



Hamilton

CITY OF HAMILTON

INTERNAL AUDIT REPORT 2014-08

ABSENTEEISM

April, 2015

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EXECUTIVE SUMMARY

Effective monitoring and management of employee attendance is critical to reducing the direct and indirect cost associated with absenteeism in the workplace.

The audit focused on short term absences in all City departments (excluding Hamilton Public Library and Hamilton Police Service). The audit is meant to assess whether this type of absenteeism is effectively monitored and managed, whether the Attendance Support Program is appropriately utilized by departments and whether management is adequately trained to manage employee absenteeism.

The City of Hamilton's initiatives for managing employee absenteeism include the Attendance Support Program (ASP), short term disability provisions, use of Return to Work Services (RTWS) and the recent addition of reports from the Human Resources Business Intelligence Tool (HRBIT).

As reported by Human Resources, employee absences due to short term disability in the period January to September, 2014 account for \$7.64 million in direct salary costs with an average of 8.22 sick days per eligible employee. A recent report to Council breaks these numbers into the sub-categories of incidental and significant absences under the Income Protection Plan (IPP), with the intent of targeting specific areas and groups.

During the course of Audit Services' review, several opportunities for improvement relating to the management of employee absenteeism were identified. Included among these opportunities are:

- Raise a stronger, more extensive awareness of the HRBIT and various reports and their use by those with absence monitoring and management responsibilities;
- Expand absenteeism reporting to include all employees and short term absences, whether covered by an income protection plan or not;
- Reinforce consistency and compliance in the application of an ASP (including documentation practices and time frames for conducting attendance reviews);
- Train all appropriate staff responsible for overseeing employee absenteeism in Disability and Attendance Management to a set target performance measure level;
- Conduct a re-evaluation of the ASP to ensure it addresses the concerns identified in the structured interviews conducted by Internal Audit and specifically noted in the report under Attendance Support Program (ASP), #9-15;

- Develop a corporate emergency leave policy/procedure that ensures emergency leave days are tracked in overall employee attendance; and
- Automate departmental absence reporting into PeopleSoft HR to reduce inefficiencies of manual processing through multiple hands.

The implementation of these recommendations will support a fair and consistent approach to managing absenteeism and enhance the tracking and reporting of absenteeism performance measures by Human Resources for all City employees.

BACKGROUND

The focus of this audit is to assess management's monitoring of employee absences and the use of the Attendance Support Program (ASP) and short-term disability provisions. Short-term disabilities, a period of disability resulting from illness/non-occupational injury, include absences of less than 1 day up to 130 days and are categorized as either incidental or significant sick absences.

- **Incidental** sick absences are those that are less than six days and are managed primarily by employee's supervisor.
- **Significant** absences are those that are six days up to 130 days, require medical claim forms and are additionally managed by Return to Work Services (RTWS) staff.
- **Modified Sick** absences are for those employees who are involved in graduated return to work programs and are paid for partial sick days.

From January to September, 2014, Human Resources reported the direct cost of salaries paid to absent employees covered by short term disability provisions amounted to \$7.64 million for an average of 8.22 sick days per eligible employee.

The table on the next page summarizes the sick days paid/employee at the City from 2010 to 2014. Human Resources produces regular reports of employee attendance performance measures for the information of Council. These reports can be reviewed for more detailed data supporting the numbers on the next page.

YEAR	2010	2011	2012	2013	2014*
SICK DAYS PAID/ EMPLOYEE**	9.95	10.52	10.06	10.05	8.22*
*January – September, 2014 (9 months only)					
**Excludes Library, Police, HECFI, Fire, Crossing Guards and maternity absences					

Absences without leave and emergency leaves were also included in the scope of the audit.

- **Absent without leave:** An employee is absent from work without explanation or permission.
- **Emergency Leave:** An employee is entitled to take a total of 10 days' leave (unpaid) in each calendar year when the absence qualifies under the reasons provided in the Employment Standards Act.

Note that the numbers above do not take into account unpaid absences (i.e. part-time or temporary fulltime staff as their absences are not covered by an income protection plan, penalty days incurred for eligible employees or personal or emergency leave days). However, there are indirect costs incurred for such instances as lost productivity, possible replacement staff and overtime. These costs have not been calculated or included in the Human Resources report to Council.

The ASP program applies to both significant and incidental absences where occurrences exceed four occasions or days lost exceed seven days in a rolling 12 month period. The ASP makes health resources and other supports available to employees who trigger into the ASP or who are progressing through the program. Employees meet with management to develop plans to improve their attendance.

METHODOLOGY

The following work was completed by the Audit Services Division.

- Reviewed training records** to evaluate if management is adequately trained to effectively manage employee absenteeism.
- Verified the accuracy of the HRBIT absenteeism information** that is being used to manage absenteeism and is reported to Council. The accuracy of information being electronically uploaded from other applications was also verified.

