

M E M O R A N D U M



Final Follow-up Report

Internal Operations No. 08-007

SUBJECT: Follow-up Review of The Administration
of Overtime Hours and Costs in WMATA's
Department of Operations and Metro Transit
Police Department

DATE: June 5, 2008

FROM: IG/OIG – Helen Lew /s/

TO: GMGR – John B. Catoe, Jr

This **Final Follow-up Report** entitled, Follow-up Review of “The Administration of Overtime Hours and Costs in WMATA’s Department of Operations and Metro Transit Police Department,” presents the results of our audit. Our objective was to determine the implementation status of the 23 recommendations made by the former Office of Auditor General.

BACKGROUND

On February 28, 2006, the former Office of Auditor General issued a report, titled, “The Administration of Overtime Hours and Costs in WMATA’s Department of Operations and Metro Transit Police Department,” AUD 06-101. The Washington Metropolitan Area Transit Authority’s (WMATA) Department of Operations, now referred to as the Operations Departments¹ is responsible for the day-to-day operations of WMATA’s Metrobus and Metrorail services and the related supporting services of Plant Maintenance (PLNT), Elevators and Escalators (ELES), and programs that support the Americans with Disability Act. The Departments consist of approximately 9,200 employees. MTPD is responsible for providing security and law enforcement services for WMATA’s entire bus and rail system and facilities. MTPD has approximately 550 employees; 423 are police personnel.

The policies and procedures that govern the overtime hours worked by the hourly wage employees in Operations are outlined in two union labor agreements: Local Union 689 of the “Amalgamated Transit Union AFL-CIO,” and Local Union 922 of the “International Brotherhood of Teamsters.” The local 689 and local 922 labor agreements expire on June 30, 2008, and October 31, 2008, respectively. The policies and procedures governing the overtime hours worked by the Metro Transit Police Officers and the Metro Special Police Officers are outlined in two labor agreements between WMATA and the following unions: the “Fraternal Order of Police of Metro Transit Police Committee, Inc.” and Local 639 of the “International Brotherhood of Teamsters’ Law Enforcement Division” (Metro Special Police). The two MTPD labor

¹ The name Operations Departments was adopted in September 2007.

agreements expired on December 31, 2007, and September 30, 2007, respectively. The Office of Employee and Labor Relations (LABR) is in the process of finalizing the two renegotiated contracts. The provisions of the previous contracts are in effect until the new contracts are finalized.

In the February 2006 report, the Office of Auditor General identified several factors that contributed to the assignment of overtime hours in Operations and MTPD. These factors included vacant positions, absenteeism, special events, and increased Metrobus, Metrorail and MTPD services. The report also made 23 recommendations to managers in Operations and MTPD that would help them better understand, manage, and reduce the number of overtime hours worked. The 23 recommendations were in the following areas:

- Vacancies
- Increased Management Attention
- Labor Agreement Initiatives
- Improved Internal Controls
- Improved Administration and Control of Budget Related Issues

FOLLOW-UP RESULTS

Based on the follow-up review conducted regarding the implementation status of the 23 recommendations made in the report, we determined that the requirements of the recommendations have been sufficiently addressed by management.

OIG has not audited or otherwise reviewed the implementation of the changes made by management, and we express no opinion on whether the changes have been effective in reducing the timeline for filling vacancies, improving internal controls, or improving other management functions and, if so, whether the changes were sufficient to bring about a reduction in the use of overtime hours.

In the General Manager's May 7, 2008, response to a draft copy of this report, he agreed with the implementation status of the 23 recommendations as explained in our report. However, the General Manager revised management's comments to Recommendation 10 to state that, "The superintendents and directors in all operations offices have issued memoranda or given orders to all employees that eight (8) hours of off-duty time must be taken within each 24-hour work period." The complete text of the response is included as an attachment to this report.

IMPLEMENTATION STATUS OF RECOMMENDATIONS

A. Recommendations Regarding Vacancies

Recommendations 1 through 5 in the February 2006 report on overtime hours relate to improvements in the recruiting and hiring process and the reporting and analysis of

vacant positions in Operations. The five recommendations and their implementation status are provided below.

Recommendation 1

Representatives from Operations (BUS, RAIL, PLNT, ELES and Operations Planning and Administrative Support (OPAS)), in conjunction with Human Resources and Management Services (HRMS), review the current process in Operations and HRMS for the recruiting and filling of vacant positions to better identify roadblocks and inefficiencies and to recommend process improvements to reduce the timeline for filling vacancies.

