia Department of Human Resources (DCHR), and the Office of the Chief Financial Officer (OCFO). We provided the draft report to nine additional agencies. The agencies and the date we received their response are as follows:

- Department of Behavioral Health (DBH), November 3, 2023
- Department of General Services (DGS), October 20, 2023
- Department of Human Services (DHS), October 20, 2023
- Department of Corrections (DOC), October 19, 2023
- Department of Employment Services (DOES), October 31, 2023
- Department of Public Works (DPW), November 1, 2023
- Fire and Emergency Medical Services Department (FEMS), October 20, 2023
- Metropolitan Police Department (MPD), October 19, 2023
- Office of Unified Communications (OUC), October 20, 2023

We made 16 recommendations:

- Recommendations 1 – 11 are directed to all nine agencies;
- Recommendations 12 – 14 are directed to one agency; and
- Recommendations 15 and 16 are directed to two agencies;

Combined, we have made 106 recommendations deemed necessary to correct identified deficiencies.

Management Comments to DBH's Response

We provided DBH with our draft report on September 30, 2023, and received its response on November 3, 2023, which is included in its entirety as Appendix C to this report. We appreciate that DBH officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 13 recommendations directed to DBH for actions we deemed necessary to correct identified deficiencies. DBH agreed with Recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 16. DBH's actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 3, 4, 5, 8, 9, 10, and 16 closed. We consider Recommendations 1, 2, 6, and 7 resolved but open pending evidence of stated actions.

Although DBH disagreed with Recommendation 11, DBH's actions taken and/or planned are responsive and meet the intent of the recommendation. DBH's determination is that an overtime cap is not feasible. Therefore, we consider this recommendation closed.

Although DBH disagreed with Recommendation 15, DBH's actions taken and/or planned are responsive and meet the intent of the recommendation. DBH determined that it would be unfair to penalize an employee for the agency's error and the agency absorbed the cost. Therefore, we consider this recommendation closed.

Management Comments to DGS' Response

We provided DGS with our draft report on September 30, 2023, and received its response on October 20, 2023, which is included in its entirety as Appendix D to this report. We appreciate that DGS officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to DGS for actions we deemed necessary to correct identified deficiencies. We evaluated DGS' responses and determined DGS agreed with Recommendations 1, 2, 3, 4, 5, 6, 10, and 11. DGS' actions taken and/or planned are responsive and meet the intent of the recommendations. We consider recommendations 1, 2, 3, and 5 closed.

We consider recommendations 4, 6, 10, and 11 resolved but open pending evidence of stated actions.

DGS provided alternative corrective actions for Recommendations 7, 8, and 9. However, we determined that DGS' responses did not meet the intent of the recommendations. Therefore, we consider these recommendations open and unresolved. We request that DGS reconsider its position and provide additional responses to these recommendations within 30 days of the date of this final report.

Management Comments to DHS' Response

We provided DHS with our draft report on September 30, 2023, and received its response on October 20, 2023, which is included in its entirety as Appendix E to this report. We appreciate that DHS officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 13 recommendations we made to DHS for actions we deemed necessary to correct identified deficiencies. DHS agreed with Recommendations 2, 3, 4, 6, 7, 8, 9, 15, and 16. DHS' actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 2, 3, 9, and 15 closed. We consider Recommendations 4, 6, 7, 8, and 16 resolved but open pending evidence of stated actions.

Although DHS disagreed with Recommendations 10 and 11, DHS determined that an overtime cap is not feasible at this time. Therefore, we consider these recommendations closed.

DHS disagreed with Recommendations 1 and 5. Therefore, we consider these recommendations open and unresolved. Although DHS does not account for overtime as a separate line item in the budget, most other District agencies do. Additionally, we understand OCFO's position that agencies are permitted to move appropriated funding around as long as it does not exceed the agency and fund level. However, OCFO's position only protects the District from an anti-deficiency violation and does not ensure funding allocated to a specific program was spent in the manner intended by the Mayor and the Council. Reprogramming ensures transparency among all levels of government when an agency cannot fulfill its mission at the program level with the budgeted resources. We request that DHS, in consultation with OCFO, reconsider its position and provide additional responses to these recommendations within 30 days of the date of this final report.

Management Comments to DOC's Response

We provided DOC with our draft report on September 30, 2023, and received its revised response on October 19, 2023, which is included in its entirety as Appendix F to this report. We appreciate that DOC officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to DOC for actions we deemed necessary to correct identified deficiencies. DOC agreed with all 11 Recommendations. DOC's actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 1, 2, 3, 4, 7, and 8 closed. We consider Recommendations 5, 6, 9, 10 and 11 resolved but open pending evidence of stated actions.

Management Comments to DOES' Response

We provided DOES with our draft report on September 30, 2023, and received its revised response on October 31, 2023, which is included in its entirety as Appendix G to this report. We appreciate that DOES officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations we made to DOES for actions we deemed necessary to correct identified deficiencies. DOES agreed with Recommendations 2, 3, 4, 5, 6, and 9. DOES' actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 2, 3, 4, and 5 closed. We consider Recommendations 6 and 9 resolved but open pending evidence of stated actions.

DOES partly agreed with Recommendation 7. DOES' actions taken and/or planned are responsive and meet the intent of the recommendation. We consider Recommendation 7 resolved but open pending evidence of stated actions.

Although DOES disagreed with Recommendation 1, DOES' actions taken and/or planned are responsive and meet the intent of the recommendation. DOES explained the overtime budget variance occurred due to the unprecedented influx of unemployment claims. OIG agrees with this explanation. DOES could not have anticipated this overtime need when the agency developed its budget. We consider this recommendation closed.

Although DOES disagreed with Recommendation 8, DOES' actions taken and/or planned are responsive and meet the intent of the recommendation. DOES explained that only "merit staff" were qualified to perform the work required within the Unemployment Claims Unit, therefore overtime could not have been distributed among all eligible employees throughout the agency. We consider this recommendation closed.

Although DOES disagreed with Recommendations 10 and 11, DOES determined that an overtime cap is not feasible at this time. Therefore, we consider these recommendations closed.

Management Comments to DPW's Response

We provided DPW with our draft report on September 30, 2023, and received its response on November 1, 2023, which is included in its entirety as Appendix H to this report. We appreciate that DPW officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to DPW for actions we deemed necessary to correct identified deficiencies. DPW agreed with Recommendations 4, 5, 6, 7 and 11. DPW's actions taken and/or planned are responsive and meet the intent of the recommendations. Therefore, we consider Recommendations 4, 5, 6, 7 and 11 resolved but open pending evidence of stated actions.

Additionally, DPW provided alternative corrective actions for Recommendations 2, 3, 8, and 10. DPW's actions taken are responsive and meet the intent of the recommendations. Therefore, we consider these recommendations closed.

Although DPW disagreed with Recommendation 1, DPW's actions taken and/or planned are responsive and meet the intent of the recommendation. DPW stated that it is deriving methods to reduce overtime. Therefore, we consider this recommendation resolved but open pending evidence of stated actions.

DPW provided an alternative corrective action for Recommendation 9. However, we determined that DPW's response did not meet the intent of the recommendation. Therefore, we consider this recommendation open and unresolved. We request that DPW reconsider its position and provide an additional response to this recommendation within 30 days of the date of this final report.

Management Comments to FEMS' Response

We provided FEMS with our draft report on September 30, 2023, and received its response on October 20, 2023, which is included in its entirety as Appendix I to this report. We appreciate that FEMS officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 14 recommendations directed to FEMS for actions we deemed necessary to correct identified deficiencies. FEMS agreed with Recommendations 2, 4, 6, 7, 8, 9, and 12. Additionally, FEMS provided alternative corrective actions for Recommendations 13 and 14. FEMS' actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 2 and 4 closed. We consider Recommendations 6, 7, 8, 9, 12, 13, and 14 resolved but open pending evidence of stated actions.

Although FEMS disagreed with Recommendations 10 and 11, FEMS determined that an overtime cap is not feasible at this time. Therefore, we consider these recommendations closed.

Although FEMS provided alternative corrective actions for Recommendations 1, 3, and 5, the agency cannot redirect the OIG's recommendations. Therefore, we consider these recommendations open and unresolved. We request that FEMS, in consultation with the Office of Budget and Performance Management, Office of the City Administrator and OCFO, reconsider its position and provide additional responses to these Recommendations within 30 days of the date of this final report.

Management Comments to MPD's Response

We provided MPD with our draft report on September 30, 2023, and received its response on October 19, 2023, which is included in its entirety as Appendix J to this report. We appreciate that MPD officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to MPD for actions we deemed necessary to correct identified deficiencies. MPD agreed with Recommendations 2, 3, 4, 5, 6, 7, 8, 9, and 10. Additionally, MPD partly agreed with Recommendations 1 and 11. MPD's actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 2, 3, 4, 5, 7, 8, and 10 closed. We consider Recommendations 1, 6, 9 and 11 resolved but open pending evidence of stated actions.

Management Comments to OUC's Response

We provided OUC with our draft report on September 30, 2023, and received its response on October 20, 2023, which is included in its entirety as Appendix K to this report. We appreciate that OUC officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to OUC for actions we deemed necessary to correct identified deficiencies. OUC agreed with Recommendations 1, 2, 4, 5, 6, 7, 8, and 9. Additionally, OUC provided alternative corrective actions for Recommendations 3, 10, and 11. OUC's actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendation 10 closed. We consider Recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9, and 11 resolved but open pending evidence of stated actions.

City Administrator Donahue
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November 9, 2023
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We appreciate the cooperation and courtesy extended to our staff during this audit. If you have any questions concerning this report, please contact me or Eileen Shanklin-Andrus, Deputy Assistant Inspector General for Audits, at 202-727-5052.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Lucas".

Daniel W. Lucas
Inspector General

DWL/caw

DISTRIBUTION (via email):

The Honorable Muriel Bowser, Mayor, District of Columbia, Attention: Betsy Cavendish

Mr. Barry Kreiswirth, General Counsel and Senior Policy Advisor,
Office of the City Administrator, District of Columbia

Mr. Eugene Adams, Director, Mayor's Office of Legal Counsel

Ms. Lindsey Parker, Chief of Staff, Executive Office of the Mayor

Ms. Susana Castillo, Director of Communications, Office of Communications, Executive Office
of the Mayor

Ms. Jennifer Reed, Director, Office of Budget and Performance Management,
Office of the City Administrator

Mr. Jed Ross, Director and Chief Risk Officer, Office of Risk Management

The Honorable Phil Mendelson, Chairman, Council of the District of Columbia

The Honorable Kenyan R. McDuffie, Chairperson, Committee on Business and Economic Development, Council of the District of Columbia

The Honorable Robert C. White, Jr., Chairperson, Committee on Government Operations and Facilities, Council of the District of Columbia

The Honorable Anita Bonds, Chairperson, Committee on Executive Administration and Labor, Council of the District of Columbia

The Honorable Christina Henderson, Chairperson, Committee on Health, Council of the District of Columbia

The Honorable Janeese Lewis George, Chairperson, Committee on Facilities and Family Services, Council of the District of Columbia

The Honorable Brooke Pinto, Chairperson, Committee on the Judiciary and Public Safety, Council of the District of Columbia

The Honorable Brianne K. Nadeau, Chairperson, Committee on Public Works and Operations, Council of the District of Columbia

The Honorable Charles Allen, Chairperson, Committee on Transportation and the Environment, Council of the District of Columbia

Mr. Charles Hall, Jr., Director, Department of Human Resources

Mr. Glen Lee, Chief Financial Officer, Office of the Chief Financial Officer

Dr. Barbara J. Bazron, Department of Behavioral Health

Mr. Delano Hunter, Director, Department of General Services

Ms. Laura G. Zeilinger, Director, Department of Human Services

Dr. Unique Morris-Hughes, Director, Department of Employment Services

Mr. Thomas N. Faust, Director, Department of Corrections

Mr. Timothy W. Spriggs, Director, Department of Public Works

Mr. John A. Donnelly, Sr., Chief, Fire and Emergency Medical Services Department

Ms. Pamela Smith, Chief of Police, Metropolitan Police Department

Ms. Heather McGaffin, Director, Office of Unified Communications

Ms. Nyasha Smith, Secretary to the Council of the District of Columbia

The Honorable Brian Schwalb, Attorney General for the District of Columbia

Mr. Timothy Barry, Executive Director, Office of Integrity and Oversight, Office of the Chief Financial Officer

The Honorable Kathy Patterson, DC Auditor, Office of the DC Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this audit were to assess: (1) overtime usage by District agencies; (2) adherence to District overtime policies; and (3) the effect overtime usage has on District operations. This audit was included in the OIG’s *Fiscal Year 2022 Audit and Inspection Plan*. We issued the engagement letter on January 31, 2022, and conducted the audit from January 2022 to August 2023.

The scope of this audit was a city-wide audit of District overtime management practices. Based on a preliminary risk assessment, the OIG focused on nine District agencies with some of the highest overtime expenditures during FY 2021, which totaled \$159.1 million of the District’s \$187.8 million in overtime pay (approximately 85 percent). Among the nine agencies, 178 employees at least doubled their annual compensation in overtime pay.

We evaluated FY 2021 overtime within the following nine District agencies:

- Department of Behavioral Health (DBH)
- Department of General Services (DGS)
- Department of Human Services (DHS)
- Department of Corrections (DOC)
- Department of Employment Services (DOES)
- Department of Public Works (DPW)
- Fire and Emergency Medical Services Department (FEMS)
- Metropolitan Police Department (MPD) and
- the Office of Unified Communications (OUC).

The OIG also interviewed DCHR, OCTO, and OCFO officials regarding oversight of the District’s overtime management practices. Additionally, we performed a comparative analysis of the nine agencies’ overtime budgets and actual spending for FYs 2017–2021 to better understand the historical overtime budget variance trends.

The OIG referenced applicable government overtime policies to evaluate the District agencies’ overtime usage, as well as their compliance with overtime budgeting, prior authorization of overtime, timesheet approval, overtime threshold calculations, and overtime payments.

Additionally, we used the United States Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government*² (Green Book) to evaluate the District agencies. GAO recommends that state, local, and quasi-governmental entities follow these internal control standards.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require that we plan and perform the audit to

² U.S. GOV’T ACCOUNTABILITY OFFICE, GAO-14-704G, STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOV’T, (Sept. 2014), <https://www.gao.gov/products/GAO-14-704G>, (last visited Aug. 25, 2023). [hereinafter Green Book]

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.

BACKGROUND

The Office of the Chief Technology Officer (OCTO) maintains the PeopleSoft payroll application used by the agencies selected for this audit. The District of Columbia Department of Human Resources (DCHR) administers its human resources functions in PeopleSoft. The Office of Pay and Retirement Services, which is located within the Office of the Chief Financial Officer (OCFO), issues paychecks and processes payroll adjustments. District agencies are responsible for prior authorization of overtime, employee timesheet approval, and validation that the employees worked the overtime hours reported.