- C. **Developed and conducted structured interviews** with management in 15 selected Sections out of 140 active groupings across the City. Section selection was based on a combination of criteria of total headcount, total absence occurrences and/or total lost days and year over year data trends across all City departments (except Hamilton Public Library and Hamilton Police Service). The selection of management to participate in the structured interviews included staff with employees reporting directly to them, those participating in ASP meetings and/or those responsible for managing absenteeism (e.g. Directors, Administrators, Managers, Superintendents, Supervisors, Chiefs, Deputy Chiefs, Commanders). The management of these sampled 15 Sections was knowledgeable of the actual practices in the Section and represented 4260 employees or 54% of the total headcount of 7943 included in the scope of the audit.

The interviews consisted of 23 questions related to sick absence management, sick absence reporting, the Attendance Support Program (ASP), work accommodation, absences without leave and emergency leaves. The interviews also provided opportunities for additional comments by management.

- D. **Compared structured interview results** amongst Sections and to Human Resources (HR) expectations. Any gaps in HR's expectations were identified. Additional testing was performed to **verify interview responses** relating to the ASP to determine that it is being administered in accordance with expectations.
- E. **Made recommendations** to address the existing shortcomings in order for the City to improve attendance management processes.
- F. **Communicated** findings to the City Manager and management in Human Resources. A Management Action Plan was requested and the responses were incorporated into this final report.

OBSERVATIONS AND RECOMMENDATIONS

REPORTING

HR has reported internally and to Council on employee absenteeism at the corporate and departmental levels. A breakdown of absences by employee group for each division and the monitoring of the total number of absence days taken by employees are beneficial in bringing additional focus to the level of absenteeism at the City. Reporting complete information on a regular basis provides an indication of the effectiveness of the various existing programs and initiatives.

1. Absenteeism Reporting

The figures reported to Council in the 2013 Employee Attendance Report relating to short term disability were verified as being accurate. However, this information only includes paid absences for eligible employees. The figures in the report do not include unpaid sick absences (i.e. penalty days) incurred for eligible employees equating to approximately 2870 (seven-hour) days by 680 employees. The report also excludes the absences of ineligible employees (e.g. part-time staff and temporary full-time staff not included in an income protection plan) which amount to 5300 lost days for 769 employees (per HRBIT reporting). Note that these numbers were not verified by Internal Audit.

Although there may not be direct costs for some unpaid absences, there is an impact on service levels and / or additional costs to backfill the sick employee where needed. In some Sections, employees are often backfilled at overtime rates, increasing the overall costs of absenteeism to the organization. The amount of overtime incurred to fill positions due to absent employees cannot be determined as most current records do not distinguish why overtime was incurred.

It is recommended:

That HR expand on the information provided in the annual Employee Attendance Report to Council. This report should include a complete picture of all lost hours to the organization from employee sick absences.

Management Response

HR: HR will report on the non-paid penalty days incurred by employees who have an Income Protection Plan in future reports. Data for penalty days are to be a deterrent as well as a cost savings and are already collected by HR.

SMT will review the recommendation to track all other non-paid absences and report back on its feasibility and value in the next absenteeism report at the end of 2015. This matter will also require conversations with various sections in Human Resources, specifically the HR Business Intelligence Team and Labour Relations staff to determine impact.

2. Consultant's Report

External consultants (Mercer) prepared an "Assessment of Short Term Disability Management Program" report, dated May 26, 2014. The report assessed and compared the City's current situation to best practices and identified the areas of disability absence management that need to be improved, modified or added to current practices and processes in order to be a best practice leader. This report resulted in 15 recommendations. The report recommendations and HR's responses have been summarized and presented to the HR Leadership Team but have not yet been communicated to the Senior Management Team (SMT) or Council.

It is recommended:

That a report be prepared and presented to the SMT and Council in order to gain support for the disability management approach and to ensure that the implementation of the recommendations is adequately followed up.

Management Response

HR: Agreed. The action plan prepared in response to the report will be shared with SMT in Q2, 2015. The actions arising from the report will be included in the Human Resources activity update that is included in the attendance reports presented to Council through the Audit, Finance and Administration Committee.

3. Human Resources Business Intelligence Tool (HRBIT)

The HRBIT has currently been rolled out to General Managers and some Directors. However, Managers and Supervisors are often the ones managing the attendance of front line staff. HRBIT has the ability to provide detailed employee information to identify employee trends (e.g. absences by day of the week, month, quarter) but this information is only being provided on an ad hoc basis if requested by management. In performing structured interviews, management in seven Sections interviewed indicated that they

were not aware of the HRBIT and the information available. Thus, more knowledge of a system providing valuable detailed reports and information by those responsible for monitoring and managing absences is required.

It is recommended:

That HR communicate and increase the awareness of all "managers of attendance" as to the type information that is available to them upon request from HRBIT.

