



Report to: General Committee

Report Date: Sept 22, 2009

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**SUBJECT:** Overtime and Attendance Management Audit Report  
**PREPARED BY:** Ingrid Kutter x 4858

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**RECOMMENDATION:**

- 1) That the Auditor General report titled “ Overtime and Attendance Management Audit Report”, dated May 26, 2009, be received for information
- 2) And that the proposed Town staff actions plans, developed in response to the Auditor General recommendations, be approved
- 3) That the Auditor General Work Plan status update be received for information

And that Staff be authorized and directed to do all things necessary to implement the action plans detailed in the Report.

**EXECUTIVE SUMMARY:**

1) Overtime and Attendance Management Audit Results

This report presents the results of the Overtime and Attendance Management Audit completed on May 26, 2009. This Report contains recommendations, which if implemented, should improve operations. This Report was discussed with Town staff, who have committed to implementing corrective actions in response to the recommendations.

Attendance management for the purposes of this audit refers to processes to manage overtime, employee absenteeism, and leave. Overtime is defined as those hours worked in excess of a regular work period. Employee absenteeism is defined as unscheduled absences from work due to illness or injury, whereas leave is scheduled absences. Absenteeism can lead to reduced productivity, reduced employee morale, and increased overhead costs such as overtime. Overtime is a cost to the Town that can pose a risk of waste and abuse if not well managed.

The scope of the audit included the town wide processes for managing attendance and overtime for all departments. Specifically the audit included; short term absences from work due to illness or injury, family responsibilities and medical appointments; leave taken for vacation; and overtime with a focus on some high users of overtime; Fire Services, Roads, and Parks.

The objectives of the audit were to assess the management framework, practices and controls that ensure staff attendance and overtime were;

- compliant with legislation, collective agreements and Human Resource policies,
- properly authorized and accurately recorded,
- managed in an efficient manner
- effectively monitored using reliable management information to identify exceptions and measure outcomes

**The audit concluded that the framework, practices, and controls to effectively and efficiently manage attendance and overtime need improvement. People managers did not have sufficient reliable and meaningful management information to manage absenteeism and overtime use.**

The Town’s average sick days taken by full time employees is steadily increasing. Town absences remain below the national average for public sector workers but exceed the private sector experience. Vacation carry over has increased, along with an increase in overtime in the high user departments. Overtime earned as time off is not tracked town wide, but estimates show overtime hours would increase by at least 30%. Overtime spend represents less than 3% of salary costs concentrated in four departments with Fire Services accounting for over 60% of the spend.

**Although there were no identified widespread abuses of sick time or overtime, there is a need to monitor and actively manage the upward trends.**

Fire Services continually exceeded their people budget with higher than expected overtime and lower salary costs. The large number of staff vacancies in 2008 and 2009 increased reliance on overtime to cover both the vacancies and sick absences. The current staffing model needs to be reviewed, the budgeting process clarified, overtime drivers monitored and attendance program strengthened.

2) Auditor General Work Plan Status Update

On November 11, 2008 Council approved the Auditor General’s work plan for the period January 1, 2009 to June 1, 2011 as follows.

Year. reference	Audit Project Title	Status
2009.1	Procurement Process	Complete
2009.2	Operations (maintenance of parks, roads, signs)	In progress
2009.3	Attendance Management	Complete
2009.4	Construction Contract Project Management	Report phase
2010.5	Fleet Services	
2010.6	Use of Consultants	
2010.7	By-Law Enforcement & Licensing	
2010.8	Waterworks	
2010.9	Information Technology Governance	
2011.10	Privacy	
2011.11	Governance	
2011.12	Development Review Process	

The audit work is on schedule and will continue in 2010 with the approved plan. The construction contract project management audit (2009.4) has been completed for one project and will be presented to Council late October / early November 2009. This audit will be extended to a few other construction projects in 2009. The Audit Plan includes a follow up process that annually determines if corrective action has been taken on all

agreed action plans. The follow up status will be reported to Council through General Committee in February 2010.

**PURPOSE:**

To present the Auditor General Report for the Overtime and Attendance Management audit and the Auditor General Work Plan Status Update

**BACKGROUND:**

This report presents the results of the Overtime and Attendance Management Audit completed on May 26, 2009. This Audit was conducted as part of the Auditor General's 2009 audit work plan approved by Council through General Committee on November 3, 2008.

**OPTIONS/ DISCUSSION:**

There are 5 key themed audit recommendations and for each of those, more detailed recommendations are included in the Full Audit Report.

**FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)**

Not applicable

**HUMAN RESOURCES CONSIDERATIONS**

Not applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Human Resources  
Corporate Services Commission  
Development Services Commission  
Community and Fire Services Commission

**RECOMMENDED BY:** \_\_\_\_\_

Ingrid Kutter

**ATTACHMENTS:**

Overtime and Attendance Management Audit Report

