



August 19, 2015

MEMORANDUM FOR: John H. Thompson
Director, U.S. Census Bureau

FROM: Carol Rice
Assistant Inspector General for Economic and Statistical Program
Assessment

SUBJECT: Control deficiencies related to the overtime approval process at a
Census Bureau regional office

The purpose of this memorandum is to inform you about some overtime approval irregularities we identified during a recent regional office site visit. Although this memorandum pertains to one regional office, we believe our findings and recommendations have broader, bureau-wide application.

Specifically, our audit of the Census Bureau's Regional Office Realignment and Field Management Reforms included a site visit to a regional office to review survey operations. During our site visit we noted potential issues related to the approval of overtime. We expanded our testing to determine whether overtime charges were properly approved and monitored, and identified control deficiencies. Although the issues described in this memo are outside the scope of our current audit, we believe they are significant and should be addressed by Census management. Failure to address these deficiencies could result in unallowable overtime charges being processed through the payroll system.

The Census Bureau's "Manager's Guide to Human Resource Authorities" (Guide) delegates the authority to approve overtime to Regional Directors.¹ Further, overtime approval authority may be re-delegated in writing by the Regional Directors, as deemed appropriate. However, we noted no delegation of authority from the Regional Director to subordinates, even though other staff of this regional office approved overtime. In addition, one overtime request for the Regional Director was approved by a subordinate employee.

The Guide further requires the authorization of overtime work in writing, typically by use of a form CD-81. This form requires dated signatures from both the official requesting the overtime and the official with delegated authority to approve overtime. In addition, form CD-81 requires

¹Census Bureau, August 2012, "Manager's Guide to Human Resource Authorities." Although the Guide uses the term "Division/Office Chief" as opposed to "Regional Director" with respect to this delegation of authority, the Census Bureau explained that Regional Directors are considered Division/Office Chiefs. Although the Guide is not clear on this point, we accepted this explanation for the purposes of this memorandum and refer to "Regional Director" as interchangeable with "Division/Office Chief" as used in the Guide.

another signature indicating that funds are available to pay for the overtime and a description of the additional work justifying overtime.

We reviewed 148 overtime requests from the regional office in question and tested the requests for proper approval. We also compared time approved on the form CD-81 with hours charged in the Web Time and Attendance System (WebTA). Based on this testing, we identified the following exceptions:

- None (0 of the 148) of the requests included a signature for funds available.
- 99 of the 148 overtime requests lacked the official's signature requesting overtime.
- 9 of the 148 overtime requests included hours charged in WebTA greater than the hours approved on the form CD-81.
- 3 of the 148 overtime requests did not contain a description of the additional work justifying overtime.
- 2 of the 148 overtime requests did not include the proper approving official's signature. One overtime request did not include an approving official's signature; the other request was for the Regional Director and was approved by a subordinate employee.

Recommendations

We recommend that the Census Director make the following changes to improve controls over the authorization and monitoring of overtime charges:

1. Ensure that the authority to approve overtime is re-delegated, as deemed appropriate, in writing.
2. Establish a process for ensuring that requests for overtime are completed in full and that they include the signature of the requestor, approver, and individual providing verification of funds available, when a form CD-81 is used.
3. Establish procedures for ensuring that hours charged in WebTA are less than or equal to the overtime hours approved.

Based on our recommendations, the Bureau has already taken a number of steps to improve controls over the authorization and monitoring of overtime charges.

This final memorandum will be posted on the Office of Inspector General's website pursuant to section 8M of the Inspector General Act of 1978, as amended. In accordance with Department Administrative Order 213-5, within 60 days of the date of this memorandum please provide us with an action plan that responds to all of the recommendations.

We appreciate the cooperation provided by your staff during this audit. If you have any questions or would like to discuss our observations in this memorandum, please contact me at (202) 482-6020 or Terry Storms at (202) 482-0055.

cc: Nancy Potok, Deputy Director and Chief Operating Officer, Census Bureau
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