Implementation Status:

The Deputy General Manager for Operations (DGM/COO) and the Assistant General Manager (AGM), Department of Workforce Services (WORX),² organized a special overtime reduction strategy session on July 27, 2007, with representatives from WORX, Operations Services (OPRS), Bus Operations (BUS) and Rail Operations (RAIL). As a result of the strategy session, the following seven task forces were formed: (1) Reduce Vacancy, (2) Extended Hours, (3) Customer Service, (4) Interconnection of Departments, (5) Medical, (6) Training, and (7) Metrics. The seven task forces were directed to hold meetings to develop ideas to improve the management of overtime. The ideas were submitted to the DGM/COO for review and discussion.

One major change to focus more attention on the filling of vacant positions was the reorganization of the former office of HRMS into the Office of Workforce Client Services (CLSV). Located in WORX, CLSV was divided into five client service groups. Each client service group was assigned to assist specific offices and departments in filling vacant positions and provide related services. For example, Rail Client Services (CLSR) will focus specifically on providing services for Rail operations, and Bus Client Services (CLSB) will focus specifically on services for Bus operations. The reorganization resulted from meetings, consultation, and feedback between WORX and Operations regarding inefficiencies in filling vacant positions and the processing of employment documents.

WORX also changed the recruiting and hiring process by implementing Peoplesoft e-Recruit System (HEARTS), a new paperless computer application for processing requisitions and managing the recruiting and hiring process. HEARTS is designed to shorten hiring times and reduce inefficiencies in the process. The application also helps management to better associate applicants with vacancies, is accessible from field

² The Department of Workforce Services (WORX), organized in the fall of 2007, was formerly the Department of Workforce Development and Administration (WFDA).

locations, and allows managers in CLSV and Operations to track progress in recruiting and hiring.

Recommendation 2

The monthly vacancy reports prepared by OPAS and those prepared by the personnel data clerks in each office in Operations be revised to include the following:

- A. The effective date of the action (vacancy dates) taken that caused the position to become vacant.
- B. A more detailed description of the status of the position in the recruiting and hiring process. The words used to describe the status of a position should include “what is happening” with a position and also “why it’s happening.”
- C. An aging column that shows the number of days that a position has been vacant. The effective date of the action (PAR, SPAR, or other) taken that caused the position to become vacant should be used as the starting date for aging the vacant position.
- D. Segregate those vacant positions that are not actively being recruited from the actively recruited positions in the vacancy report. For example, positions on hold, on loan, cancelled or withdrawn should be reported in a separate category.

Implementation Status:

The vacancy report is now prepared by WORX. WORX provided us with a copy of the new report. The report includes vacant positions for all offices at WMATA. The report also includes all of the elements that we recommended, that is, vacancy dates, an aging column (in days), a status column (in terms of the recruiting and hiring process), and the segregation of active and non-actively recruited positions. The report also includes the name of the CLSV staff person assigned to assist with filling the vacancy.

WORX will prepare the vacancy report on a monthly basis and provide a copy to each member of WMATA’s Executive Leadership Team (ELT). To date, this report has not been linked to the intranet because it contains information that may not be appropriate for WMATA-wide dissemination. WORX is re-evaluating this issue with regards to the privacy of data. ELT members may share the vacancy report with their staff as needed.

Recommendation 3

A copy of the monthly vacancy report prepared by each office in Operations should be submitted each month to OPAS. OPAS should reconcile the vacancy reports submitted by each office with their own vacancy reports and resolve any differences.

Implementation Status:

OPAS no longer performs this function. The monthly vacancy report is now prepared by WORX. WORX provided us with a copy of the new

vacancy report, which includes all of the elements requested in Recommendation 2.

Recommendation 4

In order to provide better information on the status of a position in the recruiting and hiring process, managers and supervisors in Operations should file a Requisition or “Statement of Intention” for each position immediately after the position becomes vacant. This information should be reported by each office in its monthly vacancy report.

Implementation Status:

The inclusion in the new vacancy report of vacancy dates, an aging column, and status column, along with the monthly submission of the vacancy reports to the ELTs, sufficiently highlight or bring to attention a manager’s intention in regards to filling a vacant position. WORX has provided us with a copy of the new vacancy report, which includes all of the elements requested in Recommendation 2.

