



# OFFICE OF INSPECTOR GENERAL

## U.S. ENVIRONMENTAL PROTECTION AGENCY

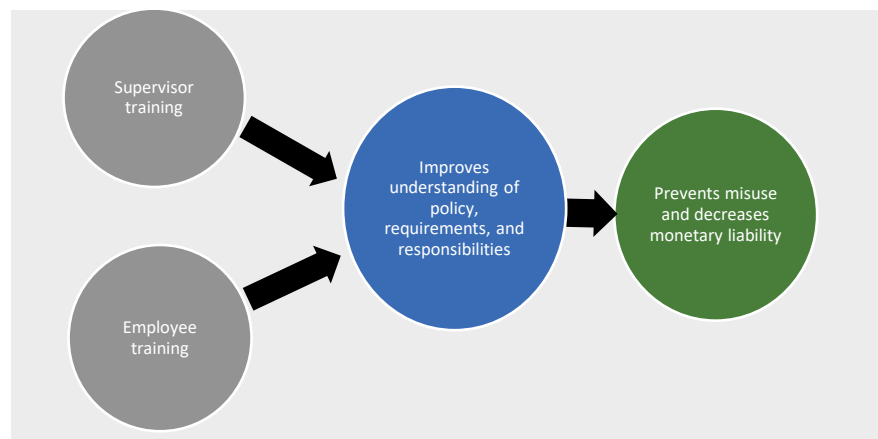
CUSTOMER SERVICE ★ INTEGRITY ★ ACCOUNTABILITY

*Operating efficiently and effectively*

## EPA Needs to Complete Implementation of Religious Compensatory Time Training for Supervisors and Employees

Report No. 22-P-0019

March 7, 2022



**Report Contributors:** Jean Bloom  
Lisa McCowan  
Khadija Walker

<b>Abbreviations:</b>	C.F.R.	Code of Federal Regulations
	EPA	U.S. Environmental Protection Agency
	HR	Human Resources
	OHR	Office of Human Resources
	OIG	Office of Inspector General
	OMS	Office of Mission Support
	OPM	U.S. Office of Personnel Management
	Pub. L.	Public Law
	U.S.C.	United States Code

**Cover Image:** Training the Agency's supervisors and employees on Religious  
Compensatory Time regulations and policy would provide numerous  
benefits. (EPA OIG image)

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# Office of Inspector General U.S. Environmental Protection Agency **At a Glance**

22-P-0019  
March 7, 2022

## Why We Did This Audit

The U.S. Environmental Protection Agency's Office of Inspector General conducted this follow-up audit to determine whether the EPA's corrective actions effectively addressed the weaknesses identified in EPA OIG Report No. [16-P-0333](#), *Enhanced Controls Needed to Prevent Further Abuse of Religious Compensatory Time*, issued September 27, 2016.

Report No. 16-P-0333 contained four recommendations:

- Recommendations 1, 2, and 3 were issued to the assistant administrator for Administration and Resources Management. The Office of Administration and Resources Management was merged into the Office of Mission Support in November 2018.
- Recommendation 4, which was issued to the chief financial officer, is no longer applicable due to regulatory changes and is, therefore, not addressed in this follow-up report.

### **This audit supports an EPA mission-related effort:**

- *Operating efficiently and effectively.*

### **This audit addresses a top EPA management challenge:**

- *Managing infrastructure funding and business operations.*

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## ***EPA Needs to Complete Implementation of Religious Compensatory Time Training for Supervisors and Employees***

### **What We Found**

The EPA's Office of Human Resources, within the Office of Mission Support, took corrective actions to address Recommendations 1, 2, and 3 issued in OIG Report No. 16-P-0333. The Agency completed corrective actions for Recommendations 1 and 2 that met the intent of those recommendations. However, although the Agency agreed with Recommendation 3, the related corrective action that the Agency certified as complete did not fully implement the recommendation. Specifically, training was provided to the EPA's human resources community, but it was not provided to all employees who use Religious Compensatory Time and all supervisors who approve such time, as recommended.

**Providing training on religious compensatory time to all EPA supervisors and employees would decrease the potential for employee misuse, as well as the Agency's monetary liability.**

We reviewed ten employees' use of Religious Compensatory Time, and we noted instances in which employees and supervisors did not comply with EPA policy. EPA employees' and supervisors' lack of adherence to the policy was caused by the Office of Human Resources not fully implementing the corrective action for Recommendation 3.

