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**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**



**Office of Integrity and Oversight**

**MEMORANDUM**

**TO:** Buddy Roogow, Executive Director  
D.C. Lottery and Charitable Games Control Board (DCLB)

**FROM:** William J. DiVello *[Handwritten Signature]*  
Executive Director, Office of Integrity and Oversight

**DATE:** October 19, 2010

**SUBJECT:** Final Memorandum Report on the Overtime Process at the District of Columbia  
Lottery and Charitable Games Control Board (Report No. MR 10-1-17-DCLB)

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This is a Memorandum Report (MR-10-1-17-DCLB) summarizing the results of the Office of Integrity and Oversight (OIO) audit of overtime at the District of Columbia Lottery and Charitable Games Control Board (DCLB). This audit was included as part of our continuous audit coverage at DCLB.

**Background**

Past Comprehensive Annual Financial Report (CAFR) audits noted deficiencies regarding overtime payments that were not supported by proper and authorized documents.

The pertinent District's Human Resources rules and regulations on overtime is the District of Columbia Department of Human Resources (DCHR), Electronic District Personnel Manual (EDPM) Instruction No. 11-b-69, dated May 13, 2009, states:

“Overtime includes work performed that is officially ordered or approved, which is in excess of 40 hours in any administrative workweek or in excess of 8 hours in a workday. Except as otherwise provided by law, regulation, or Collective Bargaining Agreement (CBA), department and agency heads are authorized to order or approve overtime; and exercise the option of authorizing overtime pay or compensatory time (in lieu of FLSA-overtime pay) or Exempt Time Off, as appropriate; and to delegate such authority to subordinate agency officials. Overtime work shall be approved prior to its performance (in advance), except in cases of emergency.”

The chart below shows a comparison between budgeted and actual overtime expenditures for Fiscal Years 2008, 2009 and 2010 (actual up to February 2010). We noted that actual overtime expenditures for Fiscal Years 2008 and 2009 were below their respective budgeted amounts.

**TABLE I**  
**Overtime Comparison**  
**Between Fiscal Years 2008, 2009 and 2010 (actual up to February 2010)**

2008	\$ 122,900.00	\$ 84,458.00	\$ 38,442.00
2009	122,900.00	81,579.00	41,321.00
2010	122,900.00	56,411.00	66,489.00

Source: DCLB Financial Services Department

### Objectives, Scope, and Methodology

The primary objectives of this audit were to determine whether: (1) overtime payments complied with requirements of applicable laws, rules and regulations, policies and procedures; and (2) DCLB implemented internal controls to ensure the overtime payments were processed in an efficient, effective, and economical manner.

To accomplish our objectives, we interviewed the PeopleSoft Coordinator for DCLB and examined the supporting documentation on overtime to ascertain compliance with overtime policies and procedures issued by DCHR and specific agency policies and procedures.

Our audit covered overtime pay for the fiscal years 2009 and 2010 (up to February 2010). We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to 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.

### Summary of Audit Results

DCLB did not fully comply with all of the DCHR regulations governing the processing of employee overtime payments. Specifically, we found that 23 out of 107 overtime approvals reviewed were not authorized in advance of overtime being worked. Further, we could not determine whether these overtime hours were of an emergency nature, due to the fact that explanations or justifications were not provided in the supporting documentation approvals signed after the overtime was worked. These conditions occurred because DCLB did not have adequate internal controls or management oversight for processing overtime request. Also, written policies and procedures were not sufficient or emphasized to ensure that there was a complete understanding of the overtime process.

**Recommendation**

We recommend that the Executive Director, DCLB:

1. Emphasize, by memorandum, the requirement that overtime be approved in advance of working, in accordance with DCHR regulations.
2. Provide training to agency personnel on the overtime approval policies and procedures.

**Management Response and OIO Comments**

As noted in the DCLB response, management has concurred with OIO's recommendations and has implemented corrective actions detailed in the attached document below. We find DCLB's corrective actions to be responsive to our recommendations.

We appreciate the cooperation and courtesies extended to our staff during the audit. If you have questions, please contact Mohamad Yusuff, Director of Internal Audit, at (202) 442-8240 or me at (202) 442-6433.

