



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
SUITE 300-D, 2420 W. 26TH AVENUE
DENVER, COLORADO 80211

27 AUG 1982

Brigadier General D. Lynne Rans
Commander
Air Force Accounting and Finance Center
Denver, Colorado 80230

Dear General Rans:

In response to a request by the House Committee on Post Office and Civil Service, we have reviewed overtime practices at various Government organizations, including the Air Force Accounting and Finance Center (AFAFC). The purpose of our review was to determine whether (1) justification for overtime was appropriate, (2) alternatives to overtime were considered or used, (3) controls on overtime use were adequate, and (4) ways to reduce overtime costs could be identified.

We found material weaknesses only in the adequacy of overtime controls. These weaknesses, which this letter brings to your attention for corrective action, were discussed in detail with your staff on July 16, 1982.

During our review, we identified 125 AFAFC employees who each worked 200 or more overtime hours during calendar year 1981. We analyzed these employees' overtime and leave use, interviewed managers and supervisors, and examined payroll regulations and documents. Our review was performed in accordance with the Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

Because of weaknesses in AFAFC's internal controls, errors and irregularities in overtime records have occurred and gone undetected. As a result, some employees have received overtime pay for hours not actually worked.

AFAFC's internal control system requires that employees sign in and out of their work sections during scheduled weekday duty hours. Employees who work weekends, holidays, or during other than scheduled weekday duty hours must also sign in and out of the AFAFC building. Using information from the work section logs, timekeepers or supervisors record employees' work hours on time cards. However, the work section and building logs are generally not reviewed and compared to detect errors or inconsistencies.

Additionally, Comptroller General decisions (B166304; B167602) state that time set aside for eating is not compensable; an AFAFC regulation requires that employees take 30-minute lunch breaks. Yet, we noted that some employees did not record lunch breaks when working overtime on holidays, weekends, or other non-workdays, but were paid for all overtime hours recorded on the work section logs.

We compared building and work section sign in/out logs for overtime worked on weekends from November 1981 through January 1982. Our comparison disclosed the following information on three employees:

- A supervisor worked nine Saturdays and received pay for 72 hours overtime; however, the building log showed only 59-3/4 hours. On five Saturdays, this employee signed out on the building log at least 1 hour before the time recorded in the section log. Also, on 10 occasions this employee worked at least 8 hours overtime without recording a lunch break.
- Another employee signed in at the work section on four Saturdays from 1 hour to 1 hour and 37 minutes before the time recorded in the building log. On three occasions the employee worked at least 8 hours overtime without recording a lunch break. This employee also received overtime pay for 3-1/4 hours on Christmas Eve 1981; however, no overtime was recorded on the section log.
- Another employee, on three occasions, signed out on the building log at least 30 minutes before the time recorded in the section log.

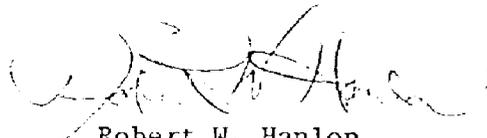
We found no evidence that employees' immediate supervisors are provided reports on daily overtime and leave usage. According to GAO's pay, leave, and allowances manual, internal reports are useful for monitoring overtime worked as well as leave practices and costs.

We believe AFAPC's procedures for reviewing and verifying overtime are ineffective because supervisors are not provided the data needed to monitor employees' work hours. Consequently, employees have received overtime pay for work not actually performed.

Therefore, we recommend that you change the internal control system to assure that supervisors are provided with overtime and leave data by which to monitor and verify employees' work hours.

We appreciate the courtesy and cooperation extended to our staff during the review. If we can be of any further assistance, please call Mr. Cliff Neuroth, Mr. Arley Whitsell, or me on 837-4621. Your comments, including those on any corrective actions taken or planned, will be appreciated.

Sincerely yours,



Robert W. Hanlon
Regional Manager