Overtime refers to the amount of time an employee works beyond their normal scheduled tour of duty. In some cases, employees are either entitled to or eligible for additional compensation for overtime work.³

DCHR created the policies and procedures contained in the Electronic-District Personnel Manual (E-DPM), which are intended to provide District government employees relevant information regarding District personnel regulations, including overtime. The E-DPM chapters align with regulations found in Title 6B of the DC Municipal Regulations (DCMR). The E-DPM includes rules and issuances containing guidelines, practices, ethics, expectations, and standards for District government employees under the Mayor's authority and certain independent agencies.⁴

For District employees who are covered under a Collective Bargaining Agreement (CBA), the CBA provisions take precedence over provisions in the E-DPM in the event of a conflict between the two.⁵ All nine District agencies selected for this audit had one or more CBAs in effect during the audit period. District agencies must comply with applicable overtime requirements, which include federal and District laws, rules, regulations, policies, procedures, instructions, special orders, general orders, bulletins, issuances, and CBAs (collectively, for purposes of this report, "government overtime policies" or "policies").

In addition to the criteria listed above, we used the Green Book⁶ to evaluate the design and implementation of the District's control activities to ensure its management and oversight of overtime work and compensation complied with applicable government overtime policies.

³ E-DPM Issuance I-2021-10, DCHR website, <https://edpm.dc.gov/issuances/overtime/> (last visited July 25, 2023).

⁴ Per 6B DCMR § 100.4, as provided in its establishment act or by law, certain agencies with independent personnel authority are required to adhere to all or some portions of Title 6B of the DCMR.

⁵ 6B DCMR § 1123.2.

⁶ Green Book, *supra* note 2.

FINDINGS

District agencies underestimated their overtime needs by 53 percent during FY 2021

To address our first audit objective, we assessed the nine District agencies' original overtime budget estimation accuracy in comparison to actual spending. We assessed District agencies' analysis of their own overtime needs to include preparation of an accurate overtime budget. We found that eight of the nine District agencies collectively underestimated their local fund overtime budget needs by 53 percent during FY 2021.

District agencies have developed overtime policies that allow overtime work when seasonal and unforeseen situations occur and to manage special events and unfilled vacancies. As part of developing spending plans at the beginning of each FY, it is an OCFO requirement⁷ for District agencies to (1) estimate overtime needs,⁸ (2) periodically compare actual spending to budgets during the year, and (3) identify and resolve spending pressures⁹ by changing spending patterns or by making budget adjustments during the year.

Five-year trend analysis

A historical perspective of the overtime budget and spending trends from FYs 2017–2021 indicated that the nine District agencies underestimated overtime needs by 87 percent on average—or \$294.1 million in total—and did not adequately identify and resolve overtime spending pressures as required by OCFO.¹⁰

During FYs 2017–2019, the nine District agencies evaluated showed improvement in estimating overtime needs, as underestimates consistently decreased year over year from 85 percent to 56 percent over budget. However, from FYs 2019–2021 as the public health emergency (COVID-19) became the District's focus, the nine District agencies' underestimates of overtime needs increased from 56 percent to 104 percent over budget. We attribute this increase in the historical overtime trend to new COVID-19 related agency responsibilities and employee absences due to COVID-19 illness or exposure. Figure 1 on the following page presents yearly overtime budget shortfalls during our five-year trend analysis period.

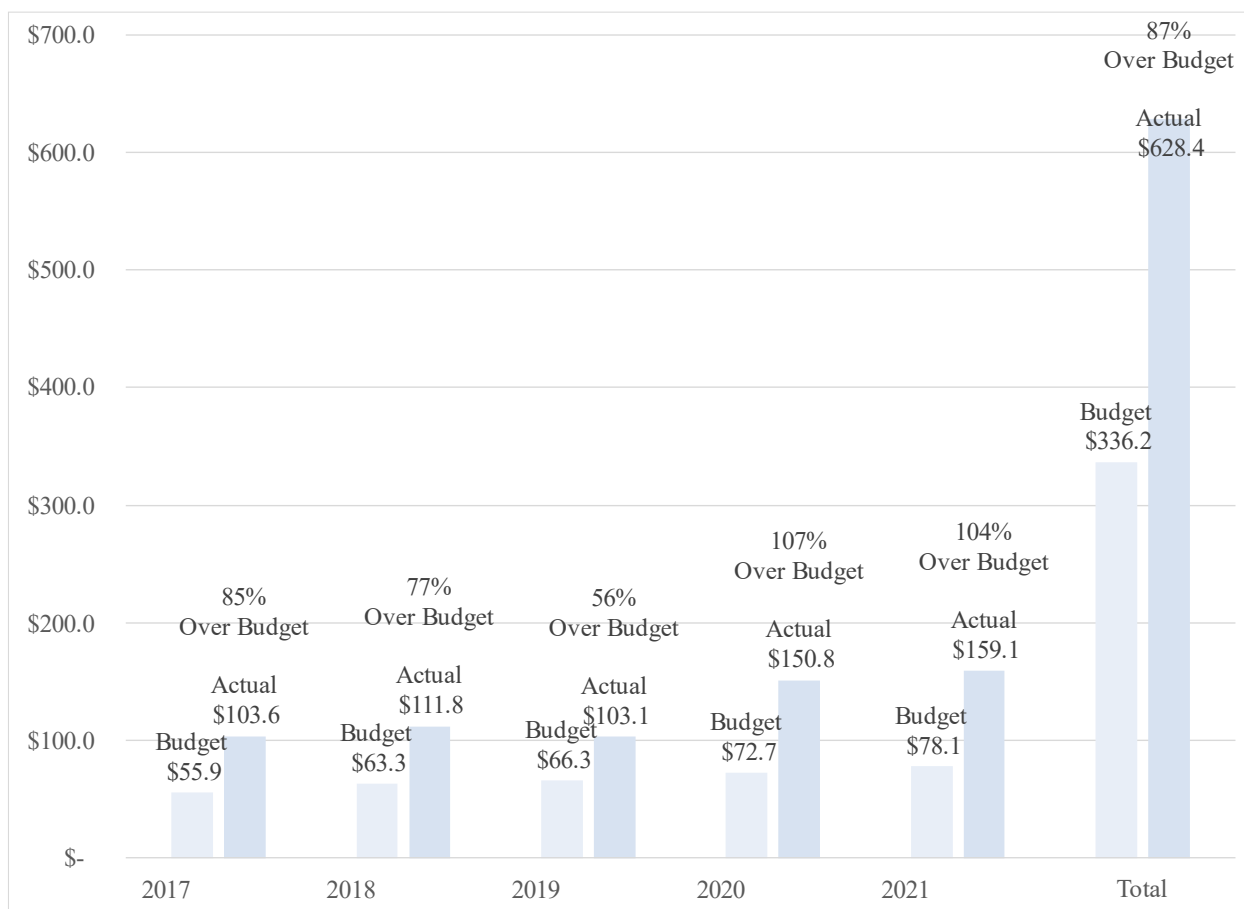
⁷ OCFO website: <https://cfo.dc.gov/page/overview-budget-execution-process> (last visited May 12, 2023).

⁸ For the purposes of this report, the term “overtime needs” includes workload assessments and staffing requirements used to establish a realistic overtime budget in the budget formulation process. OCFO website: <https://cfo.dc.gov/page/budget-formulation-calendar> (last visited Sept. 28, 2023).

⁹ OCFO defines spending pressure as areas of the budget which, if not adjusted, could lead to overspending by the end of the year.

¹⁰ OCFO website, *supra* note 7.

Figure 1. Trend analysis of underestimations in overtime needs for FYs 2017–2021 (in millions)



Source: Gov't of the District of Columbia, FYs 2018–2023 Approved Budget and Financial Plan Vols. 2 & 3 Agency Budget Chapters Part 1.¹¹

We attribute shortfalls in planning for overtime needs to the nine District agencies’ failure to use overtime budget variance and utilization analyses and make necessary adjustments during subsequent budget years to aid in meaningful budget performance analyses and formulation. Because District agencies did not perform the aforementioned analyses, they underestimated their overtime budgets during FYs 2017–2021. Inadequate planning for overtime exposed the District to unnecessary spending pressures when the nine District agencies exceeded their overtime budgets, necessitating other programs to fund the overtime budget shortfalls.¹² Spending other program budgets indicates a lack of cost effectiveness in fulfilling operational

¹¹ OCFO website: <https://cfo.dc.gov/page/annual-operating-budget-and-capital-plan> (last visited May 18, 2023).

¹² The analysis the OIG performed for Figure 1 did not capture budget adjustments that occurred during FYs 2017–2021, including funding that came in from other non-District funding sources. The analysis reflects all nine agencies’ cumulative, original, approved overtime budgets (all funds) in comparison to the actual expenditures for the year.

requirements. Table 1 on the following page shows that eight of nine agencies (all but MPD) collectively overspent their locally funded overtime budgets by 53 percent during FY 2021.¹³

Table 1. District agencies’ FY 2021 local overtime budget and expenditures (in millions)

Agency	Original overtime budget	Overtime expenditures	Overtime budget surplus (shortfall)	Percentage under (over) budget
	A	B	C = A - B	D = C ÷ A
DBH	\$1.48	\$6.74	(\$5.27)	(357%)
DGS	\$4.57	\$5.75	(\$1.18)	(26%)
DHS	\$0.00	\$5.63	(\$5.63)	No Budget
DOC	\$8.12	\$14.48	(\$6.36)	(78%)
DOES	\$0.00	\$0.35	(\$0.35)	No Budget
DPW	\$4.96	\$8.89	(\$3.93)	(79%)
FEMS	\$21.08	\$30.07	(\$8.99)	(43%)
MPD	\$17.69	\$16.48	\$1.21	7%
OUC	\$1.26	\$2.26	(\$1.00)	(80%)
All agencies	\$59.15	\$90.65	(\$31.50)	(53%)

Source: OIG analysis of CFO\$olve data.

Overtime may be required due to vacancies, emergencies such as the COVID-19 pandemic, special events, staffing shortages, and workload fluctuations. Awarding overtime compensation is often more cost effective than hiring additional staff and allows agencies to address fluctuating workloads without requiring layoffs when workloads decline. However, over-reliance on overtime can cause absenteeism, turnover, productivity decline, and health and safety risks.¹⁴

We recommend the District agency heads:

- 1) Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency’s mission or workload to ensure accurate and complete estimates of overtime needs.
- 2) Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan; and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.

In subsequent sections of this report, we present our assessment of District agencies’ adherence to District overtime policies and the effect of overtime usage and policy noncompliance on District operations during FY 2021.

¹³ Budget Shortfall ÷ Overtime Budget = Percentage Under/(Over) Budget (\$31.5 M ÷ \$59.15 M = 53%).

¹⁴ John Pencavel, THE PRODUCTIVITY OF WORKING HOURS, DISCUSSION PAPER NO. 8129, Stanford University and IZA (April 2014), available at <http://ftp.iza.org/dp8129.pdf> (last visited May 30, 2023).

Controls over certain overtime policies were not enforced by certain District agencies

To address Objective 2, we assessed District overtime policies related to the following: agencies' budget authority; prior authorization of overtime work; policies related to the equitable distribution of overtime; excessive overtime pay; hourly overtime limits; overtime payment calculations; and overtime eligibility. We addressed Objective 3 by assessing the effects District agencies' improper usage and non-compliance with overtime policies had on District operations as described in the findings under Objectives 1 and 2.

We observed five controls that some District agencies used to ensure overtime management practices were compliant with government overtime policies: (1) prior authorization and approval of overtime work; (2) allocation or distribution of overtime work; (3) supervision of overtime work; (4) validation of overtime work performed; and (5) assurance that proper overtime payments were made to eligible employees.

Due to non-compliance and inconsistent or ineffective application of government overtime policies, we noted the following conditions.

District agencies obligated the District to pay \$31.5 million in overtime without obtaining appropriated budget authority during FY 2021

Decisions on overtime should be guided by established policies and procedures and should comply with District requirements. The nine District agencies we evaluated established their own policies and/or were subject to District policies, to ensure compliance with the FY 2021 Budget Support Act of 2020.¹⁵ All agencies must request reprogramming of funds if they need additional overtime funds for the fiscal year.¹⁶ Table 2 on the following page summarizes the applicable policies and documentation required when an agency exceeds its appropriated overtime budget.

Most District overtime prior authorization policies require employees to use standardized overtime request forms to notify supervisors of the employee's desire and intent to work overtime. Another overtime policy also requires that supervisors or program managers, once aware of an overtime need, should notify District agency fiscal officers (AFOs), and ensure sufficient funding (budget authority) is available before completing the prior authorization for overtime. Moreover, District AFOs must monitor the use of overtime, prepare a monthly overtime utilization report, and request reprogramming of funds if the agency anticipates exceeding its overtime budget and requires additional overtime funds for the remainder of the fiscal year.

¹⁵ D.C. Act 23-408 (enacted as L23-0136, eff. from Oct. 20, 2020). OCFO publishes the approved budget in multiple volumes.

¹⁶ According to the *OCFO Financial Policies and Procedures Manual*: "Generally, any change to a budget as displayed at certain levels in the printed budget volumes must be considered a reprogramming." D.C. OFFICE OF THE CHIEF FINANCIAL OFFICER, OFFICE OF FINANCIAL OPERATIONS AND SYSTEMS, POLICIES AND PROCEDURES MANUAL, Vol. I, § 10253002.30 (updated Oct. 31, 2014).

During FY 2021, we found District agencies obligated the District to pay \$31.5 million for overtime work without appropriated budget authority. We attribute this lack of budget authority to District AFOs’ failure to ensure each agency did not exceed its approved overtime budget in accordance with District laws and policies, which are outlined in Table 2 beginning on the next page.

Table 2. Summary of applicable District laws and policies governing changes to budget authority

Source	Reference	Law or policy description
D.C. Code	D.C. Code § 47-361	(14) “Reprogramming” means a budget modification of \$500,000 or more for purposes other than those originally authorized that result in an offsetting reallocation of budget authority from one budget category to another budget category. (4) “Budget category” means: (A) For the operating budget: agencies, programs, agency funding sources, object categories, and object classes, as shown in the budget.
D.C. Code	D.C. Code § 47-363(a)	The Mayor shall submit to the Council for approval a reprogramming request that individually or on a cumulative basis would result in a change to the original appropriated authority, along with certification by the Chief Financial Officer of the availability of funds for the reprogramming. The request shall include an analysis of its effect on the budget and on the purposes for which the funds were originally appropriated.
D.C. Code	D.C. Code § 47-362(a)	A reprogramming shall be used only when an unforeseen situation develops, and then only if postponement until the next appropriations cycle would result in a serious hardship in the management of the City.
District-wide Vol. 1 OCFO Office of Financial Operations and Systems Policies and Procedures Manual	OCFO Policy 10253002.10	Adjustments to an agency’s approved budget [which includes overtime] are made only after obtaining proper authorization and reprogramming. ¹⁷
DBH ¹⁸	DBH Policy 717.1	Each financial officer is responsible for monitoring the use of overtime, preparing a monthly utilization report, and requesting reprogramming of funds if an agency requires additional overtime funds for the fiscal year.
DOES ¹⁹	DOES Policy 700.10-5	Each financial officer is also responsible for monitoring the use of overtime, preparing a monthly overtime utilization report, and requesting reprogramming of funds if an agency requires additional overtime funds for the fiscal year.