**Attachments**

cc: Natwar M. Gandhi, Chief Financial Officer  
Angell Jacobs, Chief of Staff, OCFO  
Kathy Crader, Chief Risk Officer  
Tracey Cohen, Chief Operating Officer, DCLB  
Gwen Washington, Audit Coordinator, Executive Office, DCLB

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DC LOTTERY & CHARITABLE GAMES CONTROL BOARD**



**TO:** William J. DiVello, Executive Director  
Office of Integrity and Oversight  
Office of the Chief Financial Officer

**FROM:** *BR*  
Buddy Roogow  
Executive Director

**DATE:** October 6, 2010

**SUBJECT:** Draft Memorandum Report on the Overtime Process at the District of  
Columbia Lottery & Charitable Games Control Board (DCLB)  
(Report No. OIO-10-1-17-DCLB)

**Introduction**

This memo is in response to your Draft Memorandum Report on the Overtime Process at the District of Columbia Lottery & Charitable Games Control Board (DCLB) dated September 24, 2010.

If you have any questions, please do not hesitate to contact me.

**OIO Findings:**

DCLB did not fully comply with all of the DCHR regulations governing the processing of employee overtime payments. Specifically, we found that 23 out of 107 overtime approvals viewed were not authorized in advance of overtime being worked. Further, we could not determine whether the overtime hours were of an emergency nature, due to the fact that explanations or justifications were not provided in the supporting documentation approvals which were signed after the overtime was worked. These conditions occurred because DCLB did not have adequate internal controls or management oversight for processing overtime requests. Also, written policies and procedures were not sufficient or emphasized to ensure that there was a complete understanding of the overtime process.

- ***OIO Recommendation:*** *Emphasize, by memorandum, the requirement that overtime be approved in advance of working, in accordance with DCHR regulations.*

**DCLB Response:**

**DCLB agrees that the requirement that overtime be approved in advance of working, in accordance with DCHR regulations should be emphasized to staff. In an e-mail dated, July 9, 2010, the Operations Manager *reemphasized* to managers that overtime must be approved in advance. (Attached)**

**In addition, an SOP was developed (with input from Tony Thé) that gives step-by-step instructions on the approval of overtime based on DCHR Regulations. (Attached)**

- ***OIO Recommendation:*** *Provide training to agency personnel on the overtime approval policies and procedures.*

**DCLB Response:**

**DCLB agrees. Managers will be trained to effectively supervise the overtime process within their divisions in accordance with the budget, DCHR regulations and the needs of the Agency. This training will be done via dissemination of the Overtime SOP, which is also located on the Agency's Intranet. In addition, the Operations Manager will monitor all overtime to ensure compliance on the part of staff and managers to DCHR Regulations.**

## Washington, Gwen (DCLB)

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**From:** Washington, Gwen (DCLB)  
**Sent:** Friday, July 09, 2010 2:01 PM  
**To:** Abdella, Nuredin (DCLB); Adegboyega, Yaya (DCLB); Amare, Genet (DCLB); Anderson, Jeffrey (DCLB); Bennett, Ridgely (DCLB); Bing, Stephon (DCLB); Booker, Melody (DCLB); Britt, Terry (DCLB); Brown, Michael (DCLB); Bruce, Russell (DCLB); Bryant-Brown, Valerie (DCLB); Bryant, Dionne E. (DCLB); Carrington, Wayne (DCLB); Coates, Annie (DCLB); Cohen, Tracey (DCLB); Copeland, Angela (DCLB); Cunningham, Keith (DCLB); Cunningham, Keith (DCLB); Curtis, Sarita (DCLB); Daniels, Doreen (DCLB); Datcher, Harold (DCLB); Eckardt, Derrick (DCLB); Edwards, Anthony (DCLB); Edwards, Marci (DCLB); Evans, Allen (DCLB); Evans, Oliver (DCLB); Fair, Andre (DCLB); Galloway, Bill (DCLB); Gist, Candice (DCLB); Gorman, John (DCLB); Grant, Algemon (DCLB); Gray, William (DCLB); Gross, Wanda (DCLB); Hernandez, Athena (DCLB); Hmaey, Mohamed (DCLB); Hong, Chul (DCLB); Howze, Shirelle (DCLB); Johnson, Antar (DCLB); Johnson, Kevin (DCLB); Jones, Bruce (DCLB); Jones, Carol Jackson (DCLB); Kenton, Mary Ann (DCLB); Kingsberry, Francis (DCLB); Kreuzburg, Paula (DCLB); Lamb, Mary (DCLB); Leigh, Susan (DCLB); Lynch, Kevin (DCLB); Malone, Cheryl (DCLB); Mason, Sean (DCLB); Mathis, Nikki (DCLB); McPherson, Ann (DCLB); Miller, Scott (DCLB); Mitchal, Sandra (DCLB); Montes, Antonio (DCLB); Morton, Michael (DCLB); Nestore, Julia (DCLB); Newman, Shirley (DCLB); Newton, Vanessa (DCLB); Ogungbemi, John (DCLB); Ogungbemi, John (DCLB); Oluwole, Olufolahan (DCLB); Parsons, Billy (DCLB); Perry, Charlene (DCLB); Prather, Sonia (DCLB); Purnell, Tracy (DCLB); Robinson, William (DCLB); Roogow, Buddy (DCLB); Samuel, Anthony (DCLB); Scott, Debra (DCLB); Scott, Kerry (DCLB); Sharma, Sudipta S. (DCLB); Simms, Paul (DCLB); Small, Glenna (DCLB); Standifer, Stephanie (DCLB); Staples, Keisha (DCLB); The, Tony (DCLB); Thomas, Jennifer (DCLB); Tillman, Tamika (DCLB); Warner, Frank (DCLB); Washington, Gwen (DCLB); Wiley, Thaddina (DCLB); Wilson, Derrica (DCLB); Wong, Gordon (DCLB); Yeom, Eun Ho (DCLB)  
**Subject:** Overtime and Comp Time Approval Standard Operating Procedure  
**Attachments:** scan0001.pdf