Recommendation 5

In order to reduce the timeline in the recruiting and hiring process, each office in Operations should submit their “Requisition” for each vacant or new position as close as possible to the “action date” of the PARs or SPARs by submitting the “Requisition” immediately after the PAR/SPAR is filed when this is practical.

Implementation Status:

The inclusion in the new vacancy report of vacancy dates, an aging column, and requisition dates, along with the monthly submission of the vacancy reports to the ELTs, would sufficiently highlight or bring to attention a manager’s deficiency in filing a timely requisition to fill a vacant position. WORX provided us with a copy of the new vacancy report, which includes all of the elements we requested in Recommendation 2, and the “date of requisition,” for each vacancy.

B. Recommendations Regarding Increased Management Attention to Overtime Hours

Recommendations 6 through 15 in the February 2006 report on overtime hours relate to improvements that management needed to make in managing overtime hours. The 10 recommendations and their implementation status are:

Recommendation 6

Superintendents, directors, managers and supervisors in Operations should focus more of their managerial attention on the issue of the increasing assignment of overtime hours and the effect that overtime hours have on WMATA’s budget and its workforce. The overall objective of the newly focused attention on overtime hours should be to

more effectively accomplish tasks and, as a result, reduce the number of overtime hours assigned and to improve internal controls over the assignment of overtime hours.

Implementation Status:

The following initiatives have been implemented in Operations to focus more attention on the issue of overtime hours: (1) HRMS has been reorganized into the office of CLSV with five client service groups to focus on providing better services to specific departments and offices. (2) The DGM/COO formed seven task forces on issues that affect overtime. The task forces were made up of AGMs, superintendents, directors, managers and other staff members. They provided ideas to reduce vacancies, reduce expanded hours for rail service, better utilize employees in the Workers' Compensation Modified Duty program, understand the significant impact of planned work on other departments, review of Absenteeism Policy/Medical Issues, and improve overtime reports. (3) Quality Assurance (QA) has been directed to conduct periodic reviews of timesheets to improve accuracy and internal controls. (4) The reporting activities of budget analysts in Operations will be monitored to ensure quality reports.

Recommendation 7

Managers and supervisors should maintain detailed descriptions of the daily overtime work assignments performed by each worker. In addition to a worker's start time and completion time, a description should include the tasks that are assigned, an estimate of the time needed to perform each task, a job or project number associated with the task and the reasons for the assignment of the overtime, for example, due to an absent worker, a vacant position or an increase in services. With this information, Operations management can analyze overtime hours to determine their justification, reasonableness and the measures necessary to better control and/or reduce overtime.

Implementation Status:

Operations has an established list of earn codes used by managers and supervisors, including job and project numbers, to describe the overtime hours worked, including reasons for the assignment of overtime hours. The DGM/COO has also requested Information Technology (IT) to configure Trapeze and the new Peoplesoft Time and Labor system to reject overtime that is not input with a job number, and the QA offices in Metrobus and Metrorail have been directed to conduct periodic reviews of time sheets in Operations.

Superintendents in Bus Maintenance (BMNT) and the Office of Track and Structures/System Maintenance (TSSM) stated that they have time standards for most of the tasks they perform. Superintendents in the Office of Rail Car Maintenance (CMNT) stated that they have standards for a few of their tasks, and they are working on developing standards for all of their major tasks. However, the time standards are not

realistically manageable until they can be entered into the Maximo database system as job plans. The superintendents of BMNT, TSSM, and CMNT stated that their employees are informed of estimated time standards for most tasks. When tasks are not timely performed on a continuing basis, employees are counseled or disciplined, if needed.

Recommendation 8

The superintendents in Operations should conduct a review of the policy and procedures governing the assignment and distribution of overtime hours for “operators” in both Bus Transportation (BTRA) and Rail Transportation (RTRA) for the purpose of incorporating any current “best practices” and other changes that might contribute to an improvement in the process. The policy and procedures governing the assignment and distribution of overtime hours for “operators” should be reviewed and updated periodically as an ongoing part of the managerial oversight responsibilities of the superintendents and directors in Operations.