Source: OIG analysis of District policies.

Nine District agencies did not consistently reprogram funds when additional overtime funds were needed in FY 2021 as required by the policies presented in Table 2. For example, DBH did not request reprogramming for an additional \$5.27 million to cover its overtime budget shortfall. One of DBH’s divisions, St. Elizabeths Hospital, provides inpatient psychiatric, medical, and

¹⁷ OCFO Manual, *supra* note at 16 § 10253002.10.

¹⁸ Agency policy to reprogram overtime. Of nine agencies, two (DBH and DOES) had policies.

¹⁹ *Id.*

psychosocial person-centered treatments. At the beginning of FY 2021 (October 1, 2020), the division had an appropriated overtime budget of \$1.5 million, which ran out of funding 4 months later (January 29, 2021). The division did not request reprogramming of funds and incurred \$4.4 million in additional overtime expenditures throughout the year without budget authority. Prior to January 2021, DBH should have performed an analysis and projection of its overtime needs, calculated the amount of additional overtime funding needed through the end of the fiscal year (September 30, 2021), and requested a reprogramming if expenditure postponement until the next appropriation cycle would have resulted in a serious hardship.²⁰ At DBH's request, the AFO should have communicated the reprogramming need to the Office of Budget and Planning within the OCFO. After OCFO approved the request, the Mayor could have initiated a reprogramming request to the D.C. Council in compliance with the D.C. Code, OCFO policy, and DBH policy requirements. We observed similar occurrences at other District agencies, as summarized in Table 3.

²⁰ DC Code § 47-362(a).

Table 3. District agencies’ use of other funding to cover overtime budget shortfalls (in millions)

Agency	Overtime budget (shortfall) surplus	Personal services surplus used	Non-personal services surplus used	Management statements as to the causes of overtime budget shortfall
	A = B + C	B	C	
DBH	(\$5.27)	\$3.18	\$2.09	Maintaining appropriate staffing levels for 24/7 inpatient care at St. Elizabeths and the Comprehensive Psychiatric Emergency Program.
DGS	(\$1.18)	\$1.18	—	Staffing shortage issues and unresolved work orders.
DPW	(\$3.93)	\$3.93	—	24-hour operations, towing, collections, and front-facing agency involved in District-wide first responder, emergency, and special operations.
DOES	(\$0.35)	\$0.03	\$0.32	The unemployment insurance team continued working overtime to manage the volume of claims during COVID-19.
DHS	(\$5.63)	\$5.63	—	Continuing need to staff pandemic-related response functions, increased case volume, and pandemic-related new programs. DHS also had vacancies.
OUC	(\$1.00)	\$1.00	—	Meeting minimum staffing requirements due to attrition and for staff that were using various forms of leave during FY 21.
DOC	(\$6.36)	\$3.89	\$2.46	Unplanned leave utilization, open posts, and medical outposts (medical takeovers for MPD, medical appointments, and special conveyances).
FEMS	(\$8.99)	—	\$8.99	The agency is required to fill each operational seat for every shift, requiring the use of overtime in the event of staff shortages; mostly from COVID-19 exposures.
MPD	\$1.21	—	—	Overtime surplus due to the inauguration and insurrection cost reimbursement and courts being closed part of the year because of COVID-19.
All agencies	(\$31.50)	\$18.85	\$13.86	

— Quantity equals zero.

Source: OIG analysis of CFO\$olve data and agency responses to an internal control questionnaire.

The Green Book states that “[m]anagement should should establish and operate monitoring activities to monitor the internal control system and evaluate the results.”²¹

Inconsistent monitoring by agency fiscal officers of the District’s management information system (MIS) contributed to the nine District agencies’ failure to seek budget reprogramming. Moreover, the AFOs should use the MIS to generate periodic reports on key metrics, including overtime hours worked, applicable pay rates, timing, and/or reasons for overtime work to enhance control of the overtime system. OCFO officials maintain reprogramming is not required

²¹ Green Book, *supra* note 2 § 16.01 at 65.

and that “it is permissible for expenditures to exceed budget authority except at the fund and agency level.” However, OCFO’s position is not consistent with the D.C. Code and District policies regarding reprogramming (see Table 2, page 8).

Without overtime utilization analyses, reprogramming requests, and budget adjustments, agencies could not determine how spending funds from another budget category impacted other programs and divisions within their respective agencies. As a result, agencies did not provide District leaders with an accurate portrayal of their overtime budgets and risked allocating funds without first addressing the root cause of their budget and spending pressures.

We recommend the District agency heads:

- 3) Use the District’s MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability, enhance controls, and deter mismanagement.
- 4) Establish and implement procedures to evaluate overtime needs.
- 5) Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements.

Employees at nine District agencies claimed and were paid 34 percent of overtime hours without prior authorization during FY 2021

We assessed the District agencies’ prior authorization practices to justify the basis for overtime work. The nine District agencies evaluated established various policies to track and document employees’ prior authorization requests and supervisory approvals of overtime work. The E-DPM and agency-specific policies require prior authorization for overtime work, subject to funding availability.²² We found that employees did not always request prior authorization of overtime work as required. Employees were allowed to circumvent this control because supervisors failed to comply with existing E-DPM and/or agency policies. Table 4, below, summarizes applicable agency policies and the requisite documentation an employee must submit to a supervisor to obtain prior authorization to work overtime.

²² E-DPM Issuance I-2021-10 states on page 3: “Overtime work must be officially ordered and approved in advance. Agency heads and their designees are authorized to order and approve overtime work provided the agency has sufficient funding available.” DCHR website, <https://edpm.dc.gov/issuances/overtime/>. While this E-DPM Issuance does not apply to all District agencies, funding constraints do.

Table 4. Summary of agency overtime prior authorization methods and policies

Agency	Documentation for employees to request and supervisors to authorize overtime work	Policy description
DBH	Request for Authorization of Overtime Work (Form 21)	Officially order and approve all overtime before work gets performed.
DGS	Overtime Request in Salesforce Application	Overtime work must be officially ordered and approved in advance. Agency heads and their designees are authorized to order and approve overtime work provided the agency has sufficient available funds.
DHS	Overtime Authorization Request for Work	Overtime work must be officially ordered and approved in advance. Agency heads and their designees are authorized to order and approve overtime work provided the agency has sufficient funding available.
DOC	Overtime Authorization (Form No. 1.205)	The use of overtime requires prior written authorization by the Deputy Director.
DOES	Overtime Authorization Request Form (Form 715)	Before work begins, an employee MUST obtain supervisory authorization.
DPW	Request for Authorization of Overtime Work	Overtime work must be officially ordered and approved in advance. Agency heads and their designees are authorized to order and approve overtime work provided the agency has sufficient funding available.
FEMS	Overtime Request in TeleStaff Application	Each employee is responsible for declaring his/her desire to work overtime by entering his/her availability into TeleStaff.
MPD	Time and Attendance Report (SF-1130)	All overtime and compensatory time worked must be officially ordered and approved before performance.
OUC	Time and Attendance Report (SF-1130)	The Director or designee must preapprove overtime before the commencement of work.

Source: OIG analysis of District policies.

Our review of 2,557 overtime hours indicated that employees did not request prior authorization and approval for 869 overtime hours (see Table 5 on the following page).

Table 5. Authorized and unauthorized overtime at the nine District agencies

Agency	Overtime hours			Percentage unauthorized
	Total	Authorized	Unauthorized	
	$A = B + C$	B	C	$D = C \div A$
DBH	88	22	66	75%
DGS	84	—	84	100%
DHS	35	6	29	83%
DOC	384	259	125	33%
DOES	2	—	2	100%
DPW	86	12	74	86%
FEMS	714	313	401	56%
MPD	1,063	991	72	7%
OUC	101	85	16	16%
All agencies	2,557	1,688	869	34%

— Quantity is zero.

Source: OIG analysis of PeopleSoft data and District agencies' overtime records.

We attribute the unauthorized overtime to (1) employees' failure to notify their supervisors before performing any overtime work, (2) supervisors' failure to either reject the timesheets or notify the employee of noncompliance with prior authorization policies to avoid recurrences, and (3) a lack of uniform consequences for employees and supervisors who failed to discharge their respective responsibilities. Close supervision of overtime work is essential for effectively monitoring working hours, validating individual employee output, and managing employees' time reporting behavior. Among the nine District agencies reviewed, employees claimed and were paid for 34 percent of overtime hours without prior authorization during FY 2021.

We recommend the District agency heads:

- 6) Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.
- 7) Ensure overtime policies and procedures clearly identify roles, responsibilities, and uniform consequences for noncompliance.

At the nine District agencies evaluated, we found that overtime was inequitably distributed among eligible employees

According to 6B DCMR § 1800.3,

The following general principles apply to every employee and form the basis for the standards contained in this chapter. Where a situation is not specifically covered by another provision of law or

policy, employees shall apply the following principles set forth in this section in determining whether their conduct is proper:

...

(h) Employees shall act impartially and not give preferential treatment to any private organization or individual.

The CBAs and the nine District agencies' policies generally state overtime should be equally distributed among staff when possible. Five of the nine agencies (DBH, DHS, DOC, FEMS, and OUC) require employees to request an overtime shift or sign up if they are available to work. The remaining agencies maintain that there are verbal discussions between supervisors and employees when additional hours are needed to complete assigned work. The latter agencies then identify an employee willing and able to work overtime. We could not identify a reliable method across the nine agencies requiring the equitable distribution of overtime among eligible employees to prevent the perception of preferential treatment.

Our analysis of the 3.2 million population overtime hours, 10,458 population of employees working overtime, and 13,842 population of employees eligible for overtime during FY 2021 indicated that overtime was not equitably distributed among staff. OIG auditors did not consider the skillsets of employees when performing the distribution analysis. It is worth mentioning that some employees may have possessed expert knowledge or specialized skillsets that would have made them a more favorable choice over another employee that did not possess the same knowledge or skillset. We found that DBH, DGS, DHS, and DOES did not customarily perform overtime prior to COVID-19 and struggled with equitable distribution of overtime hours among eligible staff.

For example, DOES had the largest inequitable distribution percentage at 66 percent. Most of the overtime work performed at DOES occurred within the Unemployment Claims Unit due to the large number of unemployment claims filed during COVID-19. Another example is DHS, which administers public assistance programs subject to federal regulations that require merit staff (not contracted staff) to conduct eligibility determinations. As a result, DHS needed to use existing staff for overtime to comply with federal requirements. Additionally, DHS also had newly added responsibilities resulting from COVID-19. These responsibilities required employees to work overnight at temporary housing establishments that were opened to house homeless individuals, in addition to working their regular tour of duty at DHS. DHS assigned the overtime work based on need without considering equitable distribution. Employees were assigned based on their willingness and ability to work overtime at night.

Other agencies performed particularly well, and successfully²³ distributed overtime hours equitably. Specifically, public safety agencies that regularly performed overtime work prior to

²³ The "Percentage of Inequitably Distributed Overtime Hours" was less than the overall average for the agencies (i.e., less than 27 percent).

COVID-19 (e.g., MPD, FEMS, OUC, DPW, and DOC), had lower percentages of inequitable distribution of overtime hours (see Table 6).

Inequitably distributed overtime occurred in part due to employees performing overtime work without prior authorization, as indicated previously. Table 6 shows a comparison of each agency’s number and inequitable percentage of employees who performed overtime work during FY 2021. This analysis also shows that four of the nine agencies (DBH, DGS, DHS, and DOES) could improve controls around distributing overtime hours among eligible employees.

Table 6. Summary of inequitable distribution of overtime hours during FY 2021

Agency	Total overtime hours	Overtime eligible employees	Employees that worked overtime	Overtime hours distributed among employees that worked overtime	Overtime hours distributed among overtime eligible employees	Percentage of inequitably distributed overtime hours
	A	B	C	$D = A \div C$	$E = A \div B$	$F = 1 - (E \div D)$
DBH	139,218	1,378	708	197	101	49%
DGS	121,605	613	422	288	198	31%
DHS	129,110	1,154	562	230	112	51%
DOC	437,226	1,228	969	451	356	21%
DOES	52,858	931	320	165	57	66%
DPW	245,222	1,420	1,147	214	173	19%
FEMS	824,115	2,191	1,938	425	376	12%
MPD	1,239,778	4,552	4,079	304	272	10%
OUC	55,517	375	313	177	148	17%
All agencies	3,244,649	13,842	10,458	2,451	1,793	27%

Source: OIG analysis of PeopleSoft data. This analysis did not consider equitable distribution by job classification.

One agency’s CBA requires it to “make every effort to ensure that the opportunity for overtime shall be distributed and rotated equally among employees. The [agency] also agreed to maintain a roster for all employees, indicating overtime worked and overtime refused, and such roster will be made available to the Union.”²⁴ The agency in question could not produce a collective roster for FY 2021. A roster would establish a mechanism for transparency and accountability regarding employees’ overtime hours within an agency. Other agencies could benefit from adopting this practice, which would provide them with the ability to track the number of overtime hours worked by each employee. Tracking should promote reductions in excessive overtime for individuals and more equitable distribution of assigned overtime hours. There are increased risks and costs associated with employees performing significant overtime hours.

²⁴ Collective Bargaining Agreement Between the District of Columbia Government and Fire and Emergency Medical Services Department and the International Association of Firefighters Local 36, AFL-CIO, MWC, (Compensation Unit 4 CBA) for Fiscal Years 2015–2020 Article 18 Overtime § B – Distribution.

These include increased health and safety risks and increased costs as a result of subsequent absenteeism, turnover, and productivity decline.²⁵

We recommend the District agency heads:

- 8) Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.

District agencies did not validate the necessity for excessive overtime pay going to some employees

We assessed District agencies' processes to validate the necessity of overtime work going to some employees.

According to 6B DCMR § 1800.3,

The following general principles apply to every employee and form the basis for the standards contained in this chapter. Where a situation is not specifically covered by another provision of law or policy, employees shall apply the following principles set forth in this section in determining whether their conduct is proper:

- (a) Government service is a public trust, requiring employees to place loyalty to the laws and ethical principles above private gain.
- ...
- (h) Employees shall act impartially and not give preferential treatment to any private organization or individual.

Some employees at the nine District agencies performed excessive overtime work and earned significantly more than their base salaries in overtime. A lack of policies and procedures related to managing, reviewing, and validating the necessity for excessive overtime caused this condition. Out of 10,458 District employees within the nine agencies who received overtime pay, we calculated that 1,128 District employees' overtime payments (approximately 11 percent) exceeded their base salary by the following percentages: 667 employees earned more than 50 percent; 283 employees earned more than 75 percent; 152 employees earned more than 100 percent; 24 employees earned more than 150 percent; and 2 employees earned more than 200 percent of their base salary (i.e., three times their annual base salary) in overtime pay.