Without receiving proper training, employees and supervisors may lack an understanding of the policy, requirements, and responsibilities related to the use and approval of Religious Compensatory Time, which could result in misuse or abuse of the authority and create an unplanned monetary liability for the EPA. As of November 2021, the EPA had an unplanned liability of \$54,787 for the balance of religious compensatory hours earned and carried by employees.

### **Recommendation and Planned Agency Corrective Action**

We recommend that the assistant administrator for Mission Support require the Office of Human Resources to train all employees and supervisors who earn, use, or approve Religious Compensatory Time on the U.S. Office of Personnel Management's current regulatory requirements for, and the EPA's current policy and procedures related to, Religious Compensatory Time.

The Agency agreed with our recommendation and provided an acceptable planned corrective action and estimated completion date. The recommendation is resolved with corrective action pending.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

March 7, 2022

**MEMORANDUM**

**SUBJECT:** EPA Needs to Complete Implementation of Religious Compensatory Time Training for Supervisors and Employees  
Report No. 22-P-0019

**FROM:** Sean W. O'Donnell

A handwritten signature in blue ink that reads "Sean W O'Donnell".

**TO:** Kimberly Patrick, Principal Deputy Assistant Administrator  
Office of Mission Support

This is our report on the subject audit conducted by the U.S. Environmental Protection Agency's Office of Inspector General. The project number for this audit was [OA-FY21-0134](#). This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. Final determinations on matters in this report will be made by EPA managers in accordance with established resolution procedures.

The Office of Mission Support's Office of Human Resources is responsible for the issues discussed in this report.

In accordance with EPA Manual 2750, your office provided an acceptable planned corrective action and estimated milestone date in response to OIG Recommendation 1. This recommendation is resolved, and no final response to this report is required. If you submit a response, however, it will be posted on the OIG's website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at [www.epa.gov/oig](http://www.epa.gov/oig).

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## Purpose

The U.S. Environmental Protection Agency's Office of Inspector General [initiated](#) this follow-up audit to determine whether the EPA's corrective actions effectively addressed the weaknesses identified in EPA OIG Report No. [16-P-0333](#), *Enhanced Controls Needed to Prevent Further Abuse of Religious Compensatory Time*, issued September 27, 2016.

### Top Management Challenge Addressed

This audit addresses the following top management challenge for the Agency, as identified in OIG Report No. [22-N-0004](#), *EPA's Fiscal Year 2022 Top Management Challenges*, issued November 12, 2021:

- Managing infrastructure funding and business operations.

## Background

The Federal Employees Flexible and Compressed Work Schedules Act of 1978, Pub. L. 95-390, was codified in 5 U.S.C. § 5550a. The U.S. Office of Personnel Management promulgated regulations implementing 5 U.S.C. § 5550a at 5 C.F.R. part 550, subpart J, "Compensatory Time Off for Religious Observances." The OPM revised these regulations effective May 29, 2019.

According to OPM regulations, Religious Compensatory Time permits an employee to rearrange work hours when the employee's personal religious beliefs require an absence from work to meet a personal religious requirement. The employee can take such an absence without a charge to leave or loss of pay. The employee earns the time for such an absence by working additional hours at other times. An employee may earn Religious Compensatory Time up to 13 pay periods before or after the religious observance. The hours worked to earn Religious Compensatory Time are in lieu of any pay that would be accrued for the time worked and are intended to be used exclusively for religious observances. When an employee separates from federal service or transfers to another federal agency, the losing agency must compensate the employee for any earned Religious Compensatory Time not used. The Agency pays the time at the hourly rate in effect when the employee earned the Religious Compensatory Time.

If the EPA does not manage employees' accrual of Religious Compensatory Time, it could result in unplanned monetary liabilities for the Agency. During the period of December 20, 2020, through July 3, 2021, 126 EPA employees carried Religious Compensatory Time balances.

In September 2016, the OIG issued Report No. [16-P-0333](#), *Enhanced Controls Needed to Prevent Further Abuse of Religious Compensatory Time*. The "Prior Report" section and Appendix A of this follow-up report detail the findings and recommendations outlined in Report No. 16-P-0333.