That HR work with the Information Technology Division (IT) to develop reporting within the HRBIT that will allow for such "managers" to have self-service access to information identifying absence trends and patterns.

Management Response

HR: Agreed. Human Resources will continue to work with IT to address current security, performance and data limitations that are preventing access to the tool for front-line supervisors. We anticipate the system will be fully accessible by the end of 2015.

IT: Agreed. IT will work with HR to understand the full scope and business requirements. In collaboration with HR, the estimated completion date will be determined based on the priority assigned to this work by HR and the scope of the work.

4. Ineligible Employee Absence Reporting

The scope of the "Reporting an Absence" and "Returning from Absences" procedures indicates that these procedures apply to all eligible employees. The Procedures outline Supervisors' responsibilities for receiving calls, reporting absences to HR and notifying RTWS. The process to be followed for ineligible employees (those not paid for the sick time away from work (e.g. part-time / casual / temporary full-time employees not included in the Income Protection Plan)), is not clear. A review of other policies, procedures and documents did not clearly identify the requirement to manage and report on absences for ineligible employees.

This increases the risk of absences for ineligible staff not being reported and inconsistencies in the handling of absences for all employees across the organization.

In addition, if absences are not recorded, employees would not trigger into and be provided the appropriate support through the ASP.

Two Sections interviewed indicated that absences for part-time staff and contract staff are not always reported in PeopleSoft HR.

It is recommended:

That HR review and modify the "Reporting an Absence" and "Returning from Absences" procedures to ensure the scope includes all employees. Other policies, procedures and relevant documents should be reviewed and modified as required to ensure expectations in managing absenteeism for all employees are clearly defined and consistent.

Management Response

HR: Agreed. The change will be made to indicate that all employees (including part-time, temporary, etc.) are required to follow absence reporting and return-to-work procedures. Other policies will be reviewed and updated in Q2, 2015.

TRAINING

There is a continued need to provide corporate training and guidance to staff responsible for dealing with attendance issues. In addition to Human Resources' responsibility for developing the ASP and providing necessary training, assistance and support to supervisors and managers, each Division/Section should ensure its managers and supervisors have adequate training and support to carry out their attendance management responsibilities.

5. Management Training

HR provides mandatory Disability Management and Attendance Management training to management. As of September 2014, 56% and 53% of management were identified as having completed the "Attendance Management" and "How to Manage Sick and WSIB Absences" courses respectively. These figures do not take into account management staff with no direct reports who do not require the training as this information was not available. The information available in PeopleSoft HR, based on direct reports only, was inaccurate. A number of staff responsible for managing employees and their attendance at work were identified as being omitted from these totals.

It is recommended:

That HR obtain the appropriate information to determine the number of management with no direct reports from each Department to compile accurate training data.

Management Response

HR: Agreed. Human Resources will continue to work with IT to address current system limitations that hinder accurate reporting on position hierarchy. We anticipate the system will be fully functional by the end of 2015.

That HR set a target performance measure for the percentage of management trained in Disability & Attendance Management. HR should monitor and analyze training levels against this measure. This should be reviewed at least annually.

Management Response

HR: Agreed. Based on an accurate number of management staff who must complete the training, targets for completion are:

- 80% by the end of 2015***
- 90% by the end of 2016 and***
- 95-100%* by the end of 2017.***

****adjusting for normal staff turnover rates***

MANAGING SICK ABSENCES

Effective management of non-culpable employee absences is important to identifying potential incidents that may not be legitimate or are a result of the abuse of the ASP.

Fair and consistent application of practices and procedures in the administration of the ASP is a key aspect in managing attendance and minimizing absenteeism. The review identified inconsistent practices in how Sections manage absenteeism, compared to the ASP requirements.

6. Contact With Absent Employees

When an employee calls in to report an absence, management is to determine the expected duration, when possible. Management is expected to continue regular contact with the employee and discuss a potential date of return to work throughout the absence. Management is responsible for monitoring and documenting all contacts with the employee and noting any revisions to the expected date of return to work. Structured interviews with management in 15 Sections (representing 4260 employees) identified:

- Employees in six Sections (representing 1921 employees (45% of the 4260 total above)) are not consistently contacted for all absences if the expected duration is not provided upon initial contact;
- Employees in five Sections (representing 1598 employees (38% of the 4260 total above)) are not contacted for longer absences (extending beyond a couple of days) to gain an understanding of the expected return date;
- All contacts made with employees are not documented by 10 Sections (representing 2641 employees (62% of the 4260 total above));
- Contact related to unusual situations was not identified as being documented in three Sections (representing 498 employees (12% of the 4260 total above));
- Contact is not consistently maintained with absent employees in six Sections (representing 1479 employees (35% of the 4260 total above)) once RTWS is involved; and
- Six Sections (representing 1528 employees (36% of the 4260 total above)) indicated that some employees see continued contact by management to verify information as harassment, creating difficulties in maintaining contact throughout the absence.