Implementation Status:

WMATA’s policy concerning the assignment and distribution of overtime hours for “operators” is governed by the 689 and 922 labor agreements. The DGM/COO agreed to discuss possible changes to these agreements that might improve the management of overtime hours, when they come up for renegotiations in 2008. In regards to “best practices,” the DGM/COO and several of the AGMs in Operations stated that they rely on their association and contacts with officials of the American Public Transportation Association (APTA) and other prominent transit agencies for ideas and new initiatives. For example, the APTA Operating Practices Committee meeting in February 2008 had representatives from more than 15 transit agencies. During the November 2007 meeting, “Standards for Train Operators Hours of Service Requirements” was one of the primary discussions. The superintendents and managers in Operations are responsible for sharing knowledge gained so that it can be used to improve operational management.

Some initiatives relating to overtime that management is pursuing as a result of these contacts are: earlier planning for special events, distribution of preventive maintenance over a seven-day period, and performing more tasks during daytime working hours rather than nighttime hours. Managers in BTRA and RTRA have also assigned supervisors to monitor the overtime hours assigned and some have placed limits on the number of overtime hours worked per employee per week.

Recommendation 9

The managers and supervisors in the applicable offices in Operations should review the following practices that might be present in their offices: (1) the granting of

compensatory time to employees who work on holidays and (2) the loaning of vacation time between employees. These practices should be discontinued where they are found not to be in compliance with the labor union agreements or with WMATA's policies and procedures, grossly distort employee's time and attendance records and/or contribute to an increase in the assignment of overtime hours.

Implementation Status:

The former director of OPAS stated that the practice of granting compensation time to employees who work on holidays and the practice of loaning vacation time between employees were eliminated.

Recommendation 10

MTPD and Operations reiterate and enforce the policy and/or union requirement that each police officer and/or "Operator" take a minimum of eight (8) hours of continuous off-duty time in each twenty-four (24) hour work period. Police officers and other workers are not in compliance with this policy when they work more than sixteen (16) hours in any 24 hour period. We also encourage Operations to consider the effect that fatigue from working an extended number of overtime hours might have on the ability of workers to be effective at their jobs. We encourage MTPD to reiterate to the police officers the effect that fatigue can have on the ability of the police officers to be effective at their jobs.

Implementation Status:

The superintendents and directors of the offices of MTPD, PLNT, TSSM, BTRA, BMNT and Line Service Red Line (LSRD) issued memoranda or gave orders to all employees that eight (8) hours of off-duty time must be taken within each 24-hour work period. They agreed periodically to issue notices to staff, especially new employees, regarding the eight-hour off-duty rule. The superintendents and directors also stated that the issue of fatigue and the effect it has on a worker's performance is discussed during staff meetings.

In the General Manager's response to the draft copy of this report he revised the implementation status to Recommendation 10 to state that, "The superintendents and directors in all operations offices have issued memoranda or given orders to all employees that eight (8) hours of off-duty time must be taken within each 24-hour work period."

Recommendation 11

The senior-level managers, superintendents and directors in Operations and MTPD work closer with the front-line supervisors and provide the supervisors with copies of the managerial analysis reports on overtime hours so that the supervisors might better understand the impact of their decisions to assign overtime hours on WMATA's operating budget and workforce. Advice, ideas and strategies should also be shared with the supervisors about ways to potentially control and reduce the use of overtime

hours. Managers at all levels in Operations and MTPD should continuously communicate with the workers concerning overtime issues.

Implementation Status:

The DGM/COO acquired two full-time budget analysts to oversee budget activities in Operations. These analysts are responsible for working with the budget analysts in each office of Operations to create a uniform and timely approach to reporting on overtime hours and other budget items. Each office in Operations is required to prepare weekly overtime reports. These reports are submitted to the DGM/COO for review and discussion during weekly and quarterly review meetings with the AGMs.

The AGMs also discuss these reports at their weekly and quarterly staff meetings with superintendents and managers. The budget analysts in Operations are required to distribute the overtime reports weekly to all managers. The DGM/COO also distributes consolidated reports on Operations to all offices to improve vertical and horizontal communication. MTPD reports (financial, vacancy, and absenteeism) are shared with the three deputy chiefs on a regular basis. The deputy chiefs in MTPD discuss and share their reports with the sergeants and lieutenants.

Recommendation 12

Managers at all levels in Operations take greater advantage of the reporting capabilities of its business systems and the support personnel. The budget analysts in Operations and the personnel specialist in OPAS should be asked to provide the managers with more detailed reporting and special reports on the nature of the overtime hours including helping Operations to verify that the overtime hours worked are justified.