## Responsible Offices

The EPA's Office of Human Resources, or OHR, is within the Office of Mission Support, or OMS. The OHR is responsible for providing agencywide policy, guidance, and oversight of EPA personnel's use of Religious Compensatory Time. The EPA's Office of the Chief Financial Officer develops and manages agencywide financial-management functions, including the controls and systems for payroll.

## Scope and Methodology

We conducted this performance audit from March to November 2021 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We assessed the internal controls necessary to satisfy our audit objective.<sup>1</sup> In particular, we assessed the internal control components—as outlined in the U.S. Government Accountability Office’s GAO-14-704G, *Standards for Internal Control in the Federal Government*, which is also known as the “Green Book,” issued September 10, 2014—significant to our audit objective. Any internal control deficiencies we found are discussed in this report. Because our audit was limited to the internal control components deemed significant to our audit objective, it may not have disclosed all internal control deficiencies that may have existed at the time of the audit.

To obtain an understanding of the corrective actions taken by the EPA in response to the recommendations issued in OIG Report No. 16-P-0333, we interviewed Office of the Chief Financial Officer and OHR personnel. We reviewed the recommendations issued in Report No. 16-P-0333, the EPA’s proposed corrective actions in response to those recommendations, and the corrective actions that the Agency certified as complete. We reviewed the OHR’s policy for Religious Compensatory Time to obtain an understanding of the updates made since we issued Report No. 16-P-0333. To assess whether staff and supervisors complied with the updated policy,<sup>2</sup> we requested and were provided details on Religious Compensatory Time balances for pay periods 2021-01 to 2021-14, which covered the period from December 20, 2020, through July 3, 2021. We randomly selected ten employees out of the 126 employees who carried Religious Compensatory Time balances during that period to review. We requested supporting documentation from those ten employees to assess their compliance with the policy. To determine whether training on the proper use of Religious Compensatory Time was provided to employees and supervisors, we contacted the ten selected employees and interviewed OHR personnel and a human resources, or HR, officer from Region 2, since 71, or 56 percent, of the 126 employees who carried a Religious Compensatory Time balance between December 20, 2020, and July 3, 2021, were from Region 2.

## Prior Report

OIG Report No. [16-P-0333](#), *Enhanced Controls Needed to Prevent Further Abuse of Religious Compensatory Time*, issued September 27, 2016, identified internal control weaknesses pertaining to the EPA’s management of Religious Compensatory Time. The report included four total recommendations: three to the Office of Administration and Resources Management, which in November 2018 was merged into the OMS, and one to the Office of the Chief Financial Officer. Appendix A contains a summary of the recommendations and the corrective actions planned and taken

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<sup>1</sup> An entity designs, implements, and operates internal controls to achieve its objectives related to operations, reporting, and compliance. The U.S. Government Accountability Office sets internal control standards for federal entities in the Green Book.

<sup>2</sup> The terms *manager* and *supervisor* refer to the same position in this follow-up report. *Manager* was used in Report No. 16-P-0333 and is used in this follow-up report when referring to the prior report. *Supervisor* is used when referring to the EPA’s Religious Compensatory Time policy in effect at the time of this follow-up report.

in response to those recommendations. Table 1 summarizes the results of our analysis of the status of Recommendations 1, 2, and 3 issued in Report No. 16-P-0333.

**Table 1: Summary of status of Recommendations 1, 2, and 3 issued in Report No. 16-P-0333**

Prior recommendation		Corrective action certified as complete?	Corrective action completed?
1	<p>Enhance internal controls over Religious Compensatory Time by revising EPA Manual 3155, <i>Pay Administration Manual</i>, Chapter 4, Section 8F, "Compensatory Time for Religious Beliefs," by establishing:</p> <ul style="list-style-type: none"> <li>a. A maximum balance of accumulated or advanced Religious Compensatory Time hours that can be maintained.</li> <li>b. A requirement that all employees earning and using Religious Compensatory Time submit an intended use plan to their immediate supervisor. The plan should identify the specific date(s) and hour(s) when the employee plans to be absent for a religious observance, and the date(s) and hour(s) the employee will earn/repay the corresponding time off.</li> <li>c. A reasonable timeframe when negative balances will be paid back.</li> </ul> <p><i>Note: The correct citation for EPA Manual 3155 for this recommendation is paragraph 8F, not section 8F.</i></p>	Yes	Yes
2	Prohibit employees with a Religious Compensatory Time balance in excess of the amount established by Recommendation 1 from earning any additional hours until the balance is exhausted, and require an intended use plan for any new hours.	Yes	Yes
3	Develop training on the proper use of Religious Compensatory Time and require all managers approving, and employees using, Religious Compensatory Time to complete the course.	Yes	No