When management does not maintain contact with an absent employee, the length of the absence may be extended. Many employees have a 14 day 'grace' period to send in claim forms from the 6th day of the absence. If an employee is not contacted by management, he/she may be off for a period of up to 20 days before he/she is contacted by a RTWS Specialist.

A recommendation to continue to train managers on approaches to contacting employees who are on short term disability was also included in the Mercer consultant's report (as further described above in #2).

It is recommended:

That HR develop a contact log to ensure consistent information is captured for contact with employees regarding absences. This should be retained in management's employee working file. A contact log may not be required if similar information is captured in an automated system. Use of this log should be included in relevant procedure documents.

Management Response

HR: Agreed. Instruction on when and how to contact employees is already covered in the disability management training. The log template will be developed by Human Resources and disseminated to people leaders in Q2, 2015 along with instructions on its use.

7. Requesting Claim Forms from Day One of the Absence

Management has the ability to request claim forms on the first day of an absence when the absence is suspected to be for reasons other than illness or non-occupational injury. Only one Section (Fire) has documented policies and/or procedures on situations requiring Claim Forms / Doctor's Notes from day one of an absence. Suspect absences are not being adequately acted upon in a timely manner as evidenced by:

- Suspect absences are not being acted upon until a pattern of suspicion arises in four Sections (representing 1806 employees (42% of the 4260 total noted earlier)) interviewed;
- Suspect absences are not consistently acted on in one Section (representing 293 employees (7% of the 4260 total noted earlier)) due to uncertainty on how to proceed; and
- Claim forms are very rarely or never requested from day one of an absence in three Sections (representing 840 employees (20% of the 4260 total noted earlier)) with situations where they are warranted.

In addition, upon requesting claim forms from day one, three Sections have handled these requests internally and do not notify or provide RTWS with the documentation. A listing of claim forms requested from day one, where RTWS had been notified, was obtained and only 11 forms were requested from day one between January 1 to July 31, 2014 from the 15 Sections tested.

When medical claim forms are not requested for suspect absences, there is no clear indication of management oversight in the workplace to stop employees from misusing sick absences. Management in six Sections also expressed concerns about the ease of employees obtaining completed claim forms.

It is recommended:

That HR develop a procedure for requesting claim forms from day one of an absence. The procedure should include situations where management should strongly consider requesting a form. For example:

- ***The sick day(s) occur(s) adjacent to scheduled vacation or lieu day(s);***
- ***The sick day(s) occur(s) adjacent to or on a statutory holiday; or***
- ***The sick day(s) occur(s) on a date when a vacation or lieu day has been denied.***

The process for informing the employee of the request and the contact required with RTWS should also be included in this procedure.

Management Response

Agreed. A written procedure will be developed and distributed to management staff in Q2, 2015.

That it be clearly communicated in the procedure and attendance training materials that a claim form can be requested for all suspect absences. Management does not need to wait until a pattern of suspicious behaviour arises.

Management Response

HR: Agreed. Management is given this instruction during the training. Once a procedure is developed, it will be distributed to management staff in Q2, 2015. Human Resources staff will also advise the executive of all unionized staff.

8. Chronic or Episodic Disabilities

Where a health review determines the underlying cause of absences as a chronic or episodic medical condition, future absences are not counted as "triggering" events in the ASP. Supervisors in five Sections, participating in some form of the ASP, were not aware of this. This causes employees to unnecessarily remain in the ASP, continue triggering occurrences and take up resources in holding meetings.

A memo was sent from HR to all management, informing them of the change to the procedure for chronic and episodic health conditions in May 2014.

It is recommended:

That the ASP meeting checklist be updated to include discussions with employees regarding chronic or episodic conditions and, if identified, the requirement to contact the Occupational Health Nurse.

Management Response

HR: Agreed. This has been completed.

ATTENDANCE SUPPORT PROGRAM (ASP)

A well-defined, well accepted corporate-wide program for employee absenteeism is of significant importance in the efficient and effective management of staff resources of the City.

9. ASP Limitations

Employees trigger into the ASP when they have sick absences of more than four occasions or seven days in a sliding 12 month period. There are four levels in the program and employees progress up or down the levels based on a 12 month monitoring period from the point of the trigger. The following concerns relating to the ASP were identified through the interviews and testing performed:

- The ASP program is sometimes confusing to employees as to whether it is supportive or disciplinary in nature. Management indicated that some employees feel that meetings are disciplinary as they are progressing through multiple levels of the program and letters are being retained in their employee files while others do not take the program seriously or see any consequences for poor attendance;

- There is limited value in holding ASP meetings when employees have known medical conditions. Medical claim forms are submitted to Return to Work Services (RTWS) to support sick absences extending beyond 5 days in any one occasion (significant absences);
- Management and Labour Relations staff are not privy to all of the medical information relating to the employee that RTWS has. It is difficult to offer support and hold meaningful discussions when RTWS is only required to share information regarding the prognosis;
- The administration of the ASP consumes significant resources. In two Sections, employees are paid overtime rates to attend ASP meetings. In addition, Union representation is often required at overtime rates. If meetings are held during the employee's shift in the two Sections, other employees must be brought in to provide coverage, often at overtime rates; and
- Employees are triggering at level four of the ASP multiple times. Employees were identified with up to 11 level four triggers in the previous three years.