We could not determine whether the nine District agencies had reasonable assurance that these employees were not motivated by private gain rather than an agency-driven need. Additionally,

²⁵ Dan Corp, *Overtime and Employee Productivity*, ADVANCED TIME (undated), <https://advancedtime.com/leadership/overtime-and-productivity/#:~:text=In%20a%20manufacturing%20study%20it,does%20mental%20and%20physical%20fatigue> (last visited Sept. 26, 2023).

agencies should avoid the appearance of favoritism or giving preferential treatment when selecting certain employees more frequently than others to work overtime. Moreover, the amount of excessive overtime these employees worked likely posed health and safety risks and increased costs associated with absenteeism, turnover, and productivity decline.²⁶

We recommend the District agency heads:

- 9) Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.

District agencies did not follow agency policies or implement policies to limit overtime resulting in productivity decline

The Green Book states, “[m]anagement should define objectives clearly to enable the identification of risks and define risk tolerances”²⁷ such as declining productivity of employees working overtime.

Three of the nine agencies (DBH, DOC, and MPD) had overtime limit policies that are meant to manage and limit the amount of overtime an employee can work (see Table 7, on the following page). Over-reliance on overtime and excessive overtime hours could result in health and safety risks, productivity decline, absenteeism, and turnover.

We could not identify a reliable method among the nine agencies regarding an overtime limit policy or an overtime tracking policy to determine when an employee had exceeded the overtime limit. Because management did not have an assessment regarding the efficiency of overtime work, we used a 2014 Stanford University paper authored by John Pencavel (the Pencavel paper) that shows productivity per hour declines sharply when a person works more than 49 hours per week.²⁸ After 56 hours, productivity drops so much that adding additional hours has little measurable benefit.²⁹ Table 7 summarizes the applicable overtime limit policies that the agencies failed to follow.

²⁶ Dan Corp, *supra* note 25.

²⁷ Green Book, *supra* note 2 § 6.01 at 35.

²⁸ Pencavel, *supra* note 14 at 5.

²⁹ *Id.*

Table 7. Summary of agency overtime limit policies

Agency	Documentation for overtime limit policy	Policy description
DBH	Email: Overtime per pay period	[L]imit the number of overtime hours that nursing personnel may work per pay period to 32 (hours). This is in the interest of staff and patient safety.... Let [the DBH Director] know if this creates any staffing problems. Exceptions to this decision must be discussed with [the Director] in advance.
DOC	Overtime Management, 2211.1D-16	The overtime limit is set at a limited dollar amount of \$29,999.00 [per employee] per fiscal year.
MPD	Limitations on Work Hours, GO-PER-201.21	Members shall not work in excess of 98 (ninety-eight) hours per seven-day calendar week.

Source: District agencies' internal overtime policies.

DBH’s cap of 32 hours per pay period, 16 hours per week, or 832 hours per year, mirrors Pencavel’s paper. Using the paper as a best practice, we found that 747 employees within the nine agencies exceeded the recommended 832 hours per year of overtime. Table 8 illustrates the potential savings the District could have realized if limits on each employee’s overtime hours were 832 hours or less during FY 2021.

Table 8. Potential savings with capped overtime at 832 hours

Agency	Employees	Overtime in excess of 832 hours	Premium overtime paid after paper-recommended productivity declines
DBH	19	4,418	\$70,509
DGS	22	7,873	\$150,720
DHS	45	25,120	\$480,137
DOC	169	77,037	\$1,190,492
DOES	7	2,525	\$59,847
DPW	43	13,740	\$208,052
FEMS	295	100,414	\$2,051,249
MPD	131	46,833	\$1,066,920
OUC	16	6,240	\$119,317
Total	747	284,200	\$5,397,245

Source: OIG analysis of PeopleSoft data.

Based on the Pencavel paper, we estimated \$5.4 million and 284,200 hours in overtime were likely unproductive for the District.

We recommend the District agency heads:

- 10) Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.

- 11) Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.

One District agency miscounted or misclassified overtime hours for some employees

According to FEMS' policy, "[a]n employee is not eligible to work [overtime] in any pay period while on ... non-pay status for disciplinary reasons, for example: [s]uspended [w]ithout [p]ay ... [a]bsent [w]ithout [l]eave ... and/or [l]eave [w]ithout [p]ay."³⁰ FEMS' manual overtime calculation practice, aligned to its policy and CBA,³¹ should exclude non-pay status hours such as suspended without pay, absent without leave, and/or leave without pay from inclusion toward overtime. We found that FEMS employees frequently miscounted or misclassified overtime hours when manually entering and classifying payable time in PeopleSoft during FY 2021.

Employees that were overpaid incorrectly attributed non-pay status hours toward the overtime threshold when they were absent without leave, on leave without pay, suspended without pay, or had accrued comp time earned. Additionally, certain employees were underpaid due to incorrectly counting or classifying overtime hours as regular hours because FEMS' manual overtime calculation practice does not have an automated control to prevent this from occurring. Subsequent reviews and approvals by supervisors and timekeepers did not identify these errors.

Miscounting or misclassifying overtime hours occurred primarily due to (1) supervisors' lack of review and approval of hours attributable to the overtime threshold and (2) employees' inadequate training on how to manually calculate and enter their overtime hours in compliance with the policy and CBA. As a result of miscounting or misclassifying overtime hours, we estimate FEMS overpaid 520 employees \$357,820 and underpaid 353 employees \$105,354 in overtime during FY 2021.

We recommend the FEMS Chief:

- 12) Periodically train employees, supervisors, and timekeepers on what hours are attributable to the overtime threshold and which are not, in compliance with the CBA and policy.
- 13) Recoup improper overtime payments made to employees that were overpaid.
- 14) Pay employees who miscoded overtime as regular hours.

Two of the nine District agencies did not follow the DCMR and made improper overtime payments to managerial employees

According to 6B DCMR § 1138.2,

At the discretion of the agency head or his or her designee, entitlement to overtime may be extended to any non-union Career Service employee at the CS-14 level or below, or equivalent, for hours of work authorized in excess of eight (8) hours in a pay

³⁰ FEMS Bulletin No. 45, *Guidelines for Working Overtime and Holidays*, § II(N)(1) (Revised Jan. 2017).

³¹ Compensation Unit 4 CBA, *supra* note 24, art. 18.

status in a workday or in excess of forty (40) hours in a pay status in a workweek.

We found that four Management Supervisory Service (MSS)-15 employees improperly claimed and received overtime pay for hours worked during FY 2021 that they were ineligible to receive. The agency officials agreed with our assessment and confirmed that the employees were ineligible for overtime compensation.

We attribute the improper overtime payments to supervisors' misunderstanding regarding (1) an employee's eligibility for overtime; (2) payroll processing with regard to overtime payments; and/or (3) incorrect PeopleSoft position statuses allowing overtime payments that did not align with the DCMR. As a result, we calculated \$50,523 in ineligible overtime payments made to MSS-15 employees during FY 2021.

We recommend the DBH and DHS Directors:

- 15) Monitor and correct discrepancies in PeopleSoft position statuses that permit overtime payments to ineligible employees to ensure compliance with the DCMR.
- 16) Recoup improper overtime payments made to ineligible employees.

CONCLUSION

When the COVID-19 pandemic began, many District agencies continued to struggle with employee shortages and absenteeism, which resulted in excessive overtime usage due to noncompliance with or lack of internal controls in the area of overtime. Our audit findings revealed control weaknesses in the nine evaluated agencies' management of overtime usage, as well as in their adherence to overtime policies and best practices.

These agencies underestimated their overtime needs, which resulted in spending pressures, use of other program funding to cover the overtime costs, and an over-reliance on overtime usage. This condition created cost overruns in personnel budgets and excessive overtime usage by agency employees. The agencies' failure to use overtime budget variance and utilization analyses and inadequate adjustments in subsequent budget years contributed to the overtime underestimation issues. In addition, District agencies lacked effective controls to enforce overtime policies, which led to overtime work without prior authorization. This condition resulted in substantial overtime expenditures and insufficient budget authority. These conditions may have resulted in health and safety risks, productivity decline, absenteeism, turnover, improper overtime payments, and inefficient and ineffective use of government resources.

To address these issues, we recommend that agencies perform overtime budget variance and utilization analyses, assess personnel needs strategically, and ensure accurate estimations of overtime costs. In addition, agencies must follow District laws and policies, including requiring overtime prior authorization and reprogramming when necessary. Agency supervisors and financial officers also must fulfill their duties and responsibilities to enforce policies and monitor

overtime usage. The District should develop and implement uniform consequences for noncompliance with overtime policies. By implementing these recommendations, all District agencies can improve their management of overtime usage, enhance transparency, and control unnecessary spending.

AGENCY RESPONSES AND OFFICE OF THE INSPECTOR GENERAL COMMENTS

We provided the draft report on September 30, 2023, to the City Administrator, the District of Columbia Department of Human Resources (DCHR), and the Office of the Chief Financial Officer (OCFO). The following agencies also received the draft report on September 30, 2023, and are listed below along with the date of their response:

- Department of Behavioral Health (DBH), November 3, 2023
- Department of General Services (DGS), October 20, 2023
- Department of Human Services (DHS), October 20, 2023
- Department of Corrections (DOC), October 19, 2023
- Department of Employment Services (DOES), October 31, 2023
- Department of Public Works (DPW), November 1, 2023
- Fire and Emergency Medical Services Department (FEMS), October 20, 2023
- Metropolitan Police Department (MPD), October 19, 2023
- Office of Unified Communications (OUC), October 20, 2023

We made 16 different recommendations and directed them to nine District agencies.

- Recommendations 1 – 11 directed to all nine agencies; in sum 99 recommendations
- Recommendations 12 – 14 directed to one agency; in sum 3 recommendations
- Recommendations 15 and 16 directed to two agencies; in sum 4 recommendations

In total there were 106 recommendations deemed necessary to correct identified deficiencies.

Management Comments to DBH's Response

We provided DBH with our draft report on September 30, 2023, and received its response on November 3, 2023, which is included in its entirety as Appendix C to this report. We appreciate that DBH officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 13 recommendations directed to DBH for actions we deemed necessary to correct identified deficiencies. DBH agreed with Recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 16. DBH's actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 3, 4, 5, 8, 9, 10, and 16 closed. We consider Recommendations 1, 2, 6, and 7 resolved but open pending evidence of stated actions.

Although DBH disagreed with Recommendation 11, DBH's actions taken and/or planned are responsive and meet the intent of the recommendation. DBH's determination is that an overtime cap is not feasible. Therefore, we consider this recommendation closed.

Although DBH disagreed with Recommendation 15, DBH's actions taken and/or planned are responsive and meet the intent of the recommendation. DBH determined that it would be unfair to penalize an employee for the agency's error and the agency absorbed the cost. Therefore, we consider this recommendation closed.

Management Comments to DGS' Response

We provided DGS with our draft report on September 30, 2023, and received its response on October 20, 2023, which is included in its entirety as Appendix D to this report. We appreciate that DGS officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to DGS for actions we deemed necessary to correct identified deficiencies. We evaluated DGS' responses and determined DGS agreed with Recommendations 1, 2, 3, 4, 5, 6, 10, and 11. DGS' actions taken and/or planned are responsive and meet the intent of the recommendations. We consider recommendations 1, 2, 3, and 5 closed. We consider recommendations 4, 6, 10, and 11 resolved but open pending evidence of stated actions.

Management Comments to DHS' Response

We provided DHS with our draft report on September 30, 2023, and received its response on October 20, 2023, which is included in its entirety as Appendix E to this report. We appreciate that DHS officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 13 recommendations directed to DHS for actions we deemed necessary to correct identified deficiencies. DHS agreed with Recommendations 2, 3, 4, 6, 7, 8, 9, 15, and 16. DHS' actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 2, 3, 9, and 15 closed. We consider Recommendations 4, 6, 7, 8, and 16 resolved but open pending evidence of stated actions.

Although DHS disagreed with Recommendations 10 and 11, DHS determined that an overtime cap is not feasible at this time. Therefore, we consider these recommendations closed.

Management Comments to DOC's Response

We provided DOC with our draft report on September 30, 2023, and received its revised response on October 19, 2023, which is included in its entirety as Appendix F to this report. We appreciate that DOC officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to DOC for actions we deemed necessary to correct identified deficiencies. DOC agreed with all 11 Recommendations. DOC's actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 1, 2, 3, 4, 7, and 8 closed. We consider Recommendations 5, 6, 9, 10 and 11 resolved but open pending evidence of stated actions.

Management Comments to DOES' Response

We provided DOES with our draft report on September 30, 2023, and received its revised response on October 31, 2023, which is included in its entirety as Appendix G to this report. We appreciate that DOES officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to DOES for actions we deemed necessary to correct identified deficiencies. DOES agreed with Recommendations 2, 3, 4, 5, 6, and 9. DOES' actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 2, 3, 4, and 5 closed. We consider Recommendations 6 and 9 resolved but open pending evidence of stated actions.

DOES partly agreed with Recommendation 7. DOES' actions taken and/or planned are responsive and meet the intent of the recommendation. We consider Recommendation 7 resolved but open pending evidence of stated actions.

Although DOES disagreed with Recommendation 1, DOES' actions taken and/or planned are responsive and meet the intent of the recommendation. DOES explained the overtime budget variance occurred due to the unprecedented influx of unemployment claims. OIG agrees with this explanation. Therefore, DOES could not have anticipated this overtime need when the agency developed its budget. We consider this recommendation closed.

Although DOES disagreed with Recommendation 8, DOES' actions taken and/or planned are responsive and meet the intent of the recommendation. DOES explained that only "merit staff" were qualified to perform the work required within the Unemployment Claims Unit, therefore overtime could not have been distributed among all eligible employees throughout the agency. We consider this recommendation closed.

Although DOES disagreed with Recommendations 10 and 11, DOES determined that an overtime cap is not feasible at this time. Therefore, we consider these recommendations closed.

Management Comments to DPW's Response

We provided DPW with our draft report on September 30, 2023, and received its response on November 1, 2023, which is included in its entirety as Appendix H to this report. We appreciate

that DPW officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to DPW for actions we deemed necessary to correct identified deficiencies. DPW agreed with Recommendations 4, 5, 6, 7 and 11. DPW's actions taken and/or planned are responsive and meet the intent of the recommendations. Therefore, we consider Recommendations 4, 5, 6, 7 and 11 resolved but open pending evidence of stated actions.

Additionally, DPW provided alternative corrective actions for Recommendations 2, 3, 8, and 10. DPW's actions taken are responsive and meet the intent of the recommendations. Therefore, we consider these recommendations closed.

Although DPW disagreed with Recommendation 1, DPW's actions taken and/or planned are responsive and meet the intent of the recommendation. DPW stated that it is deriving methods to reduce overtime. Therefore, we consider this recommendation resolved but open pending evidence of stated actions.

Management Comments to FEMS' Response

We provided FEMS with our draft report on September 30, 2023, and received its response on October 20, 2023, which is included in its entirety as Appendix I to this report. We appreciate that FEMS officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 14 recommendations directed to FEMS for actions we deemed necessary to correct identified deficiencies. FEMS agreed with Recommendations 2, 4, 6, 7, 8, 9, and 12. Additionally, FEMS provided alternative corrective actions for Recommendations 13 and 14. FEMS' actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 2 and 4 closed. We consider Recommendations 6, 7, 8, 9, 12, 13, and 14 resolved but open pending evidence of stated actions.