Source: OIG analysis of the Office of Administration and Resources Management's May 30, 2017 certification memorandum. (EPA OIG table)

On May 30, 2017, the assistant administrator for Administration and Resources Management submitted a certification memorandum to the chief financial officer, who serves as the Agency's audit follow-up official, stating that all corrective actions for Recommendations 1, 2, and 3 had been completed. The Office of the Chief Financial Officer took steps to implement Recommendation 4, but because of revisions made to the Religious Compensatory Time regulations at 5 C.F.R. part 550, subpart J, it could not complete the implementation. We confirmed that the regulatory changes made this recommendation no longer applicable. We, therefore, do not address Recommendation 4 in this follow-up report.

## Results

The EPA's OHR took corrective actions to address Recommendations 1, 2, and 3 issued in OIG Report No. 16-P-0333. We verified that Recommendations 1 and 2 were implemented as certified by the Office of Administration and Resources Management to the Office of the Chief Financial Officer on May 30, 2017. However, although the Agency agreed with Recommendation 3, the corresponding corrective action that the Agency certified as complete did not fully implement the recommendation. Specifically, the EPA provided training to the regions and program office HR communities but not, as we

recommended, to all managers who approved Religious Compensatory Time and employees who use it. After our prior report was issued, the OPM revised the regulations governing Religious Compensatory Time. The EPA updated its policies, but we found that employees had not been trained on the new regulations and policies, and our analysis of ten employees' use of Religious Compensatory Time found instances in which employees and supervisors did not comply with EPA policy.

### ***EPA Implemented Corrective Actions in Response to Recommendations 1 and 2***

In response to Recommendations 1 and 2, which involved enhancing internal controls via policy updates to ensure that Religious Compensatory Time is properly used, the OHR issued HR Bulletin 17-003B, *Adjustment of Work Schedules for Religious Observances (Religious Compensatory Time)*, in March 2017. To reflect changes made in 2019 to 5 C.F.R. part 550, subpart J, "Compensatory Time Off for Religious Observances," the OMS sent an electronic message to all EPA staff in October 2019, and the OHR issued HR Bulletin 21-002B, *Adjustment of Work Schedules for Religious Observances (Religious Compensatory Time)*, in February 2021.

HR Bulletin 21-002B provides the roles and responsibilities for the OHR, first-line supervisors, and employees as they relate to Religious Compensatory Time. In addition, the bulletin details the policy and procedures for the administration of Religious Compensatory Time to prevent misuse and abuse. Both employees and supervisors are responsible for accurately recording Religious Compensatory Time earned and used in the EPA's time-and-attendance system. Employees are responsible for requesting approval, in writing, from their supervisors for the proposed dates and times to earn and use Religious Compensatory Time for religious observances. Employees may accumulate only the amount of Religious Compensatory Time needed for approved absences for religious observances. Supervisors are responsible for reviewing and either approving or disapproving employee requests to earn or use Religious Compensatory Time for religious observances.

### ***EPA Did Not Fully Implement Corrective Actions for Recommendation 3***

The OHR did not fully implement its corrective action for Recommendation 3, which involved training EPA staff on Religious Compensatory Time policy. Specifically, the OMS did not provide training to all employees who use Religious Compensatory Time and all supervisors who approve such time.

In April 2017, the EPA's OMS certified to the Office of the Chief Financial Officer that the OHR had trained the Agency's HR community. As described in the certification memorandum, the HR community was to provide instruction to supervisors in the regions and program offices. The OHR then expected that supervisors would train their employees who earn or use Religious Compensatory Time. This corrective action only partly implemented our recommendation. We have examples of one program office and one regional HR office that sent emails to supervisors on the changes that the EPA made to the Religious Compensatory Time policy in 2017. However, our recommendation was to train staff and supervisors, not just HR staff.