When there are known medical conditions and the employee is already in contact with RTWS regarding the absence, there is limited value in holding ASP meetings for which significant resources are required to schedule, hold and document meetings. The credibility of the ASP is also diminished when employees continue to trigger at level four multiple times without any apparent consequences.

It is recommended:

That HR consider revising the ASP to focus on incidental absences of five days or less which do not require medical verification to be provided to RTWS. RTWS should offer employees the appropriate support for significant absences.

Management Response

HR: Agreed. The Attendance Support Program will be reviewed and revised in 2015 for re-launch in 2016.

That the number of times employees are able to consecutively trigger at level four of the ASP be limited to one. Upon triggering at level four the second time, the employee should be moved out of the ASP into another stream led by Labour Relations (LR). The employee's future employment should be considered and a specific action plan with realistic goals and consequences agreed to (e.g. specific attendance targets to be met, last chance agreements signed, terminations).

Management Response

HR: Agreed. The review will consider focusing exclusively on incidental sick absences and the option of moving employees out of the program at level 4 if they trigger at that level a second time. Use of this option will be based on individual circumstances. Greater emphasis will be placed on managing incidental absenteeism with focus on culpable absenteeism, with disciplinary consequences.

That significant absences be reviewed outside of the ASP by management in coordination with RTWS and LR for the purposes of determining the employee's future with the organization, as required.

Management Response

HR: Agreed. Human Resources will continue to support management in their review of significant absences and the potential impact on an individual's continued employment.

10. Potential Misuse of the ASP

Results of the interviews conducted indicated that employees have the ability to arrange time off to avoid ASP trigger levels and absence detection. Management identified the following concerns in the structured interviews performed:

- Eight Sections expressed concerns that employees are able to use the ASP to take time off to their advantage around trigger levels. Some employees may feel entitled to extra time off up to the point at which they would trigger (i.e. 4 occurrences or 7 days);
- Four Sections indicated that employees are able to use lieu time or last minute vacation days to cover absences (sick or emergency leaves) and avoid triggering into the ASP; and
- Five Sections identified employees using emergency leave days to cover personal illness. These absences are not counted as occurrences in the ASP and can be used by staff to avoid triggering an occurrence, especially if the absence will be unpaid (i.e. penalty day).

Sick absences for employees with more than one employee record (multiple jobs) with the City are treated separately for the purposes of triggering into the ASP rather than accumulating under one employee.

When management is only notified to review sick absences based on a specified number of days taken and/or occasions, the risk of management not being aware of and acting upon unusual patterns increases. For example, staff may consistently take sick days each year to remain just under the ASP trigger levels, take five consecutive days (Monday – Friday) resulting in an extra week of time off or take emergency leave days when sick occurrences are no longer covered by their income protection plan (i.e. penalty days). Four Sections interviewed indicated that the ASP was their only means of monitoring absenteeism, which could result in the above situations going undetected.

It is recommended:

That management review all employees overall attendance at work, at least annually (e.g. at the time of the performance appraisal). Management should look for patterns along with addressing and documenting any concerns at this time.

Management Response

HR: Partially Agreed. Management should review attendance annually with employees to recognize good attendance and address poor attendance.

Human Resources will standardize and automate a yearly attendance profile to be generated by HRBIT. Patterned and questionable absenteeism will be monitored and managed with potential for addressing as culpable absenteeism, having disciplinary consequences. The reports will be available in 2016 to coincide with changes to ASP.

However, management needs to be careful not to include discussion around any approved time off or absences related to statutory rights under the Employment Standards Act as these are considered non-culpable absences.

Employees have a right to take unpaid emergency days for their own illness if they choose. If this is done to avoid triggering in the Attendance Support Program, there is little the employer can do other than requesting reasonable documentation to support the absence.

Last minute vacation requests or use of lieu time to cover sick absences should not be allowed and it is within management's rights to deny these requests.

Where there is suspicion that an absence is not related to an illness and is being used for extra time off, management should address the incident directly by asking for a claim form from day one of the absence. They should also be contacting the employee as per recommendation #7 above.

11. ASP Meetings Not Occurring

All Sections interviewed were not fully participating in the ASP process in 2014. Three Sections included in the structured interviews were not holding ASP meetings:

- One Section has only very recently started participating in the ASP again due to other competing priorities;
- One Section is providing letters at levels one and two with meetings only being held if requested by the employee. No action is being taken at level three and four triggers; and
- One Section is holding meetings with employees based on patterns of absenteeism being identified by the Section.

