



U.S. Department of Housing and Urban Development
Region 6, Office of Inspector General
819 Taylor Street, Room 13A09
Fort Worth, Texas 76102

(817) 978-9309 **FAX** (817) 978-9316
<http://www.hud.gov/oig/oigindex.html>

February 5, 2003

2003-FW-0802

MEMORANDUM FOR: Richard H. Wilson
Director, Houston Field Office, 6ES

FROM: D. Michael Beard
Regional Inspector General for Audit, 6AGA

SUBJECT: Time and Attendance Complaint
Houston Office of Administration
Houston, Texas

At the request of HUD's San Antonio Office Support Services Supervisor, we reviewed three Houston Office of Administration employees' time and attendance records from the first pay period in 1996 through the second pay period in 2002. The review disclosed that supervisors allowed two of the employees to have negative leave balances, allowed one employee to begin a 10-hour day at 9:30 a.m., advanced sick leave in small increments, and approved credit hours for work performed after 6:30 p.m. This report recommends you adjust the leave balances for the three employees to the review results; provide time and attendance training to your supervisors, reiterate the importance of reviewing time and attendance documentation; and perform a leave audit for all Houston Office employees for whom the timekeeper kept time.

To accomplish our objective we interviewed HUD personnel and reviewed official time and attendance files, sign-in/sign-out sheets, and documentation maintained by Houston Administration Office employees. Our scope included leave accumulated and taken from the first payroll period in 1996 through the second pay roll period in 2002.

We provided a draft of the memorandum to HUD on January 16, 2003. We conducted an exit conference with you on January 29, 2003, and you agreed with the findings, requested minor changes to the report, and decided not to provide written comments. We appreciate your and your staff's cooperation throughout this review.

Within 60 days please give us, for each recommendation made in this memorandum a status report on: (1) corrective action taken; (2) proposed corrective action and date to be completed; or (3) why action is considered unnecessary. Also, please furnish us copies of any correspondence or directive issued because of this review.

If you have any questions contact William W. Nixon, Assistant Regional Inspector General for Audit, at 817-978-9309.

Background

In February 2002, the San Antonio Administration Office performed a leave audit for one Houston Administration Office employee. This was the third leave audit completed for this employee. The employee felt the resulting negative leave balance was unfair. The Support Services Supervisor requested that OIG determine the leave balances. The Support Services Supervisor believed the timekeeper did not post leave taken or make the necessary corrections to leave balances. In May 2002, the Support Services Supervisor asked that we review an additional Houston Administration Office employee's leave balances. In July, we reviewed a third Houston Administration Office employee's time and attendance records.

An employee accumulates annual and sick leave accruals during each full pay period while in pay status or in a combination of pay and non-pay status.¹ Annual leave and sick leave are credited at the appropriate rate to the employee's leave balance at the beginning of each pay period and is available for use during the pay period.²

Objectives, Scope, and Methodology

Our objective was to determine the three Houston Administration Office employees' leave balances. To accomplish our objective we interviewed HUD personnel. Further, we reviewed official time and attendance files, sign-in/sign-out sheets, and documentation maintained and provided by the Houston Administration staff. Our scope included leave accumulated and taken from the first pay period in 1996 (January 7, 1996) through the second pay period in 2002 (February 9, 2002).

Criteria

The timekeeper's signature is required on time and attendance documentation to confirm that recorded information is correct and accurate, according to information provided by the supervisor and to the best of the timekeeper's knowledge.³ Supervisors are responsible for controlling absence and leave so that all employees use leave according to legal requirements. Also, all employees are responsible for exercising their leave privileges in accordance with policy.⁴

Negative Leave Balances

Two of the three employees reviewed had negative leave balances due to not reporting leave taken on sign-in/sign-out sheets and the timekeeper not deducting leave when employees prepared leave slips. HUD policy stated the timekeeper was to record information to the best of

¹ HUD Directive 600.1, Chapter 3, Section 1 3-4.a.

² HUD Directive 600.1, Chapter 3, Sections 1 3-11 and 3-23.

³ *Alternative Work Schedules Programs Policies and Procedures Guide*, Section 10.4.