The OPM revised the Religious Compensatory Time regulations in 2019, and the Agency took steps to communicate these changes. The OMS sent a mass mailer to all EPA staff in October 2019 after the OPM revised the regulations. Further, in June 2021, the OMS issued an administrative update for supervisors to communicate the changes to the Religious Compensatory Time regulations and EPA policy to staff. However, we found no evidence that all employees and supervisors were trained on the revised regulations and policy. The employees we contacted informed us that they did not receive training on

earning or properly using Religious Compensatory Time. In addition, Region 2's OHR informed us that it was not instructed to provide training to supervisors or employees at the local level.

### ***EPA Employees and Supervisors Did Not Always Comply with Policy Related to Religious Compensatory Time***

We reviewed compliance with the Religious Compensatory Time policy for ten staff members with religious compensatory leave balances. For seven, or 70 percent, of the ten EPA staff members, we identified instances in which the policy and procedures in effect at the time were not followed by either the employee or the supervisor. EPA employees and supervisors did not always adhere to the Agency's Religious Compensatory Time policy, which may have resulted from the lack of training on the applicable requirements. We noted the following deviations from the Religious Compensatory Time policy:

- The employees accumulated more Religious Compensatory Time than needed.
- An employee submitted and a supervisor approved a request to earn Religious Compensatory Time after the employee had earned the hours.
- The supervisors approved employees' requests to earn Religious Compensatory Time without established dates, times, and purposes for the religious observance absences.
- An employee requested, the supervisor approved, and the employee earned Religious Compensatory Time for a specific date, time, and named religious observance, but the employee used annual leave instead of Religious Compensatory Time for the requested absence.

## **Conclusions**

Without proper training, employees and supervisors may lack an understanding of the policy, requirements, and responsibilities related to using and approving Religious Compensatory Time, which could result in misuse or abuse of the authority and create a monetary liability for the EPA. Our prior audit found that inadequate controls allowed employees to earn excess Religious Compensatory Time that resulted in payouts to employees of \$73,514 and additional potential payouts of up to \$81,927. As of November 2021, the EPA continued to have an unplanned monetary liability of \$54,787 for the balance of religious compensatory hours that employees earned and carried.

## **Recommendation**

We recommend that the assistant administrator for Mission Support:

1. Require the EPA's Office of Human Resources to train all employees and supervisors who earn, use, or approve Religious Compensatory Time on the U.S. Office of Personnel Management's current regulatory requirements for, and the EPA's current policy and procedures related to, Religious Compensatory Time.

## **Agency Response and OIG Assessment**

The OMS concurred with our finding and provided an acceptable planned corrective action with an estimated completion date of June 30, 2023. The OMS specifically stated that it will develop basic

training on Religious Compensatory Time and require employees who use it and their first-line supervisor to complete the training. On February 28, 2022, the Agency confirmed that the training will be based on EPA policy, which reflects current OPM regulatory requirements. The planned corrective actions satisfy the recommendation; therefore, Recommendation 1 is resolved with corrective action pending. Appendix B contains the Agency's response to our draft report.

## ***Status of Recommendation and Potential Monetary Benefits***

RECOMMENDATION							Potential Monetary Benefits (in \$000s)
Rec. No.	Page No.	Subject	Status <sup>1</sup>	Action Official	Planned Completion Date		
1	5	Require the EPA's Office of Human Resources to train all employees and supervisors who earn, use, or approve Religious Compensatory Time on the U.S. Office of Personnel Management's current regulatory requirements for, and the EPA's current policy and procedures related to, Religious Compensatory Time.	R	Assistant Administrator for Mission Support	6/30/23		\$54

<sup>1</sup> C = Corrective action completed.

R = Recommendation resolved with corrective action pending.

U = Recommendation unresolved with resolution efforts in progress.