Of the remaining 12 Sections participating in the ASP process and holding meetings with employees, three were identified as not holding meetings in a timely manner and/or the meetings not being up to date. The expected time frame to perform ASP meetings is identified in training materials but is not documented in the City's actual ASP procedure. The balance of the Sections reviewed were conducting meetings in a timely manner.

In addition, three Sections are not performing level two meetings, as required by the ASP procedure. HR has permitted these Sections to forego holding level two meetings which reinforces that the program is not strategically important to the organization and increases the perceived unfairness of the process.

When management does not participate in the ASP process as required by corporate policies and procedures, it diminishes the credibility of the program. When management does not support the ASP, it decreases the value of the program and increases the likelihood of employees not taking the program seriously.

It is recommended:

That, upon consideration of the changes to the ASP program indicated in recommendation #9, all management staff be appropriately trained and the program adhered to.

Management Response

HR: Agreed. Training will be updated to match any change to the Attendance Support Program when it is rolled out in 2016.

That management's use of the ASP and the management of attendance be evaluated as a part of overall performance at least annually (e.g. at the time of performance appraisals). Any deficiencies should be addressed and documented at this time.

Management Response

HR: Agreed. Management's use of the ASP can be monitored as part of performance appraisals. There are specific behaviors under the Health, Safety and Wellness section of the Performance Accountability tool that address using the ASP to support employees and holding meetings in a timely manner. If either of these is identified as an area for improvement, they would be included as an area to develop for the employee and the Leader would expect improvement before the next annual review.

That HR establish and document in the ASP policy and/or procedure the expected time frame to perform ASP meetings.

Management Response

HR: Agreed. The expectation that ASP meetings be held within 60 days will be added to the ASP Policy in Q2, 2015.

That HR review outstanding meeting reports to ensure that meetings are being held regularly and follow up with management, as required. All Sections should hold meetings per the ASP policy and/or procedure.

Management Response

HR: Agreed. HR will monitor compliance and notify departments on a monthly basis through the General Managers when expectations are not being met.

12. ASP Meetings - Missed Meetings / Documentation

Employees may trigger at the next level before an ASP meeting is held. For example, the employee may trigger at level three in June 2014, then again at level four in August 2014. If no meeting has been held for the level three trigger at the time the level four is triggered, the level three meeting should occur at this time as management did not take any action to work with the employee to improve his/her attendance or advise him/her of the issue. ASP levels and meetings must then be tracked internally. This expectation is not clearly identified in relevant policies, procedures and/or training materials.

Management in ten Sections interviewed indicated that if meetings were not held before the employee triggered again at the next level, the lower level meeting was skipped or a combined meeting held. A review of 57 ASP letters identified six instances of combined or skipped meetings within four Sections.

When meetings are not appropriately held, employees proceed through the ASP levels without appropriate support being offered by management. This conflicts with the program being supportive in nature and gives the perception that employees are penalized by proceeding to a higher level of the ASP when the necessary steps were not taken by management in a timely manner at the lower levels of the program.

In addition, absence dates are not consistently documented in the ASP letters provided to the employee and retained in his/her personnel file. A review of 57 ASP letters identified:

- 28 letters (49% of the sample) where the absence dates causing the trigger were not indicated; and
- Nine (16% of the sample) letters reviewed did not clearly indicate the date from which future attendance would be monitored.

When employees are not made aware of the specific absences that result in their triggering into the ASP, the value of the meeting and discussions held is decreased. The following changes can assist with increasing compliance and providing value.

It is recommended:

That HR document the expected procedures for employees that have triggered at the next ASP level before a meeting is held.

Management Response

HR: Agreed, provided current technology is able to provide the function. An employee's sick absences will not count as triggering events if they occur after 60 days or longer after a trigger if the meeting required by the previous trigger was not held within the 60 day expectation. This will not apply if the delay was due to the employee's own actions. This function will be added to PeopleSoft with the launch of a revised program in 2016.

That HR work with the IT Division to determine if sick absence days / occurrences can accumulate for triggering at the next level in PeopleSoft HR only after a meeting has been held for the previous triggering level. If possible, the previous recommendation would no longer be applicable.

Management Response

HR: Agreed. Human Resources will work with the IT Division to understand the full scope and business requirements and ability to configure PeopleSoft for this purpose.

IT: Agreed. IT will work with HR to understand the full scope and business requirements. In collaboration with HR, the estimated completion date will be determined based on the priority assigned to this work by HR and the scope of the work.

That all absences causing the trigger and any further occurrences between the trigger and meeting date be included in the letter provided to the employee and discussed in the meeting.

Management Response

HR: Agreed. Human Resources will modify the template letters in Q2, 2015 to include direction to include absence and monitoring dates.

That all ASP letter templates provided on the Enet be updated to require the absence dates and the date from which future attendance will be monitored (meeting date) as mandatory information.

