



# At a Glance

## Why We Did This Project

The U.S. Environmental Protection Agency's (EPA's) Office of Inspector General (OIG) conducted this audit to determine whether the agency is appropriately using split and combined time-off and monetary awards. A *split award* is a monetary award that has been separated into two or more smaller awards. A *combined award* includes both time-off and monetary awards.

In response to an OIG audit completed in 2015 (EPA OIG Report No. [16-P-0048](#), issued November 30, 2015), the EPA adopted an interim policy related to the approval of awards. This interim policy requires a higher-level review and approval of individual employee monetary awards that total more than \$5,000 for any one employee in a fiscal year.

**This report addresses the following:**

- *Operating efficiently and effectively.*

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## EPA Needs to Improve Management and Monitoring of Time-Off Awards

### What We Found

The EPA successfully implemented interim policies and procedures for reviewing and approving monetary awards that total more than \$5,000 in a fiscal year for any one employee. However, the agency does not follow U.S. Office of Personnel Management guidance for valuing time-off awards. Specifically, the EPA does not assess a value for time-off awards as part of its awards program. The agency, therefore, cannot determine whether its time-off awards are consistently assessed, approved at the appropriate level when combined with monetary awards, and commensurate with employee achievements.

**The EPA's time-off awards program needs to be held to the same standard as the agency's monetary awards program, both in execution and resource management.**

We also found that the agency does not monitor time-off awards as a resource. From calendar years 2015 through 2017, the agency awarded 355,511 hours—a total of over 170 full-time positions—in time-off awards. However, these awards are not managed or monitored in regard to agency productivity or workload management. A large number of time-off hours awarded results in lost productivity, which can adversely impact the agency's mission.

### Recommendations and Planned Agency Corrective Actions

We recommend that the Assistant Administrator for Mission Support (1) revise EPA Manual 3130 A2, *Recognition Policy and Procedures Manual*, to establish a methodology to determine the equivalent value of time-off awards; (2) update its 2016 interim policy to include the combined value of all awards—both monetary and time-off—when determining the appropriate level of review and approval, and incorporate this update into EPA Manual 3130 A2; and (3) establish internal control procedures to monitor time-off awards as part of EPA resource management.

The EPA did not agree with Recommendations 1 and 2. The agency agreed with Recommendation 3 but did not provide acceptable planned corrective actions. We consider all three recommendations unresolved.

### Noteworthy Achievement

In 2019, the EPA streamlined its processing of monetary and time-off awards. According to the agency, this streamlined process reduced the overall costs of processing awards by 31.3 percent or \$1.33 million annually.