## OIG Assessment of EPA Corrective Actions in Response to Report No. 16-P-0333

Rec. no.	Recommendation	Proposed corrective action	Corrective actions certified as completed by the Agency	OIG assessment of the proposed and certified corrective actions
<b>Action official: assistant administrator for Administration and Resources Management</b>				
1	<p>Enhance internal controls over Religious Compensatory Time by revising EPA Manual 3155, <i>Pay Administration Manual</i>, Chapter 4, Section 8F, "Compensatory Time for Religious Beliefs," by establishing:</p> <p>a. A maximum balance of accumulated or advanced Religious Compensatory Time hours that can be maintained.</p> <p>b. A requirement that all employees earning and using Religious Compensatory Time submit an intended use plan to their immediate supervisor. The plan should identify the specific date(s) and hour(s) when the employee plans to be absent for a religious observance, and the date(s) and hour(s) the employee will earn/repay the corresponding time off.</p> <p>c. A reasonable timeframe when negative balances will be paid back.</p> <p><i>Note: The correct citation for EPA Manual 3155 for this recommendation is paragraph 8F, not section 8F.</i></p>	<p>The Office of Administration and Resources Management—now the OMS—agreed with this recommendation. The office stated that it would issue an interim Religious Compensatory Time policy to address the OIG recommendations and would update EPA Manual 3155 at a later date. The interim policy would:</p> <p>a. Create a maximum earned Religious Compensatory Time limitation and a maximum advanced Religious Compensatory Time limitation of 40 hours.</p> <p>b. Require employees to submit an intended-use plan for Religious Compensatory Time to their immediate supervisor for approval.</p> <p>c. Require the repayment of negative Religious Compensatory Time balances within 26 pay periods. This provision is subject to collective bargaining.</p>	<p>HR Bulletin 17-003B was issued for nonbargaining unit employees. The bulletin established the Agency's interim policy for the administration of Religious Compensatory Time. To the extent that modifications in work schedules do not interfere with the Agency's mission, employees whose personal religious beliefs require that they abstain from work at certain times of the workday or workweek may be permitted to work alternative work hours to meet religious obligations.</p>	<p>✓ <b>Implemented</b></p> <p>The EPA issued an interim policy, HR Bulletin 17-003B, on March 30, 2017, and a final policy, HR Bulletin 21-002B, on February 17, 2021. The final policy incorporated the May 29, 2019 revisions made to the Religious Compensatory Time regulations and included a requirement that supervisors not grant employees time off without simultaneously scheduling the proposed hours that the employees will work and the time frame in which Religious Compensatory Time hours can be earned.</p> <p>A maximum earned Religious Compensatory Time limit was not established and included in the policy because there is no authority for a limitation on the number of hours earned or used. Although the EPA issued an HR bulletin with enhanced internal controls for Religious Compensatory Time, we noted instances in which the policy was not followed.</p>

Rec. no.	Recommendation	Proposed corrective action	Corrective actions certified as completed by the Agency	OIG assessment of the proposed and certified corrective actions
2	Prohibit employees with a Religious Compensatory Time balance in excess of the amount established by Recommendation 1 from earning any additional hours until the balance is exhausted, and require an intended use plan for any new hours.	The Office of Administration and Resource Management—now the OMS—agreed with this recommendation. The office stated that the interim policy will prohibit employees with an excess Religious Compensatory Time balance from earning additional hours until the employee's balance falls below 40 hours.	HR Bulletin 17-003B supersedes the provision in EPA Manual 3155, Chapter 4, "Overtime and Compensatory Time Off," paragraph 8F. Supplemental guidance for supervisors and employees is being prepared.  <i>Note: The correct title of Chapter 4 is "Overtime Pay and Compensatory Time," and paragraph 8F is titled "Compensatory Time for Religious Beliefs."</i>	<b>✓ Implemented</b>  An employee may accumulate only the amount of Religious Compensatory Time needed to cover an approved absence for a religious observance. An employee may not earn additional Religious Compensatory Time until the retained amount has been used or the need to earn additional Religious Compensatory Time has been properly established and documented.  Although a limitation cannot be placed on the number of hours earned or used for religious observances, the EPA's HR bulletin addressed the limits for earning and using Religious Compensatory Time. However, our audit disclosed instances in which the policy was not followed. For example, as of the pay period ending July 3, 2021, we noted instances in which employees earned additional Religious Compensatory Time without documentation to support the need for the hours for future absences from work for personal religious observances.
3	Develop training on the proper use of Religious Compensatory Time and require all managers approving, and employees using, Religious Compensatory Time to complete the course.	The Office of Administration and Resources Management—now the OMS—agreed with this recommendation.	The Office of Administration and Resources Management—now the OMS—committed to training the HR community, which, in turn, would provide instruction to the supervisors in the regions and programs. The training session with the HR community has been completed.	<b>X Not fully implemented</b>  Although the EPA agreed with our recommendation and provided training to the HR community, most of the employees we contacted stated that they had not received any training on the proper use of Religious Compensatory Time. In addition, Region 2's OHR informed us that it was not instructed to provide training to supervisors or employees at the local level.

