



At a Glance

Why We Did This Audit

The U.S. Environmental Protection Agency Office of Inspector General received a hotline complaint about the earning and accumulation of Religious Compensatory Time hours. Based on the hotline complaint, we initiated an audit on the sufficiency of the EPA's policies and procedures governing Religious Compensatory Time. The hotline complaint involved a retired Office of Chemical Safety and Pollution Prevention (OCSPP) employee.

Federal law allows employees the opportunity to adjust their work schedules to earn time off for religious purposes. This compensatory time can be earned in advance or be repaid after the religious observance.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

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Enhanced Controls Needed to Prevent Further Abuse of Religious Compensatory Time

What We Found

Based on our analysis, time and attendance records support that the retired OCSPP employee earned the accumulated Religious Compensatory Time hours. However, we identified concerns with the EPA's internal controls that allowed the excessive accumulation of Religious Compensatory hours by agency employees, and the OCSPP employee received a payout of \$32,469 for unused Religious Compensatory Time upon retirement.

Inadequate controls for Religious Compensatory Time resulted in payouts to employees of \$73,514, and may result in additional payouts of up to \$81,927.

EPA policy and procedures on accumulation and use of Religious Compensatory Time meet the requirements of federal laws and regulations, but are not specific enough to prevent abuse. The agency's controls do not enforce the requirement for employees to link the earning of Religious Compensatory Time to specific religious observances. The EPA lacks detailed controls covering the accumulation, use and monitoring of Religious Compensatory Time, resulting in practices being noncompliant with the intent of federal law and regulations, and not being consistent with U.S. Office of Personnel Management best practices.

Inadequate controls allowed several agency employees to maintain significant positive Religious Compensatory Time balances for extended periods of time without intended use plans. Also, significant negative balances were retained without a plan to repay the hours. The agency has not provided staff with training or established adequate guidance to effectively manage and monitor Religious Compensatory Time. As a result, in addition to the OCSPP employee, the EPA paid 13 other employees \$41,045 for unused Religious Compensatory Time upon separation. Further, if no action is taken to reduce additional employees' high balances, future payments totaling up to \$81,927 could be made.

Recommendations and Planned Agency Corrective Actions

We recommend that the Assistant Administrator for Administration and Resources Management enhance internal controls over Religious Compensatory Time by revising its policies and procedures, requiring documentation of intended use plans, prohibiting the earning of additional religious compensatory hours in excess of the maximum established balance, and developing training on proper use of Religious Compensatory Time. Further we recommend that the Chief Financial Officer modify the EPA's payroll and time and attendance system to prevent employees from accumulating excessive Religious Compensatory Time. The Office of Administration and Resources Management concurred, and provided estimated completion dates for Recommendations 1 through 3; those recommendations are open with corrective actions in process. The Office of the Chief Financial Officer concurred with Recommendation 4. However, the proposed corrective actions do not fully meet the intent of Recommendation 4; therefore, the recommendation is unresolved.