Management Response

HR: Agreed. Human Resources will modify the template letters in Q2, 2015 to include direction to include absence and monitoring dates.

13. ASP Letter Retention and Accuracy of Meeting Dates

Completed ASP letters are to be forwarded to HR and filed in the employees' personnel files. Documentation as required by the ASP program was not always evident in the employee file. A review of 82 meetings and/or letters indicated as completed in PeopleSoft HR identified 25 letters (30% of the sample) missing from the employees' personnel files. Letters are filed as received by HR and no verification is performed to ensure letters have been received for meetings indicated as held. When information missing from the personnel files, there is no documentation to support meetings and discussions held and there is no evidence that any meetings actually took place. This situation limited the testing that could be performed to verify comments made by management throughout the structured interviews. Any discrepancies between comments in the structured interviews and the verification testing have been reflected in the figures provided throughout the report.

Letter or meeting dates were not accurately recorded in PeopleSoft HR for 15 of 57 (26% of the sample) letters available for review. Meetings dates inaccurately reported in PeopleSoft HR will cause errors for the purposes of triggering in the ASP, as noted above (#12).

It is recommended:

That HR work with IT to develop a field for tracking the receipt of ASP letters in PeopleSoft HR. This should be linked to the meeting date and be marked by HR staff when the ASP letter has been received. HR staff should verify the accuracy of the meeting date to the letter in PeopleSoft HR when marking the letter as received.

Management Response

HR: Agreed. HR will work with IT to understand the full scope and business requirements for this change. The tracking field and a procedure for accurately reporting information will be added with the launch of a revised program in 2016.

IT: Agreed. IT will work with HR to understand the full scope and business requirements. In collaboration with HR, the estimated completion date will be determined based on the priority assigned to the work by HR and the scope of work.

That HR develop and run a monthly report highlighting situations where meetings have been held but letters have not been received. Discrepancies should be followed up with management.

Management Response

HR: Agreed. The report will be added with the launch of a revised program in 2016.

14. Customized ASP Letters

ASP letters should be customized to address individual circumstances and action plans based on meeting discussions. In seven applicable Sections currently holding ASP meetings, letters are not consistently tailored to the situation. Eight letters were noted as having only general information included (e.g. names, dates) and no indication of the discussions held. Administrative staff are preparing letters in some areas and may not have all relevant details available to them.

When letters are not customized to specific situations, it cannot be confirmed that valuable discussions were held and the appropriate support was offered by management. This may create challenges in holding the employee accountable to action plans or expectations as there is no detailed record of the discussion held.

It is recommended:

That HR communicate to management that all ASP letters must be tailored based on conversations with the employee. Administrative staff may assist in drafting letters and absence information, but all ASP letters (level two and above) are to be finalized by the management involved in the meeting.

Management Response

HR: Agreed. Communication will be provided to supervisors and above to coincide with changes to the letter templates. The information will clarify

what content can and cannot be customized. The information will also be added to the meeting checklist.

15. ASP Meeting Attendees

ASP meetings are not being staffed as required by the ASP Procedure. Of the 13 Sections sampled holding level three and four ASP meetings:

- General Managers are not participating in level four ASP meetings and have delegated this responsibility to lower levels of management. Managers were holding level four meetings in six Sections with the balance being held by Directors / Administrators; and
- The appropriate level of management is not consistently holding level three meetings in four Sections interviewed.

The importance of the ASP and organizational commitment to the employee's attendance at work is not demonstrated when the appropriate levels of management are not involved in ASP meetings as the employee proceeds to higher levels. Management indicated in a number of areas that the employees do not take the ASP seriously. Having higher levels of management attend meetings may elevate employees' views of the ASP and raise the expectations regarding their attendance.

It is recommended:

That HR take ownership of compliance with the ASP process. HR should regularly review a sample of ASP letters from various departments to ensure the appropriate levels of staff are attending meetings and letters are being appropriately completed and tailored to HR's expectations. Reviews should be documented and any discrepancies be followed up with management within a specified timeframe.

Management Response

HR: Agreed. Human Resources will randomly review ten letters each quarter to ensure the letters comply with ASP expectations. If discrepancies are found, Human Resources will discuss with the appropriate parties in the respective department within 30 days and/or take other steps to ensure expectations are met.

EMERGENCY LEAVES

16. Emergency Leaves

Per the Employment Standards Act (ESA), employees can take up to ten unpaid emergency leave days per year for qualifying absences. Structured interviews identified that:

- Management does not consistently ask for the reasons for emergency leave days and is very rarely requesting verification to support the absence. Management raised concerns that emergency leave days are being used as extra vacation or to avoid triggering into the ASP;
- Two Sections indicated that there was no downside to their employee taking (unpaid) emergency leave days as the hours can usually be made up at overtime rates during another shift. Employees in these Sections were responsible for 63% of the emergency leave occurrences from January 1 to July 31, 2014 and 62% of 2013 totals; and
- Five Sections indicated that emergency leave days are commonly experienced. All five Sections identified employees as using emergency leave days to cover personal illness (this is a qualifying reason). These absences are not counted as occurrences in the ASP program and can be used by staff to avoid triggering, especially if the absence will be unpaid (e.g. penalty day) anyway.

