To:	Corporate Services Committee
From:	Visha Sukdeo, Executive Director, Human Resource Services, Office of the City Manager
Report Number:	CORP-19-37
Date of Report:	April 10, 2019
Date of Meeting:	April 15, 2019
Subject:	Absence Management Audit
File:	C-3100

1.0   Purpose

The purpose of this report is to present the KPMG Absence Management audit (Attachment 1).

2.0   Recommendation

That the Corporate Services Committee recommend to City Council:

That Report CORP-19-37 dated April 10, 2019 and Attachment 1, being the KPMG Absence Management audit, be received for information and that the recommendations and management responses in the KPMG audit be endorsed as the general basis for implementing improvements to absence management.

3.0   Executive Summary

Not applicable.

4.0   Input From Other Sources

The Absence Management audit by KPMG was conducted with the involvement of the appropriate City employees.

5.0   Analysis

The Council-endorsed 2018 Audit Plan included the Absence Management audit.

The Absence Management audit includes one medium risk recommendation and three low risk recommendations related to the following aspects:

1.   Absence management processes (medium risk)

2.   Review of absence data by HR (low risk)

3.   Review of process for reporting absences (low risk)

4.   Thresholds for attendance support program (low risk)

The KPMG recommendations and the City's management response will be the basis for implementing on-going improvements to absence management.

6.0   Financial Implications

There are no financial implications at this time.

7.0   Relationship to the Oshawa Strategic Plan

This report responds to the goal of Accountable Leadership, the theme of Our Corporate Culture Demands Excellence and Respect.

Helen Break, Director, Strategic Initiatives,
Office of the City Manager

Visha Sukdeo, Executive Director
Human Resource Services
Office of the City Manager

Attachment

City of Oshawa

Absence Management Process

Overall report rating

Yellow-Green: Significant assurance with minor improvement opportunities

KPMG LLP

March 2019

This report contains 24 pages

Appendices comprise 14 pages

KPMG

Contents

Appendices
A. Collection of data and selection of branches.
B. Absence management – roles and responsibilities
C. Collective agreement criteria and thresholds
D. KPMG review of absence data
E. Staff involvement and documentation reviewed

Distribution

To (for action):

• Brad Annis – Compensation, Benefits and HRIS

• Fire, Operations, Engineering and MLELS branch Directors

CC (for information):

• Corporate Leadership Team

• Audit Team

Sponsor:

• Visha Sukdeo – Executive Director of Human Resources

Section One

Executive Summary

Conclusion

We have provided an assurance rating of "significant assurance with minor improvement opportunities" following our review of the absence management processes across the City. Our review focused on absence management processes across Operations Services, Engineering Services, Municipal Law Enforcement and Licensing Services (MLELS) and Fire Service. *("The branches")*. These branches were selected based on our review of unplanned absence data from 2015-18 across the whole City. The process for selecting these branches can be seen outlined in Appendix A.

Through discussions with staff within Operations, MLELS and Fire Services, we identified that regular monitoring of absences is undertaken. Each branch within the City has a work group threshold for sick days, with any staff above the threshold reviewed as part of the City's attendance support program. Across Operations, MLELS and Fire Services we were able to evidence periodic reviews of the staff above the thresholds, and evidence of monitoring of staff on the program. In addition, through our discussions with Managers and Supervisors, we were able to evidence monitoring of other unplanned absences, including reviews of absence patterns and trends through a review of employee calendars. In particular, we noted the monitoring within Fire Services through collaboration with Strategic Business Services. Absences are monitored daily and staffs' shifts and absence patterns are reviewed frequently. As part of their ongoing monitoring, Fire Services should assess the impact the 24 hour shift trial period has on staff absences within the branch. The four year trial period commenced in January 2016.

We noted areas for improvement within Engineering Services, where absences have not been routinely monitored. While reports are provided showing staff above the thresholds for sick days, these are not always reviewed by the Director nor is there evidence to show any action to follow up on staff above the threshold. We acknowledge the recent structural changes within Engineering through the appointment of a new Director, and note that since then absences have been monitored more thoroughly. A more structured and consistent absence management process will enable a more timely identification of those staff using excessive or patterned absences and enable steps to be taken to reduce the levels of absences.