Implementation Status:

The budget analysts and personnel specialists formerly in OPAS have been assigned to the office of the DGM/COO or WORX, respectively. The budget analysts in the office of the DGM/COO prepare weekly and quarterly budget reports for all of Operations. They also review and coordinate reports prepared by the budget analysts from all offices in Operations to ensure uniform and timely reporting on overtime and other budget items. All budget analysts are required to work closely with managers and supervisors to monitor the budget and implement corrective actions.

The personnel specialists along with other employees in WORX have been instructed to prepare the monthly vacancy and absenteeism reports. These reports are submitted to the ELTs monthly for review. To date this report has not been linked to the intranet because it contains information that may not be appropriate for WMATA-wide

dissemination. WORX is re-evaluating this issue with regards to the privacy of data. ELT members may share the vacancy report with their staff as needed. The DGM/COO also created task forces to help determine and implement means of reducing and controlling the high number of overtime hours worked.

Recommendation 13

The senior-level managers in Operations consider establishing a pilot program at a selected facility to implement certain management initiatives in regards to overtime hours. The overall purpose of the pilot program would be to acquire a better understanding of the nature of overtime hours and to improve internal controls. Any such pilot program should include an initiative to limit the number of overtime hours worked by each worker.

Implementation Status:

The DGM/COO stated that he and the AGMs of Operations considered our recommendation in regards to establishing a pilot program to implement certain initiatives to reduce overtime. A determination was made that due to the increased focus of the DGM/COO and other managers in Operations on monitoring overtime hours, a pilot program was not needed at this time. The DGM/COO also mentioned that the Local 689 and 922 union labor agreements require WMATA to follow specific guidelines in the assignment of overtime hours. The DGM/COO plans to present some of the provisions in the labor agreements for possible revisions during the 2008 renegotiations of the union agreements.

Recommendation 14

We encourage the frontline managers and supervisors in the applicable offices in Operations to provide suggestions to the superintendents, directors, and senior-level managers on how to better control and reduce the overtime hours in order that they may better meet their responsibility to ensure that the human and financial resources of WMATA are employed in the most efficient and economical manner.

Implementation Status:

The DGM/COO organized a special strategy session on overtime hours in July 2007. Out of this session, several task forces were created to focus attention on overtime hours and other management issues. The task forces were made up of AGMs, superintendents, directors, managers and other staff members. Some managers suggested that an incentive be established to encourage workers to not abuse sick leave by allowing workers to be paid up to 100 percent of unused sick leave upon retirement or termination.

A second suggestion was to eliminate the semi-annual pick process for union Locals 689 and 922 employees. Some managers felt that the

process is disruptive to the ability of management to maintain its continuity of work plans and established relationships with workers. A third suggestion was to eliminate the policy that requires RTRA to hire its “operators” from the limited pool of BTRA “operators.” Managers felt that this policy limits their ability adequately to fill rail operator vacancies. The task forces have submitted their suggestions to the DGM/COO for consideration.

Recommendation 15

The general superintendents and directors ensure that employees are not allowed to take time off from their regularly scheduled work hours in order to participate in Metro Information Persons (MIP) activities and that overtime hours are not assigned to workers in order to make-up for time lost due to workers participating in MIP activities.

Implementation Status:

Many of the superintendents and directors in Operations (BTRA, BMNT, LSRD, PLNT, CMNT, TSSM, ELES, and OPAS) have either prohibited or restricted MIP activities by Local 689 and 922 union employees. Subsequent to these actions, the General Manager stated in a letter on June 27, 2007 that, at the discretion of an employee’s supervisor, MIP activities are open to all staff at WMATA, including Operations. However, the DGM/COO stated that a worker’s assigned job duties in Operations supercede any MIP activities.