Although FEMS disagreed with Recommendations 10 and 11, FEMS determined that an overtime cap is not feasible at this time. Therefore, we consider these recommendations closed.

Management Comments to MPD's Response

We provided MPD with our draft report on September 30, 2023, and received its response on October 19, 2023, which is included in its entirety as Appendix J to this report. We appreciate that MPD officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to MPD for actions we deemed necessary to correct identified deficiencies. MPD agreed with Recommendations 2, 3, 4, 5, 6, 7, 8, 9, and 10. Additionally, MPD partly agreed with Recommendations 1 and 11. MPD's actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendations 2, 3, 4, 5, 7, 8, and 10 closed. We consider Recommendations 1, 6, 9 and 11 resolved but open pending evidence of stated actions.

Management Comments to OUC's Response

We provided OUC with our draft report on September 30, 2023, and received its response on October 20, 2023, which is included in its entirety as Appendix K to this report. We appreciate that OUC officials began addressing some of the findings immediately upon notification during the audit.

Our draft report included 11 recommendations directed to OUC for actions we deemed necessary to correct identified deficiencies. OUC agreed with Recommendations 1, 2, 4, 5, 6, 7, 8, and 9. Additionally, OUC provided alternative corrective actions for Recommendations 3, 10, and 11. OUC's actions taken and/or planned are responsive and meet the intent of the recommendations. We consider Recommendation 10 closed. We consider Recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 resolved but open pending evidence of stated actions.

ACTIONS REQUIRED

Management Comments to DGS' Response

DGS provided alternative corrective actions for Recommendations 7, 8, and 9. However, we determined that DGS' responses did not meet the intent of the recommendations. Therefore, we consider these recommendations open and unresolved. We request that DGS reconsider its position and provide additional responses to these recommendations within 30 days of the date of this final report.

Management Comments to DHS' Response

DHS disagreed with Recommendations 1 and 5. Therefore, we consider these recommendations open and unresolved. Although DHS does not account for overtime as a separate line item in the budget, most other District agencies do. Additionally, we understand OCFO's position that agencies are permitted to move appropriated funding around as long as it does not exceed the agency and fund level. However, OCFO's position only protects the District from an anti-deficiency violation and does not ensure funding allocated to a specific program was spent in the manner intended by the Mayor and the Council. Reprogramming ensures transparency among all levels of government when an agency cannot fulfill its mission at the program level with the budgeted resources. We request that DHS, in consultation with OCFO, reconsider its position and provide additional responses to these recommendations within 30 days of the date of this final report.

Management Comments to DPW's Response

DPW provided an alternative corrective action for Recommendation 9. However, we determined that DPW's response did not meet the intent of the recommendation. Therefore, we consider this recommendation open and unresolved. We request that DPW reconsider its position and provide an additional response to this recommendation within 30 days of the date of this final report.

Management Comments to FEMS' Response

Although FEMS provided alternative corrective actions for Recommendations 1, 3, and 5, the agency cannot redirect the OIG's recommendations. Therefore, we consider these recommendations open and unresolved. We request that FEMS, in consultation with the Office of Budget and Performance Management, Office of the City Administrator and OCFO, reconsider its position and provide additional responses to these Recommendations within 30 days of the date of this final report.

APPENDICES

Appendix A: Acronyms and Abbreviations

AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
AFO	Agency Fiscal Officer
CBA	Collective Bargaining Agreement
COVID-19	Coronavirus 2019
DBH	Department of Behavioral Health
D.C.	District of Columbia
DCHR	District of Columbia Department of Human Resources
DCMR	District of Columbia Municipal Regulations
DGS	Department of General Services
DHS	Department of Human Services
DOC	Department of Corrections
DOES	Department of Employment Services
DPW	Department of Public Works
E-DPM	Electronic District Personnel Manual
FAQ	Frequently Asked Questions
FEMS	District of Columbia Fire and Emergency Medical Services Department
FLSA	Fair Labor Standards Act
FY	Fiscal Year (October to September for D.C. government)
GAGAS	Generally Accepted Government Auditing Standards
GAO	United States Government Accountability Office
GOV'T	Government
MIS	Management Information System
MPD	Metropolitan Police Department of the District of Columbia
MSS	Management Supervisory Service
MWC	Metropolitan Washington Council
OAG	Office of the Attorney General
OCFO	Office of the Chief Financial Officer
OCTO	Office of the Chief Technology Officer
OIG	Office of the Inspector General
OUC	Office of Unified Communications

Appendix B: Table of Recommendations

Responsible agency	Recommendations	Potential monetary benefits (losses)	Agency responses	
District agency heads	1. Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency’s mission or workload to ensure accurate and complete estimates of overtime needs		DBH	Agreed
			DGS	Agreed
			DHS	Disagreed
			DOC	Agreed
			DOES	Disagreed
			DPW	Disagreed
			FEMS	Alternate implementation
			MPD	Agreed in part
			OUC	Agreed
District agency heads	2. Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan; and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.		DBH	Agreed
			DGS	Agreed
			DHS	Agreed
			DOC	Agreed
			DOES	Agreed
			DPW	Alternate implementation
			FEMS	Agreed
			MPD	Agreed
			OUC	Agreed
District agency heads	3. Use the District’s MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.		DBH	Agreed
			DGS	Agreed
			DHS	Agreed
			DOC	Agreed
			DOES	Agreed
			DPW	Alternate implementation
			FEMS	Alternate implementation
			MPD	Agreed
			OUC	Alternate implementation
District agency heads	4. Establish and implement procedures to evaluate overtime needs.		DBH	Agreed
			DGS	Agreed
			DHS	Agreed
			DOC	Agreed

Responsible agency	Recommendations	Potential monetary benefits (losses)	Agency responses	
			DOES	Agreed
			DPW	Agreed
			FEMS	Agreed
			MPD	Agreed
			OUC	Agreed
District agency heads	5. Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements	\$31.5 M	DBH	Agreed
			DGS	Agreed
			DHS	Disagreed
			DOC	Agreed
			DOES	Agreed
			DPW	Agreed
			FEMS	Alternate implementation
			MPD	Agreed
			OUC	Agreed
District agency heads	6. Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.		DBH	Agreed
			DGS	Agreed
			DHS	Agreed
			DOC	Agreed
			DOES	Agreed
			DPW	Agreed
			FEMS	Agreed
			MPD	Agreed
			OUC	Agreed
District agency heads	7. Ensure overtime policies and procedures clearly identify roles, responsibilities, and uniform consequences for noncompliance.		DBH	Agreed
			DGS	Alternate implementation
			DHS	Agreed
			DOC	Agreed
			DOES	Agreed in part
			DPW	Agreed
			FEMS	Agreed
			MPD	Agreed
			OUC	Agreed
District agency heads	8. Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.		DBH	Agreed
			DGS	Alternate implementation
			DHS	Agreed
			DOC	Agreed

Responsible agency	Recommendations	Potential monetary benefits (losses)	Agency responses	
			DOES	Disagreed
			DPW	Alternate implementation
			FEMS	Agreed
			MPD	Agreed
			OUC	Agreed
District agency heads	9. Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.		DBH	Agreed
			DGS	Alternate implementation
			DHS	Agreed
			DOC	Agreed
			DOES	Agreed
			DPW	Alternate implementation
			FEMS	Agreed
			MPD	Agreed
			OUC	Agreed
District agency heads	10. Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.	\$5.4 M	DBH	Agreed
			DGS	Agreed
			DHS	Disagreed
			DOC	Agreed
			DOES	Disagreed
			DPW	Alternate implementation
			FEMS	Disagreed
			MPD	Agreed
			OUC	Alternate implementation
District agency heads	11. Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.		DBH	Disagreed
			DGS	Agreed
			DHS	Disagreed
			DOC	Agreed
			DOES	Disagreed
			DPW	Agreed
			FEMS	Disagreed
			MPD	Agreed in part
			OUC	Alternate implementation

Responsible agency	Recommendations	Potential monetary benefits (losses)	Agency responses	
FEMS Chief	12. Periodically train employees, supervisors, and timekeepers on what hours are attributable to the overtime threshold and which are not, in compliance with the CBA and policy.		Agreed	
FEMS Chief	13. Recoup improper overtime payments made to employees that were overpaid.	\$357,820	Alternate implementation	
FEMS Chief	14. Pay employees who miscoded overtime as regular hours.	(\$105,354)	Alternate implementation	
DBH and DHS Directors	15. Monitor and correct discrepancies in PeopleSoft position statuses that permit overtime payments to ineligible employees to ensure compliance with the DCMR.		DBH	Agreed
			DHS	Agreed
DBH and DHS Directors	16. Recoup improper overtime payments made to ineligible employees.	\$50,523	DBH	Disagreed/Action Taken
			DHS	Agreed

Appendix C: DBH Response to the Draft Report



Office of the Director

November 3, 2023

Mr. Daniel W. Lucas
Inspector General for the District of Columbia
100 M Street, SE Suite 1000
Washington, DC 20003

Dear Mr. Lucas,

Thank you for providing the Department of Behavioral Health (DBH) an opportunity to respond to the recommendations in the draft report entitled “Audit of the District of Columbia Agencies’ Overtime Usage (OIG Project No. 22- 1-03MA). The DBH operates two 24/7 facilities that provide inpatient care (Saint Elizabeths Hospital) and emergency psychiatric care (CPEP). Most of the overtime usage occurred in these facilities as overtime is approved as needed to maintain the appropriate staffing level for quality patient care and safe operations.

Overtime usage particularly at Saint Elizabeths hospital increased significantly during Fiscal Year 2021, the height of the public health emergency, due to operational changes to mitigate the spread of the virus including new screening protocols, testing requirements, an inability to reassign staff to other units to cover unplanned staff absences, and staffing requirements of a new quarantine unit for patients. While the demand for staff increased, 164 employees at Saint Elizabeths were absent during Fiscal Year 2021 due to a positive COVID result or the required quarantine period which drove overtime needs. While the Hospital has a prior approval policy for overtime usage in place, much of the overtime could not be planned given the virus. Absences due to COVID were in addition to staff off duty due to usage of personal annual or sick leave or Family and Medical Leave. In addition, since the public health emergency, Saint Elizabeths has experienced a significant increase in the percentage of its patient population who are court-ordered admissions which causes greater coverage requirements to minimize the risk of violence and abuse of other patients and staff.

While Saint Elizabeths has a prior approval policy for overtime in place, much of the overtime could not be planned given the unanticipated staff absences due to the virus. The Hospital took steps to manage its overtime by revising its overtime policy to limit the number of overtime hours for an employee to 32 hours per pay period without approval by the Nurse Manager, or the Chief Executive Officer or designee. In addition, both Saint Elizabeths and CPEP have hard-to-fill positions and high attrition in direct patient care positions which lead to historically higher than budgeted overtime usage covered with vacancy related savings.

64 New York Avenue NE Washington DC 20002

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I now would like to comment on the specific recommendations in the report:

1. *Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency's mission or workload to ensure accurate and complete estimates of overtime needs*

Agree. DBH closely monitors overtime spending and during the Fiscal Year 2025 budget formulation, DBH will assess overtime usage based on historic patterns, anticipated hiring and workload.

2. *Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan; and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.*

Agree. DBH regularly monitors overtime usage and if projected overtime usage exceeds the budgeted amount identifies funds to cover the deficit with underspending in other areas of the budget.

3. *Use the District's MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.*

Agree. DBH regularly monitors overtime and works to reduce overtime usage. When workforce shortage is noted at the time of developing the schedule, for example to cover scheduled vacation or scheduled sick leave, the Nurse Manager is required to adjust the schedule of other employees to cover shortage or seek volunteers to avoid overtime usage.

4. *Establish and implement procedures to evaluate overtime needs.*

Agree. DBH is aware of the overtime needs and evaluates them regularly. The agency overtime budget has been consistent and reflects our goal to reduce overtime by filling vacant positions.

5. *Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements.*

Agree. This recommendation has been implemented with a reprogramming request submitted to the Council to cover the overtime budget variance in Fiscal Year 2023.

64 New York Avenue NE Washington DC 20002

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6. *Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.*

Agree. Human Resources currently reviews overtime policies and procedures with supervisors and training opportunities will be expanded to all staff during Fiscal Year 2024.

7. *Ensure overtime policies and procedures clearly identify roles, responsibilities, and uniform consequences for noncompliance.*

Agree. DBH will review its overtime policy to include new procedures adopted to better manage overtime usage and to clearly identify roles, responsibilities, and uniform consequences for noncompliance. This review will be completed during Fiscal Year 2024.

8. *Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.*

Agree. DBH employees are covered under nine Collective Bargaining Agreement (CBA)—all of whom cover employees at Saint Elizabeths Hospital. The CBA details overtime usage provisions which take precedence over provisions in the E-DPM in the event of a conflict between the two. In addition, DBH has capped overtime for an individual during a pay period unless an exception is made by the Nurse Manager or the Chief Executive Officer or designee.

9. *Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.*

Agree. DBH has adopted a procedure to limit the amount of overtime an employee can work during a pay period to ensure the most productive use of overtime while meeting the need. During FY 21, there were a limited number of employees with the appropriate skills and experience available to work overtime in the unit that housed forensic patients because of vacancies and COVID-related staff absences. However, as the COVID impact on the Saint Elizabeths has lessened, more employees are available to work overtime when needed. DBH will continue to evaluate overtime usage for employees who continuously perform overtime work.

10. *Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.*

Agree. DBH has implemented an overtime cap per pay period for an individual at Saint Elizabeths Hospital. However, if the needs demand, an exception can be made with the approval of the Nursing Director or the Chief Executive Officer or designee.

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11. Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.

Disagree. Alternate Implementation. DBH policy requires prior approval for overtime usage except for unplanned absences. Overtime usage is primarily at the two 24 hour health care facilities. Saint Elizabeths Hospital is required by law to receive court ordered admissions and CPEP must provide crisis care for anyone. DBH is committed to monitoring overtime carefully to avoid abuse and misuse, but it would be difficult to set a cap due to these statutory requirements for patient care.

15. Monitor and correct discrepancies in PeopleSoft position statuses that permit overtime payments to ineligible employees to ensure compliance with the DCMR.

Agree. The correction was made for the six identified employees in October 2021 and DBH Human Resources is checking every position when it becomes vacant to ensure it is properly coded.

16. Recoup improper overtime payments made to ineligible employees.

Disagree and Action Taken. Improper payments in the amount of \$50,523 were paid to the six employees who were hired into positions that were incorrectly coded as eligible for overtime pay. The coding was corrected for each of the positions in October 2021 following a regular review by DCHR. The hours reported properly were approved by the supervisors and the employees worked the hours indicated.

Of the six employees, one of them no longer works with DBH and two have left the District government. Of the remaining three who continue to work at DBH, only one is in the same position while two are in different positions. We believe it would be unfair to penalize the employees for an error that was not of their making and would significantly impact morale. The error has been corrected and the amount involved already was absorbed by DBH.