DCLB,

Attached is the Lottery's SOP related to overtime and comp time authorization. These procedures have a longstanding history and have now been formalized in an SOP. The SOP will be placed on InfoLot.

Please feel free to call me with any questions.

Thank you in advance for your cooperation.

*Gwen Washington, MBA, MHRM*

*Operations Manager  
DC Lottery & Charitable Games Control Board  
2101 Martin Luther King, Jr., Ave., S.E.  
Washington, DC 20020-5731  
[gwen.washington@dc.gov](mailto:gwen.washington@dc.gov)  
202/645-8959/telephone  
202/645-3683/fax*

[www.dclottery.com](http://www.dclottery.com)

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## STANDARD OPERATING PROCEDURE FOR OVERTIME AND COMP TIME APPROVAL

**Title:** Overtime and Comp Time Approval

**Original Issue Date:** July 9, 2010

**Number of Pages:** 1

**SOP Author:** Gwen Washington

*GW*

**Purpose:** The purpose of this SOP is to delineate the process of approval of overtime and comp time. In general, the DC Lottery follows the DCHR Personnel Manual related to the approval of overtime and comp time (DCHR Electronic District Personnel Manual (EDPM) No. 11B-72). Overtime and comp time (also known as exempt time off earned) must be approved by a manager prior to performance. If overtime can't be approved in advance, the purpose of the post-approval must be documented directly on the overtime form. The DC Lottery is unable to adopt the new Peoplesoft electronic overtime request module as it doesn't allow for dual approval. Overtime must be approved by both the manager and the Executive Office.

### Process:

1. Manager determines overtime/comp time is needed for a future date. Overtime/comp time is paid/earned when an employee has worked a full 80 hours. Overtime pay is processed in Peoplesoft in accordance with an employee's FLSA status, which is determined by the CFO's Human Resources Department. FLSA eligible employees earn 1.5 after 80 hours are worked. Non-FLSA employees are paid at a straight rate.
2. Employee completes an overtime/comp time form in advance of actual performance of work.
3. Manager authorizes, via signature, the overtime/comp time in advance of actual performance of work.
4. Employee or department head brings the form to the Executive Office for written approval prior to the Peoplesoft deadline for that particular pay period.
5. If the overtime is not worked, the employee or his/her manager should delete the time in Peoplesoft and notify the Executive Office.
6. Process is complete.

### Attachments:

1. DCHR EDPM 11B-72.
2. DCLB Overtime/Compensatory Approval Form (available electronically on DCLB Intranet under Frequently Requested Documents and Forms)

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
D.C. Department of Human Resources

**District Personnel Manual Issuance System**

**E-DPM Instruction No. 11B-72**

**SUBJECT: Authorization of Overtime Work - REVISED**

**Date: September 24, 2009**

This instruction may be accessed electronically at [www.dchr.dc.gov](http://www.dchr.dc.gov), by clicking on the "District Personnel Manual" link; and the "Issuances" link for Chapter(s) 11B

**NOTE:** This Electronic-District Personnel Manual (E-DPM) instruction supersedes E-DPM Instruction No. 11B-69, *Authorization of Overtime Work*, dated May 13, 2009. The instruction is being superseded to provide that authorization for overtime may also be granted electronically; and that non-compliance with the provisions of this instruction shall be subject to administrative action.