C. Recommendations Regarding Labor Agreement Initiatives

Recommendations 16 through 18 in the February 2006 report relate to certain provisions of the local union 689 and 922 labor agreements. Many of the managers feel the labor agreements provide an incentive for workers to: (1) abuse the sick leave policy, (2) aggressively seek to work overtime hours, or (3) possibly influence a manager’s loyalty between the union and WMATA. The Office of Auditor General also recommended that management assign overtime hours based on the specific time needed for a task rather than on a regular 8-hour shift. Management was asked to consider the degree to which retention of membership in the union retirement pension plan by supervisors and managers might influence decisions in the work place regarding overtime hours and other management issues. The three recommendations and their implementation status are:

Recommendation 16

The following provisions or sections within the union labor agreements (Local Union 689 of the “Amalgamated Transit Union AFL-CIO,” and Local 922 of the “International Brotherhood of Teamsters,”) be reviewed for their potential influence of workers to take additional sick leave, to seek excessive amounts of overtime work and to influence the sentiment of supervisors and managers in Operations in favor of the policies of union management rather than the interest of WMATA as a whole. We encourage WMATA’s general superintendents and directors of those offices and

officials who participate in negotiating the provisions of the labor union agreements in Operations to consider the implications of these provisions on the number of overtime hours that are being assigned. We also encourage the general superintendents and directors to implement management initiatives that would counter any such influence on the assignment of overtime hours in Operations.

The provisions or sections of the labor union agreements are:

- E. "Sick Leave Provision," Section 116 of the Agreement with Local Union 689,
- F. The Inclusion of Overtime Pay in the Computation Used to Determine a Retiree's Annual Pension Benefits, Article V, Section 5.01, of the Agreement with Local Union 689, and
- G. Article III, Section 3.04, of the Agreement with Local Union 689 that allows WMATA's management level personnel to retain their union membership in the union-administered retirement system (The Transit Employees Retirement Plan) after being promoted from the rank-and-file of the union membership.

Implementation Status:

The AGMs and superintendents held meetings to review the Local 689 and 922 labor agreements to ensure that WMATA's concerns are represented during the upcoming negotiations. Of the three provisions that we identified as potentially contributing to an increase in overtime hours, management plans to introduce the "Sick Leave Provision" and the provision that provides for "The Inclusion of Overtime Pay in the Computation Used to Determine a Retiree's Annual Pension Benefits" for discussion and possible revision during the upcoming renegotiations of the agreements.

The DGM/COO does not intend to introduce for possible revision the provision that "allows WMATA's management-level personnel to retain their membership in the union-administered retirement system." Management does not believe there is sufficient support from workers to eliminate or change this provision. The expiration dates for the 689 and 922 union labor agreements are June 30, 2008, and October 31, 2008, respectively.

Recommendation 17

Where it's feasible within the provisions of the labor union agreements, managers and supervisors should assign overtime hours based on individual tasks to be completed (with consideration given to available time standards) rather than routinely assigning overtime hours based on a regular 8-hour shift. We noted that the overtime hours worked generally approximated a full 8-hour shift. This possibly indicates that workers

were assigned to work a full 8-hour shift of overtime when less than a full 8-hour shift might have been sufficient to accomplish the task. This approach to the assignment of overtime hours would help managers and supervisors to better control overtime hours and better utilize the work force.

Implementation Status:

The superintendents and directors generally stated that overtime hours in their offices are assigned by individual tasks, not based on a routine eight-hour shift. Some managers request workers to stay beyond their regular eight-hour shift to complete previously started tasks. Although a worker earns overtime for the extra hours worked, management avoids assigning the overtime to another worker who must be paid a minimum number of overtime hours. The DGM/COO has directed QA to conduct periodic reviews of workers' time sheets in Operations, and created task forces to focus on means of reducing and controlling overtime. The QA reviews should improve internal controls over time and attendance and highlight areas where management can reduce overtime hours.

Recommendation 18

Operations should evaluate the issue and consider the degree to which the retention of membership in the union retirement pension plan by its supervisors and managers who are appointed from the ranks of the union membership might interfere with or influence the managerial decisions made in the work place in regards to overtime hours.

Implementation Status:

The DGM/COO stated that he and the AGMs of Operations considered the issue of "managers in Operations retaining their membership in the union administered retirement system." A determination was made not to introduce the issue for discussion and possible revision during the upcoming labor negotiations. The DGM/COO does not believe there is sufficient support from workers to eliminate or change this provision. The expiration date for the 689 union labor agreement is June 30, 2008.

D. Recommendations Regarding Improved Internal Controls

Recommendations 19 through 21 in the February 2006 report relate to improvements management need to make regarding internal controls. General Superintendents and directors are encouraged to improve internal controls in three areas: (1) discontinue the use of sign-in sheet for time and attendance where feasible, (2) ensure the separation of duties regarding the processing of time and attendance, and (3) ensure that a job number or project number is assigned to all regular and overtime hours worked. The three recommendations and their implementation status are:

Recommendation 19

The general superintendents and directors in the applicable offices in Operations discontinue the use of sign-in sheets to record workers' time and attendance and replace them with a time-stamp clock, where it's feasible.