We appreciated the collaborative relationship with the audit team and look forward to working with you on these recommendations.

Kindest Regards,




p.p. 

Barbara J. Bazron, Ph.D.
Director, DC Department of Behavioral Health

64 New York Avenue NE Washington DC 20002

Appendix D: DGS Response to the Draft Report

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL SERVICES



MEMORANDUM

TO: [REDACTED]
[REDACTED]
Office of the Inspector General

FROM: Delano Hunter *Delano Hunter*
Acting Director
Department of General Services

CC: [REDACTED]
[REDACTED]
Office of the Inspector General

DATE: October 20, 2023

SUBJECT: Draft Audit Report Recommendations

The Department of General Services (DGS) was tasked with providing feedback on eleven (11) recommendations made by the Office of the Inspector General (OIG) based on an audit performed by OIG where they reviewed our policies and procedures concerning high overtime usage.

Please contact [REDACTED] if you have any questions or concerns.

Recommendations and Responses:

1. Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency’s mission or workload to ensure accurate and complete estimates of overtime needs.
DGS Response: DGS will continue bi-weekly meetings within the agency between our Finance, Budget, Human Resources, and division leadership to discuss OT trends and personnel needs.

3924 Minnesota Ave. NE 4th Fl. Washington, DC 20019 | Telephone (202) 727-2800 | Fax (202) 727-7283

2. Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.

DGS Response: DGS leadership will continue to utilize the bi-weekly meetings to determine what pressures may be arising from trends and formulate strategy and tactics to reduce expenditures.

3. Use the District's MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.

DGS Response: DGS has managed and tracked overtime costs continuously in consultation with OCFO. We are exploring the strategic use of resources to increase staffing levels in crucial trades positions that are most likely to accrue overtime. Additionally, we will increase training for supervisors and timekeepers on agency and District protocol.

4. Establish and implement procedures to evaluate overtime needs.

DGS Response: We are evaluating the implementation of additional lines of oversight for emergency and high-priority overtime approval.

5. Develop and initiate a reprogramming or other budget modification request to comply with the D.C. Code, OCFO policy, and agency policy requirements.

DGS Response: DGS will continue to ensure its personnel services (PS) program is fully funded, as has always been the case. When there is a PS spending pressure, DGS reports this through its quarterly Financial Review Process (FRP). This is done in partnership with the Office of the Chief Financial Officer. As soon as the agency becomes aware of a PS spending pressure--or any spending pressure for that matter--it is reported in this FRP.

6. Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.

DGS Response: Managers will receive consistent training on agency and District protocol for overtime approval. We will review trends with managers and discuss strategy and tactics to reduce overtime without sacrificing productivity.

7. Ensure overtime policies and procedures clearly identify roles, responsibilities, and uniform consequences for noncompliance.

DGS Response: To date, DGS has reviewed overtime policies and procedures based on EDPM standards and what is required within each of the eight (8) CBAs within our agency. Those who work unauthorized time are not approved, and we strive to continue reviewing the needs we are meeting for overtime usage.

8. Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.

DGS Response: DGS has reviewed our overtime information for eligible employees within our divisions. 87% of eligible staff performed some overtime last year. Our research indicates that employees that opted not to perform overtime did so because of personal preference and not because they were prohibited from doing so.

9. Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.

DGS Response: DGS consistently reviews overtime reports, including timesheets of our high earners, to analyze the reasons for overtime within the pay period. Additionally, supervisors are tasked with reviewing notes of overtime worked for compliance.


10. Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.

DGS Response: DGS is assessing the feasibility of a cap in non-emergency situations as defined by agency executive leadership and how it will impact overall productivity.

11. Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.

DGS Response: DGS is reviewing overtime reports, work order closure rates, service level trends etc. to determine the correlation between overtime accrual and productivity.

Appendix E: DHS Response to the Draft Report



DC | DEPARTMENT of
HUMAN SERVICES

October 20, 2023

Daniel W. Lucas
Inspector General 100
M Street, S.E.
Washington, D.C. 20003


Dear Inspector General Lucas:

Enclosed is the Department of Human Services (DHS) response to the Audit of the District of Columbia Agencies' Overtime Usage (OIG Project No. 22-1-03MA) (OIG Project No. 22-1-03MA). The objectives of the audit were to assess (1) overtime usage by District agencies, (2) adherence to District overtime policies, and (3) the effect overtime usage has on District operations for Fiscal Year 2022.

The Department of Human Services (DHS) is committed to helping the District and local government agencies manage government resources efficiently and effectively by providing accountability in accordance with *Generally Accepted Government Auditing Standards* for the District. This audit response identifies opportunities for improving operations as well as strategies to strengthen controls that are intended to safeguard assets. Therefore, DHS will take the appropriate actions to implement recommendations on time.

Also, we would like to thank you and your staff for providing support and technical assistance during the audit process. We look forward to working with you on future audits. If you have any questions concerning this report, please contact Christa Phillips, Chief Accountability Officer, at 202-200-7669.

Sincerely,



Laura Green Zeilinger
Director
Department Of Human Services

64 New York Avenue, NE • Washington DC 20002

P 202.671.4200 www.DHS.DC.GOV

DHS' responses to Overtime Usage Audit (OIG Project No. 22-1-03MA).

1) Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency's mission or workload to ensure accurate and complete estimates of overtime needs.

Response: Disagree

Action Plan or Taken: DHS does not account for overtime as a separate line item during budget formulation. The agency does plan for the need for overtime and works with the Agency Fiscal Officer as part of the budgeting process to account for anticipated fluctuations in personnel spending by program. DHS assesses agency overtime needs annually based on past spending trends and anticipated workload pressures across the agency for the coming year and allocates resources based on funding availability. Overtime needs are reviewed at least quarterly as part of the Financial Review Process (FRP) in coordination with the Office of the Chief Financial Officer (OCFO) and program divisions.

Estimated Date of Completion: N/A

2) Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.

Response: Agree

Action Plan or Taken: DHS conducts quarterly meetings to review overtime year-to-date actuals and to discuss overtime needs with respective programs to ensure resources are available to meet demand and to ensure projected spend is within the approved budget. DHS also uses dashboards and monthly detail reports to monitor overtime trends and spending throughout the year and make the necessary operational and budget changes to resolve spending pressures.

Estimated Date of Completion: Completed.

3) Use the District's MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.

Response: Agree

Action Plan or Taken: DHS will continue to review payroll reports generated through Peoplesoft as well as the agency's overtime dashboards to monitor overtime usage throughout the year, including hours worked and rates. DHS also uses the quarterly FRP to assess overtime usage and trends against projections. In addition to dashboards, DHS has

implemented a bi-monthly procedure for reporting, review and follow-up with senior managers in situations where staff have worked high amounts of overtime hours.

Estimated Date of Completion: Completed.

4) **Establish and implement procedures to evaluate overtime needs.**

Response: Agree

Action Plan or Taken: DHS will work this year to develop and implement additional procedures to evaluate overtime needs, including conducting a multi-year trend analysis to better project overtime needs and refine forecasting models.

Estimated Date of Completion: September 2024

5) **Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements.**

Response: Disagree. Based on guidance from OCFO, it is permissible for expenditures to exceed budget authority except at the fund and agency level.

Action Plan or Taken: N/A

Estimated Date of Completion: N/A

6) **Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.**

Response: Agree

Action Plan or Taken: In FY24, DHS will require all staff to take time submission, time approval, and overtime training currently available in PeopleSoft. DHS is in the process of developing an internal overtime policy. Once that policy is finalized, DHS will require all DHS staff to be trained on the policy and will require electronic acknowledgment that training has been completed. Documentation of compliance with training requirements will be maintained by the DHS Office of Human Resources.

Estimated Date of Completion: September 2024

7) **Ensure overtime policies and procedures identify roles, responsibilities, and uniform consequences for noncompliance.**

Response: Agree

Action Plan or Taken: DHS will develop an internal policy that clearly identifies eligibility standards, how to request overtime, approval requirements, roles and responsibilities, and compliance standards.

Estimated Date of Completion: June 2024

8) **Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.**

Response: Agree

Action Plan or Taken: As noted in our response to questions 6 and 7 above, DHS is working to implement an agency-specific policy on overtime in FY24. The policy will include guidelines for distributing overtime work among eligible employees. The biweekly reporting tool mentioned above gives managers visibility into opportunities for distribution of overtime.

Estimated Date of Completion: June 2024

9) **Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.**

Response: Agree

Action Plan or Taken: DHS implemented dashboards and reporting tools in FY22 to monitor overtime hours worked across the agency and by administration. Data is updated bi-weekly, and each administration receives bi-weekly detail reports highlighting staff reporting twenty or more hours of overtime worked. Staff within each administration use these tools to ensure overtime hours reported are justified by program needs and reflect overtime hours that were pre-authorized.

Estimated Date of Completion: Completed.

10) **Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.**

Response: Disagree

Action Plan or Taken: As part of its agency-specific overtime policy, DHS is exploring ways to prevent productivity decline and staff attrition. However, workload pressures and regulatory requirements would not allow DHS to implement an overtime cap at this time.

Estimated Date of Completion: N/A

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www.DHS.DC.GOV

11) Perform a productivity analysis to determine and implement an agency-specific overtime cap to ensure productive overtime work for the District.

Response: Disagree

Action Plan or Taken: Due to current workload pressures and regulatory requirements, DHS is not able to implement an overtime cap at this time.

Estimated Date of Completion: N/A

15) Monitor and correct discrepancies in PeopleSoft position statuses that permit overtime payments to ineligible employees to ensure compliance with the DCMR.

Response: Agree

Action Plan or Taken: DCHR launched Agency FSLA dashboards in 2021 that provide an efficient and effective way to monitor discrepancies. The DHS OHR team oversees monitoring and compliance.

Estimated Date of Completion: Completed

16) Recoup improper overtime payments made to ineligible employees.

Response: Agree

Estimated Date of Completion: Ongoing

Appendix F: DOC Response to the Draft Report

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CORRECTIONS**



Office of the Director

October 19, 2023

Daniel W. Lucas
Inspector General
Office of the Inspector General
100 M. Street, S.E.
Suite 1000
Washington, DC 20003

Subject: *September 2023: Audit of the District of Columbia Agencies' Overtime Usage (OIG Project No. 22-1-03MA)*

Dear Inspector Lucas:

Thank you for the opportunity to respond to the draft report, *Audit of the District of Columbia Agencies' Overtime Usage (OIG Project No. 22-1-03MA)*. Enclosed is the District of Columbia Department of Corrections (DOC) response to the recommendations for incorporation into the final report.

The mission of DOC is to ensure public safety for citizens of the District of Columbia by providing an orderly, safe, secure and humane environment for the confinement of pretrial detainees and sentenced inmates, while providing meaningful opportunities for community reintegration. Our dedicated and professional workforce of over 1,000 employees takes their public responsibility of ensuring that DOC meets its mission quite seriously. In return, DOC provides our workforce competitive compensation for the work they do and for any overtime they perform. Increases in overtime usage during the years of this audit (FY2017-2021) were driven by a number of factors to include unplanned leave utilization, open posts, and medical outposts (medical takeovers for the Metropolitan Police Department, medical appointments and special conveyances). DOC staff face exceptional and highly individualized circumstances as a result of working with incarcerated individuals on a 24/7 basis (medical emergencies and suicide watches). These unique circumstances often make it difficult to predict overtime usage.

While the audit notes that DOC along with other District agencies showed improvement in estimating overtime between FY2017-2019, "as underestimates consistently decreased year-over-year from 85 percent to 56 percent", the report fails to fully demonstrate a true understanding of the effects that the world-wide global pandemic had on the DOC and its staff in the subsequent years. The report mentions that District agencies underestimate of the overtime needs during FY2019-2021 increased from "56 percent to 104 percent" and the audit report goes on to attribute the increase in overtime

during this period to “failure to use overtime budget variance and utilization analyses and make necessary adjustments during subsequent budget years.” While the audit references the COVID-19 global pandemic, the report fails to fully articulate that FY2020-2021 was a period of great uncertainty throughout the District and the world. Initial news reports during early 2020, included projections and statements from the then U.S. President that intimated that COVID-19 would go away quickly.¹ It was impossible for any agency to be able to predict the long-term effects of the COVID-19 pandemic. For example, as DOC is a 24/7 operation, and the vast majority of staff cannot telework, predicting overtime and staffing demands while managing COVID-19 outbreaks within the facility and among staff was impossible.

During this time, DOC staff was responsible for continuing to maintain the care and custody of those in our care. DOC utilized the use overtime to protect the health, safety and welfare of the individuals in our care and custody. This responsibility required DOC to maintain an adequate workforce, a responsibility that did not waiver during the pandemic, even as the attrition rate and use of unplanned leave among staff increased. Additionally, as we entered FY2021, DOC could not predict, the effects that longer hours, and increased stress within the work environment, would have on the workforce, in terms of the continued increased attrition rate and unexcused absences of an exhausted labor workforce.

There are a number of recommendations from the report that DOC agrees with and thus has already implemented or will implement policy changes in the near future. DOC agrees that it is extremely important to develop and execute spending plans to monitor budget variance, and to timely attempt to resolve spending pressures especially as it relates to operational changes or challenges. DOC, is also committed to continuing to ensure that we equitably distribute overtime hours among our eligible employees.

DOC remains committed to improving its processes and procedures as it relates to monitoring overtime usage, especially to ensure that overtime remains equitable and non-excessive for employees and is managed to ensure that District funds are used appropriately. Enclosed as an addendum are DOCs responses to the draft report recommendations made to our agency. Should you have any questions, please do not hesitate to contact me at 202.673.7316 or Thomas.faust@dc.gov.

Sincerely,



Thomas Faust
Director

Enclosure

cc: Lindsey Appiah, Deputy Mayor for Public Safety and Justice

[Redacted]

¹Philip Bump, *Yet again, Trump pledges that the coronavirus will simply go away*, Washington Post (April 28, 2020), available at <https://www.washingtonpost.com/politics/2020/04/28/yet-again-trump-pledges-that-coronavirus-will-simply-go-away/>

Addendum

OIG Recommendations and DOC Responses

- 1) Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency's mission or workload to ensure accurate and complete estimates of overtime needs.

DOC Response: DOC will continue to work with Office of the Chief Financial Officer (OCFO) and Office of Budget Performance Management during the formulation process to ensure that overtime budget formulation estimates are in line with DOC's mission and are as accurate as possible.

- 2) Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan; and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.

DOC Response: Agreed. DOC has implemented a bi-weekly review of overtime spending to monitor budget variances and also to timely identify spending pressures to make necessary operational changes.

- 3) Use the District's MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.

DOC Response: DOC works closely with our agency fiscal officer (AFO) and OCFO to ensure monitoring of overtime work hours, pay rates, timing and reasons for overtime and will continue to do so in the future. We will discuss the recommended use of MIS with the AFO to ensure that we remain in compliance.

- 4) Establish and implement procedures to evaluate overtime needs.

DOC Response: Agreed. DOC has established and implemented procedures to evaluate overtime needs.

- 5) Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements.