Rec. no.	Recommendation	Proposed corrective action	Corrective actions certified as completed by the Agency	OIG assessment of the proposed and certified corrective actions
<b>Action official: chief financial officer</b>				
4	Modify the EPA's payroll and time and attendance system to include the enhanced internal controls, preventing employees from accumulating Religious Compensatory Time hours inconsistent with revised policies and procedures.	The Office of the Chief Financial Officer would coordinate with the Interior Business Center, the EPA's payroll provider, concerning the feasibility of modifying the payroll system. Accordingly, once changes were determined, the office would align the time-and-attendance system to interface with the modified payroll system and provide appropriate training to Agency managers and employees.	The Office of the Chief Financial Officer worked with the Interior Business Center to determine the specifics of any changes or enhancements to the payroll system. The Office of the Chief Financial Officer also intended to modify the time-and-attendance system, if necessary, to accommodate changes to the payroll system. The Interior Business Center informed the Agency that a limitation on Religious Compensatory Time hours earned or used could not be implemented in the payroll system per OPM regulations. In addition, the regulatory limitations prevented the necessity for and implementation of changes to the time-and-attendance system. No changes were made to the payroll and time-and-attendance systems.	<b><i>⚡No longer applicable</i></b> The EPA's Office of the Chief Financial Officer coordinated with the Interior Business Center on the feasibility of modifying the payroll system and was notified that there is no authority for a limitation on the number of Religious Compensatory Time hours that can be earned or used. Employees may accumulate only the amount of Religious Compensatory Time needed to cover an approved absence for a religious observance. Therefore, no modifications were made to the EPA's payroll and time-and-attendance systems. We confirmed that the OPM's regulation does not permit a limit on the number of Religious Compensatory Time hours that can be earned or used.

## Agency Response to Draft Report



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

February 14, 2022

OFFICE OF MISSION SUPPORT

### MEMORANDUM

**SUBJECT:** Response to Office of Inspector General Draft Report “*EPA Needs to Complete Implementation of Religious Compensatory Time Training for Supervisors and Employees,*” Project No. OA-FY21-0134, dated January 24, 2022

**FROM:** Lynmann Hitchens, Acting Principal Deputy Assistant Administrator

LYNNANN  
HITCHENS

Digitally signed by  
LYNNANN HITCHENS  
Date: 2022.02.15  
08:35:02 -05'00'

**TO:** Khadija Walker, Director  
Business Operations Directorate  
Office of Audit, Office of Inspector General

Thank you for the opportunity to respond to the issues and recommendations in the subject audit report. Following is a summary of the agency’s overall position, along with its position on each of the report recommendations.

### AGENCY’S OVERALL POSITION

The Office of Mission Support/Office of Human Resources (OMS/OHR) concurs with the recommendation outlined in the Office of Inspector General’s Draft Report and has developed two corrective actions to address. Those corrective actions are outlined in the corrective action plan below.

### OMS RESPONSE TO REPORT RECOMMENDATION

#### Agreements

No.	Recommendation	High-Level Intended Corrective Actions	Estimated Completion Date
1	Require the EPA’s Office of Human Resources to train all employees and supervisors who earn, use, or approve religious	1.1 OHR/OMS will develop basic training on religious compensatory time (RCT) and place it in FedTalent. Employees who use religious compensatory time and their first-line supervisor will be required to complete the training.	June 30, 2023

No.	Recommendation	High-Level Intended Corrective Actions	Estimated Completion Date
	compensatory time on the U.S. Office of Personnel Management's current regulatory requirements and the EPA's current policy and procedures related to religious compensatory time.	FedTalent will have a record of learning that reflects date of completion. 1.2 OMS will issue a memorandum to program and regional senior management requiring employees who use RCT and their first-line supervisor to complete the RCT training (i.e., current RCT users and those who may use the authority in the future).	June 30, 2023

If you have any questions regarding this response, please contact Daniela Wojtalewicz, Audit Follow-up Coordinator, Office of Resources and Business Operations, (202) 564-2849 or [wojtalewicz.daniela@epa.gov](mailto:wojtalewicz.daniela@epa.gov).

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