Implementation Status:

The superintendents and directors stated that sign-in sheets are still used in Operations for those employees who are referred to as "direct reports," that is, the hourly employees, who by nature of their jobs, are required to report directly to a work site without first reporting to their office for sign-in. The time-and-attendance data on sign-in sheets are less verifiable due to inconsistent real-time communication between supervisors and workers during sign-in and sign-out. The superintendents and directors stated that sign-in sheets for these workers will continue to be used until a more efficient means of collecting time-and-attendance data for "direct reports" has been implemented. The DGM/COO directed the QA office to conduct periodic reviews of time sheets in operations, starting in March 2008, to ensure accuracy and improve internal controls.

Recommendation 20

The general superintendents and directors in Operations improve the internal controls in their office over the documentation of employees' time and attendance by ensuring that the functions of approving, recording, and maintaining custody of workers' time sheets is performed by separate individuals who are independent of each of the other functions.

Implementation Status:

The DGM/COO directed the AGMs to implement an internal monitoring program for reviewing workers' time sheets in Operations for the purpose of improving internal controls. The QA offices in Bus and Rail have been instructed to conduct weekly random reviews of the time sheets. More detailed reviews will be determined based on the findings that are made. The QA office in Rail will conduct the reviews in Operations Services until Operations Services hires a QA director. The DGM/COO also requested the OIG to conduct internal control training for the DGM/COO and his direct reports and for the budget analysts in Operations. The OIG provided internal control training on April 8, 2008, for the DGM/COO and all the budget analysts in Operations.

Recommendation 21

The managers and supervisors in Operations need to ensure that each job or task assigned to the workers during regular hours or during overtime hours is given a job number that allows the timekeepers, the accounting office or other interested office to properly identify and classify the types of work that are being performed.

Implementation Status:

The superintendents and directors stated that managers and supervisors have job numbers (codes) that are used to track overtime hours. To ensure that job numbers are used consistently, Operations has requested that IT configure Trapeze and the new Peoplesoft Time and Labor system to make the job code field a “required field.” The budget analysts have been directed to work closely with the timekeepers to ensure that all overtime hours include a job number.

E. Recommendations Regarding Improved Administration and Control of Budget Related Issues

Recommendations 22 and 23 in the February 2006 report relate to improvements management needs to make regarding the administration and control of budget-related issues. This section, the report reiterated that the directors and general superintendents should make greater use of the financial reporting and analytical capabilities of the budget analysts and data specialists on their staffs. The report recommended that management expand their review of overtime hours to consider the causes and consequences that might be associated with working a high number of hours. Some supervisors and managers had stated that budgets and overspending were not their issues rather these were issues for upper-level management.

The Office of Auditor General also recommended that the Office of Management and Budget Service (OMBS) include a separate line item for “scheduled overtime” in WMATA’s yearly annual budget reports. In the previous annual budget reports, OMBS had combined all “scheduled overtime,” and “straight-time” for operators into one line-item titled, “straight-time,” in the annual budget. The two recommendations and their implementation status are:

Recommendation 22

The superintendents and directors in Operations take full advantage of the research and reporting capabilities of the budget and personnel specialists within OPAS and the budget analysts that are assigned to specific offices in Operations. The individuals who work these positions are very familiar with the operating data on overtime hours and can be helpful in identifying trends and preparing projections for managerial analysis and decisions. Issues that affect the assignment of overtime hours such as budgetary funding, budget overruns, employees’ absenteeism, staff vacancies, increases in Metrobus and Metrorail services and the effect of fatigue on the workers should all be a part of management’s evaluations and reviews of data on overtime.

Implementation Status:

The DGM/COO directed all budget analysts to work closely with their superintendents and directors to monitor budget activities and implement corrective actions. The budget analysts and personnel specialists formerly in OPAS are now assigned to the office of the DGM/COO for Operations and WORX, respectively. They are responsible for preparing

weekly and quarterly budget reports for all of Operations. They also review and coordinate reports from budget analysts in each office in Operations to ensure uniformity and timely reporting.