DOC Response: DOC will work closely with the AFO and OFCO to ensure that appropriate reprogramming or other budget modifications are following D.C. Code, OCFO policy and DOC policy requirements.

- 6) Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.

DOC Response: Agreed. DOC will develop a mechanism to train employees and supervisors on overtime policies and procedures.

- 7) Ensure overtime policies and procedures clearly identify roles, responsibilities, and uniform consequences for noncompliance.

DOC Response: Agreed. DOC will continue to ensure that overtime policies and procedures clearly identify roles, responsibilities and uniform consequences for non-compliance with the policies.

- 8) Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.

DOC Response: Agreed. As noted in the report, DOC will continue to distribute overtime on an equitable basis among its eligible employees.

- 9) Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.

DOC Response: Agreed. DOC will update its policy related to the number of overtime hours employees should work in a given time period and further agrees that excessive overtime hours could result in health and safety risks, productivity decline, absenteeism and higher turnover.

- 10) Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.


DOC Response: DOC agrees that excessive overtime hours could result in health and safety risks, productivity decline, absenteeism and higher turnover. DOC will review the Pencavel paper and DBH policy and will make appropriate policy changes that reflect and support the staffing needs and demands of the agency.

- 11) Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.

DOC Response: DOC will make appropriate policy changes that reflect and support the staffing needs and demands of the agency.

Appendix G: DOES Response to the Draft Report

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Employment Services



MURIEL BOWSER
MAYOR

DR. UNIQUE MORRIS-HUGHES
DIRECTOR

October 31, 2023

VIA ELECTRONIC MAIL ONLY

Daniel Lucas
Inspector General
Office of the Inspector General
717 14th Street N.W.
Washington, D.C. 20005

RE: OIG Project Number 22-1-03MA

Dear Inspector Lucas,

This correspondence serves as the Department of Employment Services' (DOES) response to the Office of the Inspector General (OIG) draft report, *Audit of the District of Columbia Agencies' Overtime Usage (OIG Project No. 22-1-03MA)* (OIG Project No. 22-1-03MA).

The scope of the OIG audit was from 2017-2021, which includes the COVID public emergency. During that time, DOES experienced an unprecedented increase in the number of unemployment claims filed and calls received regarding unemployment claims which required significant overtime. Many of DOES' responses to OIG's recommendations reflect the unprecedented need for overtime during the pandemic.

The OIG draft report noted 16 recommendations, however only 11 recommendations are applicable to DOES. The following provides our response to each recommendation:

Recommendation #1
Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency's mission or workload to ensure accurate and complete estimates of overtime needs.

DOES Response:
Disagree. The report attributed shortfalls in planning for overtime needs to failure to use overtime budget variance and utilization analyses. However, DOES' need for overtime is mainly based on the influx of unemployment claims. During the scope of the audit, the District experienced an unprecedented increase in the number of unemployment claims filed and calls received regarding unemployment claims. The OIG recommended analyses could not have estimated the overtime needs during that time. Any overtime that is needed for other programs within DOES, such as evening or

weekend events for the Marion Barry Summer Youth Employment Program, are already part of the agency's estimates of overtime needs and accounted for.

Recommendation #2

Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan; and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.

DOES Response:

Agree. DOES has already implemented this recommendation. On a monthly basis, during the Financial Review Process, DOES and our AFO monitor budget variances and utilizations.

Recommendation #3

Use the District's MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.

DOES Response:

Agree. DOES has already implemented this recommendation and uses PeopleSoft to do this.

Recommendation #4

Establish and implement procedures to evaluate overtime needs.

DOES Response:

Agree. DOES has already implemented this recommendation. On a monthly basis, programs are required to submit overtime needs ahead of usage.

Recommendation #5

Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements.

DOES Response:

Agree. DOES currently complies with D.C. Code, OCFO policy and DOES policy by monitoring the use of overtime through the monthly overtime utilization report. However, DOES has not initiated a reprogramming as the overtime need has not totaled over \$500,000. DOES does not anticipate reprogramming for overtime needs in the future.

Recommendation #6

Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.

DOES Response:

Agree. The proper management and monitoring of time and labor activities of subordinate employees is critical to the efficient operation of DOES. The agency is working to schedule several mandatory "brown bag" sessions for supervisors that focus on policies and procedures relating to payroll activities including leave management and overtime. We anticipate these trainings will be completed throughout FY24 and moving forward.

Recommendation #7

Ensure overtime policies and procedures clearly identify roles, responsibilities, and uniform consequences for noncompliance.

DOES Response:

Agree in part/disagree in part. DOES believes that our overtime policies and procedures clearly identify and effectively communicate roles and responsibilities. However, we agree that our overtime policies do not communicate consequences for noncompliance. DOES agrees to update our policy to communicate consequences. We anticipate the update to our policy will be made in FY24.

Recommendation #8

Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.

DOES Response:

Disagree. DOES believes that our overtime policies and procedures do implement a fair and objective mechanism for distributing overtime work among eligible employees. The basis of this recommendation is that the Unemployment Claims Unit performed most of the overtime work due to the large number of unemployment claims filed during COVID-19 and not all *eligible* employees performed overtime. However, not all "eligible" employees were qualified to perform overtime. Section 303(a)(1) of the Social Security Act (42 U.S.C. § 503(a)(1)) requires that the District administers the Unemployment Insurance program with "merit staff." Therefore, only those employees in the Unemployment Claims Unit were provided overtime. While the Department of Labor did issue *guidance* with some flexibility in the staffing model, the flexibility was limited and guidance was not provided until January of 2021.

Nonetheless, to minimize problems with overtime, DOES' overtime policy employs a 3-tier review process to ensure overtime is being monitored on an overall and individual basis. We believe this process limits potential for favoritism and unfairness.

Recommendation #9

Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.

DOES Response:

Agree. Since early 2023, DOES has implemented a monthly review of overtime worked during the previous month to identify trends with the hopes of addressing any issues or need for support as early as possible.

Recommendation #10

Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.

DOES Response:

Disagree. Section 303(a)(1) of the Social Security Act (42 U.S.C. § 503(a)(1)) requires that DOES provide full payment of unemployment claims when due and limits claim determinations to merit

staff. Therefore, overtime caps may prevent compliance and therefore DOES would not implement an overtime cap similar to the 32 hours per pay period. Additionally, the federal law specifically provides that determinations of overpayments or fraud must be made by merit-staffed employees.

Recommendation #11

Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.

DOES Response:

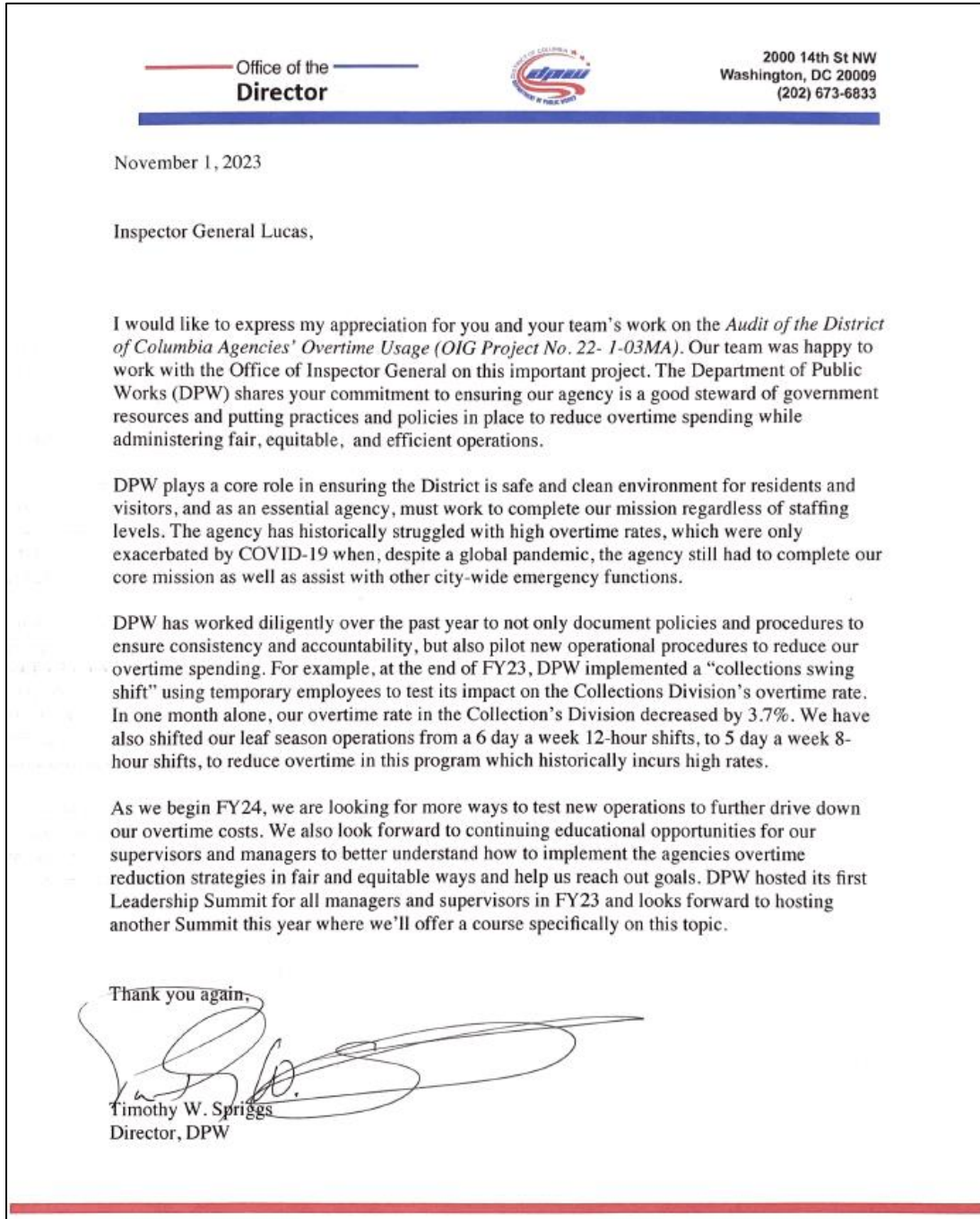
Disagree. DOES could not implement an overtime cap and still be in compliance with federal law, as set forth in response to Recommendation #10.

Sincerely,




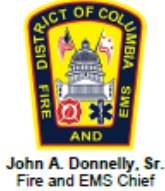
Dr. Unique Morris-Hughes
Director
Department of Employment Services

Appendix H: DPW Response to the Draft Report



Recommendation	Auditor Overtime Report Feedback		Estimated Completion Date
	Stance (Agree, Disagree, or Alt. Resolution)	Action Planned	
1. Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency's mission or workload to ensure accurate and complete estimates of overtime needs.	Disagree	DPW has an overtime budget process that highlights the departmental overtime needs along with deriving methods to reduce overtime. However, with limited resources DPW is constrained with actually budgeting for this line item.	
2. Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan; and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.	Alt. Resolution	DPW currently monitors overtime spending regularly through various means, including weekly reports to Division Managers and budget deep dives. We also closely monitor vacant positions and hold some for vacancy savings to offset overtime costs.	
3. Use the District's MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.	Alt. Resolution	The OCFO monitors overtime consistently and continuously informs the program staff of the need to reduce and monitor overtime. DPW agrees that a set procedure to regularly assess overtime is helpful in monitoring utilization rates. DPW current monitors overtime in a number of ways (see above) but will ensure these are documented in a formal Standard Operating Procedure (SOP) to ensure consistency and accountability.	4/1/2025
4. Establish and implement procedures to evaluate overtime needs.	Agree		
5. Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements.	Agree	DPW will begin requesting and submitting reprogramming of available funding and continue to request additional funding from the Executive Office when adequate funding is not within the departmental budget.	3/1/2025
6. Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.	Agree	DPW, using SOPs referenced above, will work with the training department to develop an overtime training schedule and incorporate this as a part of our annual leadership seminar.	11/1/2025
7. Ensure overtime policies and procedures clearly identify roles, responsibilities, and uniform consequences for noncompliance.	Agree	DPW has a written policy and will ensure it is reviewed annually, and signed off on by Supervisors, in annual leadership seminar.	11/1/2025
8. Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.	Alt. Resolution	See above. Current DPW overtime policy covers this area that aligns with union agreements.	Currently in place
9. Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.	Alt. Resolution	DPW reviews OT on a weekly basis, through data reports, and at biannual budget budget deep dives. DPW operations require overtime to complete our core operations (i.e. holiday collection, leaf/snow collection, parking events). Our union contracts require that overtime be distributed equitably. We take volunteers first and then assign people to fulfill core duties. Because we take volunteers first, some staff may get more overtime than others who do not wish to volunteer.	Currently in place
10. Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.	Alt. Resolution		Currently in place
11. Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.	Agree	DPW's budget and operations team will work together to conduct an analysis on productivity to further determine if a cap is needed.	11/1/2025

Appendix I: FEMS Response to the Draft Report

	<p>Government of the District of Columbia Fire and Emergency Medical Services Department</p>	
<p>OFFICE OF THE FIRE AND EMS CHIEF</p>		
<p>AMENDED RESPONSE</p>		
<p>October 20, 2023</p>		
<p>The Honorable Daniel W. Lucas Inspector General District of Columbia Office of the Inspector General 100 M Street, S.E., Suite 1000 Washington, DC 20003</p>		
<p>RE: Audit of the District of Columbia Agencies' Overtime Usage (OIG Project No. 22-1-03MA)</p>		
<p>Dear Mr. Lucas,</p>		
<p>Thank you for the opportunity to review the revised draft audit report and provide the response of the District of Columbia Fire and Emergency Medical Services Department (Fire and EMS or the Department). We appreciate and value the effort of the Office of the Inspector General, along with the skills and insight of its staff to improve District government operations oversight, accountability, and effectiveness.</p>		
<p>The mission of Fire and EMS is to preserve life and promote health and safety through excellent pre-hospital treatment and transportation, fire prevention, fire suppression and rescue activities, and homeland security awareness. As you know, Fire and EMS fills each of over 350 operational seats for every shift to ensure coverage 24/7/365. This requires a significant use of overtime over the course of the year and is consistent with fire service practice nationwide.</p>		
<p>Mayor Bowser has committed significant resources to the Department throughout her administration to allow us to increase staffing and training with parallel goals of ensuring public safety and reducing our overtime spending. In addition, one of my priorities as Fire and EMS Chief is improving overall employee physical and behavioral wellness and reduction of fatigue among our members. Neither the Mayor nor I am willing, however, to reduce service to our residents and visitors.</p>		
<p>The Department has put numerous safeguards in place to ensure compliance with our collective bargaining agreements, District law, and District and Department policy. We use every effort to both minimize the use of overtime where possible, and to manage overtime usage across a complex organization. We are also committed to improving procedures and processes where appropriate, consistent with the Mayor's direction and support.</p>		
<p>Page 1 of 6</p>		

We note the report appears at times to conflate the authority of District agencies under the authority of the Executive with the roles and responsibilities of the independent Chief Financial Officer and their agents embedded in Executive agencies. Further, the report incorrectly assumes agencies develop their budget in isolation. As you know, the Executive prepares the budget for all agencies to reflect the Mayor's unified vision for the District.