There are no corporate policies or procedures that address emergency leave days. It is not clear what types of information should be requested from the employee to validate that the absence qualifies and the type of verification that may be done by management for the qualifying absence.

It is recommended:

That HR develop, approve and implement a corporate emergency leave policy and/or procedure. The procedure should be reviewed regularly by HR, be updated as required and bear evidence of such review (sign-off). The procedure should include information on qualifying absences and types of verification that can be done by management to support the absence.

Management Response

HR: Agreed. Human Resources will review and update current policies, procedures and guidelines. The review will include a legal analysis of the proposed recommendations. The update will include information on qualifying for emergency leave and the type of verification that will be required depending on the reasons provided for the leave. The review will be completed by the end of Q4, 2015.

Currently, employees are guided by the Leave of Absences Guidelines for Management that provides direction on Emergency Leave eligibility and use.

That management include emergency leave days when reviewing an employee's overall attendance (as recommended in #10) to ensure patterns are appropriately identified and addressed. This should be a priority for Sections covering these absences with other staff at overtime rates.

That a PeopleSoft HR code be developed and implemented for emergency leave days related to personal illness. These days / occurrences should count as triggering events in the ASP.

That HR review patterns of staff with high usage of emergency leave days and high levels of overtime in hours to identify any usual patterns. Such instances should be forwarded to management and appropriately followed up.

Management Response

HR: Disagreed. The above three recommendations are contrary to the Employment Standards Act which provides that employers cannot threaten, fire or penalize in any way, an employee who takes or plans on taking a personal emergency leave. We cannot count these days under an attendance support program nor take any action against an employee.

However, Emergency Leave Day data can be shared on a macro basis with department leadership to identify areas that may need to develop strategies to control the usage of emergency leave. HR could work with IT to understand the full scope and business requirements for tracking emergency leave days and the reason codes associated with these absences where disclosed.

ADMINISTRATIVE ITEMS

17. Inefficiencies of Manual Processing

Designated staff in ten Sections included in the structured interviews is completing the manual "Absence Form" and forwarding it to HR for input into PeopleSoft HR. In three Sections, designated staff completes the "Absence Form" and forwards it to Finance and Administration staff who print and fax the form to HR. In five Sections, Finance and Administration staff is preparing the "Absence Form" (upon notification), printing and faxing it to HR.

HR staff are then entering the same absence information as reported on the "Absence Form" into PeopleSoft HR. Printing of the "Absence Form" multiple times throughout the process was identified as creating inefficiencies in the processing of these forms.

In four Sections, delays were identified with information not being forwarded to HR for input the day of the absence. This increases the amount of effort required by HR staff to ensure all absences are entered before weekly processes are run.

It is recommended:

That Finance and Administration staff (or other appropriately designated staff within each Section) be trained to record sick absences into PeopleSoft HR directly and immediately upon notification. Finance and Administration staff should continue to verify absences to PeopleSoft HR weekly.

Management Response

F&A and HR: Partially agreed. In over half of the Sections interviewed, forms are sent directly from designated staff to HR for input. HR, IT and F&A staff is currently exploring a solution for the tracking and reporting of short term absence types (including but not limited to absence related to illness). Scope and requirements for this initiative are being defined. Following the documentation of functional requirements, a target implementation plan will be developed. Capital may be required.

18. ASP Letter Confidentiality

ASP letters should be tailored to include the details of discussions held with the employee regarding their attendance. The details of these conversations should remain confidential. In four Sections, Finance and Administration staff responsible for updating PeopleSoft HR with the meeting date are being forwarded a copy of the ASP letter on occasion. Finance and Administration staff do not require the letter for inputting purposes and should not have the details of the conversation with the employee made available to them.

It is recommended:

That management be instructed to ensure only emails with the meeting date are forwarded to Finance and Administration staff for input into PeopleSoft in order to maintain confidentiality. A copy of the ASP letter should not be sent to the Finance and Administration Staff.

Management Response

HR: Agreed. This will be communicated through a "Supervisor and Above" memo. It is already incorporated into the training program.

CONCLUSION

The City has implemented a corporate wide Attendance Support Program and other initiatives to monitor and manage employee attendance. While several initiatives have been undertaken and new technologies have been employed, more work remains to be done. This report has identified variations in how City Divisions/Sections use the programs, resulting in varying levels of compliance. Internal Audit has included several opportunities for improving the management of employee absenteeism. Addressing the recommendations in this report will result in improved management of employee attendance, reduce the risk of potential misuse of sick absences and short term disability provisions and reduce the overall costs related to absenteeism in the City.