The personnel specialists assigned to WORX have been instructed to prepare the monthly vacancy and absenteeism reports. These reports are reviewed by the ELT monthly, and at a future date will be made available online to all managers and supervisors. The DGM/COO also created task forces to help implement means of reducing and controlling overtime hours. The superintendents and directors stated that the issue of workers' fatigue is discussed during staff meetings.

Recommendation 23

FIMA,³ with input from OPAS, when preparing WMATA's annual operating budget, include a separate line item showing the amount of hours and dollars budgeted for scheduled overtime, as well as non-scheduled overtime. Currently, only non-scheduled overtime is included as a separate line item in WMATA's annual operating budget.

Implementation Status:

OMBS implemented this recommendation by including a separate line-item for "scheduled overtime" in the fiscal year 2007 annual budget report.

MANAGEMENT COMMENTS

In comments provided on May 7, 2008, to a draft copy of this report, the General Manager agreed with the implementation status of the 23 recommendations as explained in our report. However, the General Manager revised management's comments to Recommendation 10 to state that, "The superintendents and directors in all operations offices have issued memoranda or given orders to all employees that eight (8) hours of off-duty time must be taken within each 24-hour work period."

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to determine the implementation status of the 23 recommendations made in Audit Report AUD 06-101 to Operations and MTPD.

To accomplish our objective, we interviewed and collected documents from management and support personnel in the Office of the Deputy General Manager, Bus Maintenance (BMNT), Bus Transportation (BTRA), Rail Transportation Red Line (RTRA-LSRD), Rail Car Maintenance (CMNT), Rail Track/Structure/System Maintenance (TSSM), OPAS, PLNT, ELES, MTPD, and Human Resources and

³ The Office of Financial Management (FIMA) was renamed the Office of Management and Budget Services (OMBS) in April 2006.

Management Services (HRMS)⁴ about corrective actions taken to implement the recommendations. Our fieldwork was conducted during fiscal years 2007 and 2008, and was focused on the implementation status of the 23 recommendations. We also held meetings with the DGM/COO and the AGM, WORX. Our review was conducted in accordance with generally accepted government auditing standards appropriate to the scope of the review described above.

We appreciate the cooperation and assistance extended to us during this follow-up review. If you have any questions, please contact Andrew Clemmons, Assistant Inspector General-Audit, at (202) 962-1014 or me at (202) 962-2515.

Helen Lew /s/
Inspection General


cc:	MTPD	-	Michael Taborn
	CHOS	-	Shiva Pant
	IT	-	Suzanne Peck
	CFO	-	H. Charles Woodruff, II
	BTRA	-	Steve Petrucelli
	BMNT	-	Phil Wallace
	PLNT	-	Paul Gillum
	RAIL	-	Dave Kubicek
	TSSM	-	Darvin Kelly
	ELES	-	David Lacosse
	WORX	-	Andrea Burnside
	DGM/COO	-	Gerald Francis
	BUS	-	Milo Victoria
	OPRS	-	Jack Requa
	CMNT	-	Eugene Garzone
	COUN	-	Carol O’Keeffe
	CSAC	-	Sara Wilson

⁴ The Office of Human Resources and Management Services (HRMS) was reorganized in the fall of 2007, and is now the Office of Workforce Client Services (CLVS) in the Department of Workforce Services (WORX).

M E M O R A N D U M

SUBJECT: Comments on OIG Review of
Overtime Hours and Costs

DATE: May 7, 2008

FROM: GMGR- John B. Catoe, Jr. 

TO: OIG - Helen Lew

This memo is intended to provide comments on OIG's "Follow-up Review of the Administration of Overtime Hours and Costs in WMATA's Department of Operations and Metro Transit Police Department." As we understand it, all 23 of the recommendations have been closed by the Office of Inspector General and no further follow-up is required.

We do have one factual comment on Recommendation 10. In the implementation status section, the first sentence says that, "The superintendents and directors of the offices of MTPD, PLNT, TSSM, BTRA, BMNT and Line Service Red Line (LSRD) issued memoranda or gave orders to all employees that eight (8) hours of off-duty time must be taken within each 24-hour work period." We would like to revise this sentence to say that, "The superintendents and directors in all operations offices have issued memoranda or given orders to all employees that eight (8) hours of off-duty time must be taken within each 24-hour work period."

Please let me know if you require any additional information on this issue.

cc: DGM/COO - Gerald C. Francis
CHOS - Shiva Pant
MTPD - Michael Taborn
WORX - Andrea Burnside