The Department's responses to the OIG recommendation are below.

No.	Responsible agency	Recommendations	Agree, disagree, or alternate implementation	Agency responses/Actions planned or taken	Estimated date of completion
1	District agency heads	Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency's mission or workload to ensure accurate and complete estimates of overtime needs.	Alternate implementation; see next column.	Fire and EMS refers OIG to the Mayor's Office of Budget and Performance Management (OBPM).	N/A
2	District agency heads	Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan; and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.	Agree.	Fire and EMS monitors overtime usage on an ongoing basis. The Department also works throughout the year with OBPM regarding budgeting variances and spending concerns.	Ongoing.
3	District agency heads	Use the District's MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.	Alternate implementation; see next column.	Fire and EMS refers OIG to the Office of the Chief Financial Officer (OCFO) to respond to this recommendation.	N/A
4	District agency heads	Establish and implement procedures to evaluate overtime needs.	Agree.	Fire and EMS is required to fill each operational seat for every shift every day throughout the year, requiring the use of overtime in the event of staff shortages.	Ongoing.
5	District agency heads	Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements.	Alternate implementation; see next column.	Fire and EMS refers OIG to the OCFO to respond to this recommendation.	N/A
6	District agency heads	Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.	Agree.	Fire and EMS will review overtime/time management policies and procedures and make changes where appropriate.	Ongoing.

No.	Responsible agency	Recommendations	Agree, disagree, or alternate implementation	Agency responses/Actions planned or taken	Estimated date of completion
7	District agency heads	Ensure overtime policies and procedures clearly identify roles, responsibilities, and uniform consequences for noncompliance.	Agree.	Fire and EMS will review overtime/time management policies and procedures and make changes where appropriate.	Ongoing.
8	District agency heads	Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.	Agree.	The report found that, generally, Fire and EMS distributed overtime equitably. To that end, it appears this recommendation is inapplicable to Fire and EMS. To the extent it is, Fire and EMS will review overtime/time management policies and procedures and make changes where appropriate.	Ongoing.
9	District agency heads	Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.	Agree.	Fire and EMS is required to fill each operational seat for every shift every day throughout the year, requiring the use of overtime in the event of staff shortages. The current overtime policy ensures Fire and EMS meets its minimum staffing needs, while also ensuring overtime is distributed equitably among those competent to fill any shortage.	Ongoing.
10	District agency heads	Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.	Disagree.	Fire and EMS is required to fill each operational seat for every shift every day throughout the year, requiring the use of overtime in the event of staff shortages. An overtime cap is untenable as it would significantly affect Fire and EMS's ability to provide critical services to District residents and visitors. Accordingly, Fire and EMS does not believe this recommendation applies to it and its mission.	N/A
11	District agency heads	Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.	Disagree.	Fire and EMS is required to fill each operational seat for every shift, requiring the use of overtime in the event of staff shortages. An overtime cap is untenable as it would significantly affect Fire and EMS's ability to provide critical services to District residents and visitors. Accordingly, Fire and EMS does not believe this recommendation applies to it and its mission.	N/A

No.	Responsible agency	Recommendations	Agree, disagree, or alternate implementation	Agency responses/Actions planned or taken	Estimated date of completion
12	Fire and EMS	Periodically train employees, supervisors, and timekeepers on what hours are attributable to the overtime threshold and which are not, in compliance with the CBA and OAG opinions.	Agree.	Fire and EMS will review overtime/time management policies and procedures and make changes where appropriate.	Ongoing.
13	Fire and EMS	Recoup improper overtime payments made to employees that were overpaid.	Alternate implementation; see next column.	Fire and EMS, in collaboration with OCFO and OBPM, will take this recommendation under advisement.	N/A
14	Fire and EMS	Pay employees who miscoded overtime as regular hours.	Alternate implementation; see next column.	Fire and EMS, in collaboration with OCFO and OBPM, will take this recommendation under advisement.	N/A
15	DBH and DHS Directors	Monitor and correct discrepancies in PeopleSoft position statuses that permit overtime payments to ineligible employees to ensure compliance with the DCMR.	N/A	Not applicable for Fire and EMS.	N/A
16	DBH and DHS Directors	Recoup improper overtime payments made to ineligible employees.	N/A	Not applicable for Fire and EMS.	N/A

Thank you again for the opportunity to provide our response to this draft audit report. Please contact me if you have any questions.

Sincerely,




John A. Donnelly, Sr.
Fire and EMS Chief

JAD:JHC

cc: Lindsey Appiah, Deputy Mayor for Public Safety and Justice
Betsy Cavendish, Office of the General Counsel, Executive Office of the Mayor
Jenny Reed, Director, Office of Budget and Performance Management

Appendix J: MPD Response to the Draft Report



GOVERNMENT OF THE DISTRICT OF COLUMBIA

METROPOLITAN POLICE DEPARTMENT

October 19, 2023

[REDACTED]

DC Office of the Inspector General
 100 M Street, S.E., Suite 1000
 Washington, DC 20003

Dear [REDACTED],

Thank you for providing us with an opportunity to review the draft DC Office of the Inspector General (OIG) report, “Audit of the District of Columbia Agencies’ Overtime Usage (OIG Project No. 22-1-03MA).” We are pleased that the audit found that the Metropolitan Police Department (MPD) was within our locally funded overtime budget for fiscal year 2021. MPD is committed to fiscal responsibility and the prudent use of overtime. However, we are also facing our lowest staffing levels in 50 years. As we work to hire as many officers as possible to offset this historic staffing drop, we must continue to meet the District’s public safety demands and satisfy mission-critical staffing levels. MPD uses overtime judiciously, as a necessary and often inevitable aspect of police operations.

The table below provides MPD’s responses to the recommendations contained in the draft audit.

	Responsible Agency	Recommendation	MPD Response
1.	District Agency Head	Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency’s mission or workload to ensure accurate and complete estimates of overtime needs.	Agree in Part. Complete. Due to the nature of policing, all overtime needs cannot be planned or estimated in advance (e.g., unplanned demonstrations and assemblies). However, on a bi-weekly basis, MPD completes an internal report and analysis of overtime spending and budget pressures, and reports to DC Council monthly on overtime hours used and remaining in accordance with the <i>Comprehensive Policing and Justice Reform Amendment Act of 2022</i> .
2.	District Agency Head	Develop and execute required overtime spending plans to (a)	Agree. Complete. As described above, on a bi-

PO Box 1606, Washington, DC 20013-1606

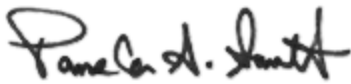
		monitor budget variance and utilization against the plan; and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.	weekly basis, MPD completes an internal report and analysis of overtime spending and budget pressures, and reports to DC Council monthly on overtime hours used and remaining in accordance with the <i>Comprehensive Policing and Justice Reform Amendment Act of 2022</i> .
3.	District Agency Head	Use the District's MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.	Agree. Complete. As described above, on a bi-weekly basis MPD completes an internal report and analysis of overtime spending and budget pressures, and reports to DC Council monthly on overtime hours used and remaining in accordance with the <i>Comprehensive Policing and Justice Reform Amendment Act of 2022</i> .
4.	District Agency Head	Establish and implement procedures to evaluate overtime needs.	Agree. Complete. As noted in the audit, MPD policy requires advance approval of all overtime to ensure appropriate oversight of overtime requests.
5.	District Agency Head	Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements	Agree. Complete. MPD will continue to work with the OCFO and ensure compliance with the DC Code and agency policy.
6.	District Agency Head	Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.	Agree. MPD will provide periodic training to employees and supervisors (e.g., through roll call training) on overtime policies and procedures. Target Completion: First training to be provided in the second quarter, fiscal year 2024.
7.	District Agency Head	Ensure overtime policies and procedures clearly identify roles,	Agree. Complete. As noted in the audit, MPD

		responsibilities, and uniform consequences for noncompliance.	policy requires advance approval of overtime and compensatory time. MPD employees who fail to comply with department policy are subject to discipline.
8.	District Agency Head	Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.	Agree.
9.	District Agency Head	Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.	Agree. MPD will add a policy requirement to conduct periodic audits to evaluate this issue. Target Completion: First audit to be completed in fiscal year 2024.
10.	District Agency Head	Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.	Agree. Complete. As noted in the audit, MPD policy prohibits members from working in excess of 98 hours per work week with the exception of emergencies and events designated by the chief of police.
11.	District Agency Head	Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.	Agree in Part. As noted in the audit, MPD policy already prohibits members from working in excess of 98 hours per work week with the exception of emergencies and events designated by the chief of police. Going forward, we will also require that, where applicable, a formal closeout memo is prepared to analyze productivity for mission driven overtime (e.g., robbery reduction initiatives). However, not all overtime events lend themselves to a productivity analysis, particularly when the purpose of the overtime is providing a police presence to ensure public

			<p>safety (e.g., road closures for races and street festivals.)</p> <p>Target Completion: Closeout memos will be required, when applicable, for mission driven overtime no later than December, 2023.</p>
12.	FEMS Chief	Periodically train employees, supervisors, and timekeepers on what hours are attributable to the overtime threshold and which are not, in compliance with the CBA and OAG opinions.	Not applicable.
13.	FEMS Chief	Recoup improper overtime payments made to employees that were overpaid.	Not applicable.
14.	FEMS Chief	Pay employees who miscoded overtime as regular hours.	Not applicable.
15.	DBH and DHS Directors	Monitor and correct discrepancies in PeopleSoft position statuses that permit overtime payments to ineligible employees to ensure compliance with the DCMR.	Not applicable.
16.	DBH and DHS Directors	Recoup improper overtime payments made to ineligible employees.	Not applicable.

Please do not hesitate to contact me if you have any further questions.

Sincerely,



Pamela A. Smith
Acting Chief of Police


cc: Muriel Bowser, Mayor

[Redacted]

Appendix K: OUC Response to the Draft Report

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Unified Communications

Muriel Bowser
Mayor



Heather McGaffin
Director

October 20, 2023

Daniel Lucas
Inspector General
100 M Street, S.E.
Suite 1000
Washington, DC 20003

Dear Mr. Lucas,

Thank you for providing the Office of Unified Communications with the opportunity to provide responses to the recommendations made in Draft Report No. 22-1-03MA – Audit of Overtime Usage
OIG Report.

Below are the OUC’s responses.

1. Develop and implement an overtime budget formulation process that assesses personnel needs with respect to changes in the agency’s mission or workload to ensure accurate and complete estimates of overtime needs.

Response: Agree

Action Taken: The agency uses a staffing formula which enables it to calculate the number of personnel needed to achieve the service level prescribed in industry standards. Now, in coordination with DCHR, the six-month recruitment process time was reduced by 50%, enabling OUC to create a robust pipeline of recruits available to quickly fill 911 Operations vacancies and ensure that staffing levels are maintained. Anticipated needs are based on empirical evidence and the agency’s overtime budget is formulated based on this data.


Estimated Date of Completion: Complete - March 2023

2. Develop and execute required overtime spending plans to (a) monitor budget variance and utilization against the plan; and (b) timely identify and resolve spending pressures by making necessary operational or budget changes.

Response: Agree

Action Taken: Since October 2019, OUC’s financial operations division has coordinated the development of agency division spend plans and generated internal consolidated monthly overtime spending reports that detail utilization and budget variances.

Estimated Date of Completion: Complete – October 2019



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3. Use the District's MIS to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability; enhance controls; and deter mismanagement.

Response: *Alternate Implementation*

Action Taken: *The agency's AFO works closely with the finance management division and follows established monitoring activities to monitor the internal control system and evaluate overtime spending.*

Estimated Date of Completion: *Ongoing/Complete*

4. Establish and implement procedures to evaluate overtime needs.

Response: *Agree*

Action Taken: *The agency uses a staffing formula which enables it to calculate the number of personnel needed to achieve the service level prescribed in industry standards. Anticipated needs are based on empirical evidence and the agency's overtime budget is formulated based on this data.*

Estimated Date of Completion: *Complete - March 2023*

5. Develop and initiate a reprogramming or other budget modification request to comply with D.C. Code, OCFO policy, and agency policy requirements.

Response: *Agree*

Action Taken: *The agency's AFO works closely with the finance management division and follows established monitoring activities to monitor the internal control system, evaluate overtime spending, and to initiate a reprogramming when necessary.*

In FY 2021, the agency was able to absorb overtime spending above the overtime budgeted amount through vacancy savings in regular pay and fringe benefits, thus no reprogramming was necessary.

Estimated Date of Completion: *N/A*

6. Develop a mechanism to enforce and periodically train employees and supervisors on overtime policies and procedures.

Response: *Agree*

Action Taken: The agency integrated a cloud-based platform that enables users to share, review and track policies and procedures and associated training content online. The agency's overtime and requirements for continuing and refresher education are both uploaded in the virtual platform.

Estimated Date of Completion: Complete - January 2023

7. Ensure overtime policies and procedures clearly identify roles, responsibilities, and uniform consequences for noncompliance.

Response: Agree

Action Taken: The agency's overtime policy was updated and republished. This policy clearly identifies roles, responsibilities, and uniform consequences for noncompliance.

Estimated Date of Completion: Complete - January 2023

8. Develop policies and procedures to implement a fair and objective mechanism for distributing overtime work among eligible employees.

Response: Agree

Action Taken: The agency's overtime policy, which outlines the agency's requirements for implementing a fair and objective mechanism for distributing overtime work, was updated and republished.

Estimated Date of Completion: Complete - January 2023

9. Develop and implement policies and procedures to periodically review overtime worked to determine the validity and necessity for certain employees to continuously perform overtime work.

Response: Agree

Action Taken: The agency's overtime policy was updated and republished. This policy discusses how overtime is to be administered and requirements for how the validity and necessity for certain employees to continuously perform overtime work is monitored.

Estimated Date of Completion: Complete - January 2023

10. Develop and implement an overtime cap similar to the 32 hours per pay period found in the Pencavel paper and DBH policy.

Response: Alternate Implementation

Action Taken: *The agency's workforce performs a critical public safety function. Employees in the 911 Operations division work 12-hour shifts. The agency's overtime policy states that employees should have at least 8 consecutive hours off duty within a 24-hour span. The 24-hour period begins when the employee first reports to work.*

Estimated Date of Completion: *Complete - January 2023*

11. Perform a productivity analysis to determine and implement an agency specific overtime cap to ensure productive overtime work for the District.

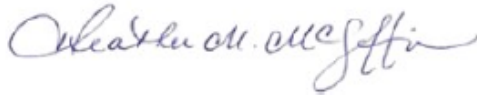
Response: *Alternate Implementation*

Action Taken: *Employee performance and productivity monitoring and analysis is conducted daily by immediate supervisors and by the agency's Office of Professional Standards and Development. Employees whose performance falls below quality assurance and key performance indicator targets, or those who do not fully comply with the requirements set forth in the agency's official overtime policy may become ineligible to perform overtime.*

Estimated Date of Completion: *N/A*

If you have any additional questions regarding the responses to the recommendations made in the draft report, please do not hesitate to let me know.

Sincerely,



Heather McGaffin
Director