The purpose of this Electronic-District Personnel Manual (e-DPM) instruction is to inform department and agency heads and other agency officials that, except as otherwise provided by law (i.e. the Fair Labor Standards Act of 1938 (FLSA), regulation, or a collective bargaining (CBA), "overtime work" must be officially ordered or approved prior to its performance.

**Authorization of Overtime Work**

Overtime includes work performed that is officially ordered or approved, which is in excess of 40 hours in any administrative workweek or in excess of 8 hours a in workday.

Except as otherwise provided by law, regulation, or CBA, department and agency heads are authorized to order and approve overtime, and exercise the option of authorizing overtime pay or compensatory time (in lieu of FLSA-overtime pay) or Exempt Time Off, as appropriate; and to delegate such authority to subordinate agency officials.

Each instance of overtime must be ordered or approved by an authorized official. Overtime can be authorized via electronic or written approval by an official who shall be responsible for ensuring that obligations for overtime pay do not exceed available agency funds.

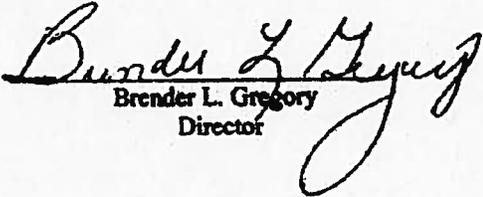
Overtime work shall be approved prior to its performance (in advance), except in cases of emergency.

Note: E-DPM instructions that are strictly procedural in nature have direct applicability only to agencies and employees under the personnel authority of the Mayor. Other personnel authorities or independent agencies may adopt any or all of these procedures or guidance materials for agencies and employees under their respective jurisdictions.

**Inquiries:** Compensation and Classification Administration, DCHR (202) 442-9700  
**Distribution:** Heads of Department and Agencies, HR Advisors, and DPM Subscribers  
**Retain Until Superseded**

**Sanctions**

Compliance with the provisions contained in this E-DPM instruction is mandatory. Any violation of the policy as outlined above is subject to administrative action.

  
Brender L. Gregory  
Director



### OVERTIME/HOLIDAY TIME APPROVAL

#### Overtime Details

Employee Name : \_\_\_\_\_

Day	Date	Time	Overtime	Holiday
Sunday				

#### Justification and Approval

Justification :

\_\_\_\_\_

Overtime Has Been Approved

Manager Name : \_\_\_\_\_

Date : \_\_\_\_\_

Executive Office : \_\_\_\_\_

Date : \_\_\_\_\_

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**



**Office of Integrity and Oversight**

**MEMORANDUM**

**TO:** Buddy Roogow, Executive Director  
D.C. Lottery and Charitable Games Control Board (DCLB)

**FROM:** William J. DiVello, Executive Director  
Office of Integrity and Oversight *William J. DiVello*

**DATE:** September 24, 2010

**SUBJECT:** Draft Memorandum Report on the Overtime Process at the District of Columbia Lottery and Charitable Games Control Board (Report No. MR 10-1-17-DCLB)

This Memorandum Report (MR-10-1-17-DCLB) summarizes the results of the Office of Integrity and Oversight's (OIO) audit of overtime at the District of Columbia Lottery and Charitable Games Control Board (DCLB). This audit was included as part of our continuous audit coverage at DCLB.

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The chart below shows a comparison between budgeted and actual overtime expenditures for Fiscal Years 2008, 2009 and 2010 (actual up to February 2010). We noted that actual overtime expenditures for Fiscal Years 2008 and 2009 were below respective budgeted amounts.

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**Recommendation**

We recommend that the Executive Director, DCLB:

1. Emphasize, by memorandum, the requirement that overtime be approved in advance of working, in accordance with DCHR regulations.
2. Provide training to agency personnel on the overtime approval policies and procedures.

Please review the draft report and provide us with your written comments. Your response should include actions taken and planned, target date for completion of the planned actions, and reason for any disagreements with the findings and recommendations. Your response may propose alternative resolutions to the recommendations that will effectively and efficiently correct noted deficiencies. In order for your response to be included in our final report, it should be received in this office no later than October 11, 2010.

Our intention is to limit distribution of this draft report. Therefore, please circulate it only to those personnel who will be directly involved in preparing your response. If you have questions or require an exit conference prior to preparing your response, please contact Mohamad Yusuff, Director of Internal Audit at 202-442-8240 or me at 202-442-6445.

Thank you for your cooperation and support.

cc: Tracey Cohen, Chief Operating Officer, DCLB  
Gwen Washington, Audit Coordinator, DCLB