Our review of the City's Attendance Support Program identified that the program is sufficiently detailed and in line with the practices followed by the City. The program was modelled on the absence program adopted at Lakeridge Health and is similar to the program adopted at the Town of Oakville. Overall, the City's program is in line with leading practice through our comparison with programs in the public and municipal government sectors.

3

When a staff member's absence reaches the work group threshold, they enter the first level of the attendance support program. Currently, different thresholds exist for different branches, due to the different job duties of the various branches and divisions within the City. However, management should consider revising this approach with the view of applying a consistent threshold across the City. This ensures consistency and fairness amongst employees in how absences are managed, and aligns with best practice seen across other organizations. As part of this the City should ensure compliance with the Employment Standards Act around work group thresholds.

As part of our review we analyzed unplanned absence data across the City for the selected branches for the 2015-2018 period. Our analysis identified a number of staff which we felt had certain trends or patterns in the absences they had taken. A list of these staff were provided to HR for further assessment and follow up. HR should coordinate with the relevant branches where required in order to confirm whether staff were already known to the City or if further actions are required.

Background

This review formed part of the Internal Audit Plan for 2018 for the City of Oshawa ("City" or "Corporation"). As part of audits previously performed in relation to overtime, a key driver was believed to be unplanned absences, defined as instances where employees fail to report to a scheduled work shift and such time was not approved in advance. This review followed-up with a more in-depth look at certain areas and outliers within unplanned absences.

This review was the next step in ensuring the efficient use of staff time through the identification of unplanned absence trends. We used our data analytics tools to identify these trends and performed deep dives into certain areas with any outliers to identify the reasons for absence and potential ways to minimize unplanned absences. The purpose of this review was to determine ways the City can better manage unplanned absences, and if any problems exist within the management of unplanned absences.

The general principles, processes and procedures for The City of Oshawa Employee Attendance Support Program are based on the research of a number of established municipal and public sector attendance management programs. The City of Oshawa policy respects persons with disabilities and provides a consistent non-disciplinary process with appropriate support, interventions and employment accommodation, where needed, to assist employees to achieve acceptable levels of attendance. In return for regular employment, the City of Oshawa has the right to expect a reasonable level of regular attendance from employees. These principles are validated in numerous published arbitrations.

Our review will help support the Corporations Attendance Support Program.

Objectives

Objective	Description of work undertaken
Objective one To collect and review data relating to unplanned absences and their impact across the Corporation	We collected and analyzed unplanned absence data for branches across the Corporation for the four years to the end of 2018. This included the following: • Analysis of absences by Branch; • Identification of areas where there are anomalies or patterns of absence (to be agreed with management once data analysis is complete); • Deep dive analysis into selected areas with high levels of unplanned absence and review of actions taken to address the level of absence; • Review of absence support policies and procedures and comparison to other municipalities; and • Any other factors or changes that should be considered around unplanned absences. The completeness of the analysis depended on data availability and varied across the Corporation. There was also reliance placed on the accuracy of data collected by branches. We did not audit the accuracy of the data. The aim of this objective was to use our data analytics tools to identify trends within unplanned absence across the Corporation, and identify possible actions to reduce it, where appropriate.

Recommendations raised

Following our review of the absence management processes across the sample branches, we have raised the following recommendations:

	High	Medium	Low	Total
Raised	0	1	3	4
Accepted	0	1	3	4

Please see section two of this report for further information.

Acknowledgement

We thank the staff involved for their help in completing this review.

Contact Information

The contacts at KPMG in connection with this report are:

Tony Malfara, Partner
Tel: (416) 777-3461
tmalfara@kpmg.ca

Nick Rolfe, Partner
Tel: (416) 777-3543
nicholasrolfe@kpmg.ca

Rob Hacking, Manager
Tel: (416) 777-5247
robhacking@kpmg.ca

Taylor Oake, Consultant
Tel: (416) 777-3445
toake@kpmg.ca

Section Two

Recommendations

This section summarizes the recommendations that we have identified from our work. We have given each of our observations a risk rating as follows:

Priority rating for recommendations raised		
High – (Priority One): Issues arising referring to important matters that are fundamental and material to the system of internal control. The matters observed might cause a system objective not to be met or leave a risk unmitigated and need to be addressed as a matter of urgency.	**Medium – (Priority Two):** Issues arising referring mainly to issues that have an important effect on the controls but do not require immediate action. A system objective may still be met in full or in part or a risk adequately mitigated, the weakness represents a deficiency in the system.	**Low – (Priority Three):** Issues arising that would, if corrected, improve internal control in general but are not vital to the overall system of internal control. These recommendations are of leading practice as opposed to weaknesses that prevent systems objectives being met.