⁴ HUD Directive 600.1, Chapter 3, Section 1 3-2 a-c.

their knowledge.⁵ As a result of the timekeeper not preparing correct time and attendance records, one employee had a negative annual leave balance of 142 hours and a negative sick leave balance of 54 hours. Another employee had a negative sick leave balance of 49⁶ hours.

The Houston Office timekeeper made the following errors in 1998:

- For the first employee the timekeeper made errors totaling over 131 hours:
 - Deducted 60 hours of leave when the official time and attendance file did not contain documentation to support the deductions.
 - Incorrectly charged 52 hours of leave.
 - Recorded over 6 unsupported credit hours.
 - Did not deduct over 13 hours when the official time and attendance file contained a leave slip.

- For the second employee the timekeeper made errors totaling over 208 hours:
 - Deducted over 101 hours of leave when the official time and attendance file did not contain documentation to support the deductions.
 - Did not deduct 22 hours of leave taken by employee when the official time and attendance file did contain a leave slip.
 - Restored 85 hours of annual leave without documentation.

- For the third employee the timekeeper made errors totaling more than 63 hours:
 - Deducted 14 hours of leave when the official time and attendance file did not contain support for the deductions.
 - Did not deduct more than 49 hours for which the official time and attendance file did contain a leave slip.

The timekeeper cannot be held responsible for instances where the employee did not report time used anywhere but on the sign-in/sign-out sheets. However, the timekeeper repeatedly did not record time when the official time and attendance file contained a signed and approved leave slip. Further, the timekeeper increased one employee's annual leave by restoring 85 hours of annual leave the employee did not have. On May 17 2002, HUD terminated the employment of the timekeeper for cause.

Supervisor Allowed Employee to Begin 10-Hour Workday at 9:30 a.m.

One of the employees worked a 10-hour day beginning at 9:30 a.m. HUD regulations require that a 10-hour day start no later than 9:00 a.m.⁷ The employee only worked the 10-hour days for two pay periods. However, in the employee's calculation of their 10-hour workday, the employee included the lunch period. Once the supervisor became aware that the employee's start time did not comply with policy the supervisor required the employee to prepare a leave slip for the time that the employee should have been at work.

⁵ *Alternative Work Schedule Programs Policies and Procedures Guide*, Section 10.4.

⁶ This number is rounded.

⁷ *Alternative Work Schedule Programs Policies and Procedures Guide*, Section 7.9.

Supervisor Approved Advances of Leave in Small Increments

Supervisors⁸ of one of the employees advanced the employee sick leave in small increments. This practice occurred from 1996 through 2001. HUD policy⁹ did not allow advancement of sick leave if the illness lasted less than 2 consecutive days (16 hours). After the tenth pay period of 2001 the supervisor stopped this practice and now only approves advanced sick leave in at least 24-hour increments.

Supervisor Approved Credit Hours After 6:30 p.m.

In 2001, a supervisor approved credit hours earned after 6:30 p.m. The employee worked from 7:45 p.m. to 8:45 p.m. and received credit hours for the time worked. Since the employee worked the hours, the employee was entitled to some type of compensation. However, HUD policy stated that work to earn credit hours must not extend beyond 6:30 p.m. local time.¹⁰

Timekeeping Improved

When the San Antonio Office took over the timekeeping responsibilities in late 1999 for the Houston Administrative Office the timekeeping improved.

Recommendations

We recommend that the Houston Field Office Director:

- 1A. Ensure the timekeeper adjusts each of the Houston Administrative Office staff's leave balance to agree with the review results (provided under separate cover).
- 1B. Provide time and attendance training to all Houston supervisors.
- 1C. Reiterate to all Houston supervisors the importance of reviewing time and attendance input information.
- 1D. Ensure a time and attendance audit is performed for all Houston Office employees for whom the timekeeper kept time.

⁸ The employee had several different supervisors during this period.

⁹ Directive 600.1, Chapter 3, Section 3 3-28 c (6).

¹⁰ *Alternative Work Schedule Program Policies and Procedures Guide*, Section 4.4.

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