#	Risk	Recommendation	Management response, owner and deadline
1	Med	**Absence management processes** Absences have not been monitored consistently across all City branches. From our discussions with staff we identified that, for some branches (e.g. Engineering Services), attendance reports and employee calendars are not as routinely monitored as they are across other branches. In addition, high level monitoring from branch Directors is not undertaken consistently. While branches are provided a quarterly absence report, these reports do not always address the employee's absences that exceed the designated threshold as per the attendance support program. In addition, the analysis by Managers and Supervisors to review their staff's absences or patterns/ trends in their historic absences is not consistently undertaken across all City branches.	Management agrees with the recommendation. Management will manage absences in accordance with the City of Oshawa Attendance Support Program. This will include a partnering with Human Resources, providing education around roles and responsibilities, and conducting regular reviews of the employee attendance reports to compare sick

7

#	Risk	Recommendation	Management response, owner and deadline
		Furthermore, across all four branches tested, we noticed inconsistencies in the review of attendance reports with the relevant Commissioner. Some reports were reviewed quarterly by the Director and Commissioner together, whereas in other cases reports are sent to the Commissioner with no consistent follow-up or discussions held between the Director and Commissioner. **Recommendation:** To enhance absence management processes across the City, we recommend: • All commissioners ensure their branches adopt a more consistent and rigorous approach for the management of unplanned absences, which should be documented in the relevant policy and communicated to all branches to ensure consistency in how absences are managed. Branches should undertake, at a minimum, quarterly analysis of absences. • Periodic oversight of absences across the branch should be undertaken by the Director and the Commissioner, and this should be consistent across each Branch. This should include a review of staff who are above the work group threshold for sick days taken. Any anomalies should be followed up and reviewed with the relevant Manager/Supervisors. • Communication should be provided to Managers and Supervisors regarding their roles and responsibilities in relation to the attendance support program, and for addressing other areas of unplanned absences. This should include the review of the employee attendance reports to compare sick days to the work group thresholds, as well as review of the employee attendance calendars to identify any patterns / trends in their historic absences.	days to the work group thresholds. **Owners:** CLT Commissioners Visha Sukdeo - Executive Director of Human Resource Services. **Deadline:** Q4 of 2019

8

#	Risk	Recommendation	Management response, owner and deadline
2	Low	**Review of absence data by HR** As part of our review we performed several data analytic procedures on the absence data that was provided. Our analysis identified a number of staff which we felt had certain trends or patterns in the absences they had taken (e.g. repeated unplanned absences taken on Fridays and Mondays, or staff with a high proportion of sick days taken in the summer months). The results of our analysis were sent to HR and will be discussed and followed up by HR and the relevant branches. **Recommendation:** Management should review and address the instances highlighted in our analysis and confirm whether any further action is required. HR should coordinate with the relevant branches where required in order to confirm whether staff were already known to the City or if further actions are required.	Management agrees with the recommendation. Management will review the instances highlighted in the analysis, including the impacts of absences on overtime useage, and coordinate and discuss with the relevant branches and identify if additional action is required. **Owner:** Visha Sukdeo - Executive Director of Human Resource Services **Deadline:** Q2 of 2019
3	Low	**Review of process for reporting absences** From our discussions with staff we found the process for staff reporting absences is not consistent across branches, and often does not involve contacting line managers or branches directly. **Recommendation:** The process for staff to report absences should be set out and applied consistently across the City. In addition, management should review the current processes and ensure they are stringent, and staff report absences to their line manager.	Management agrees with the recommendation. Management will review policies, procedures and standards and consider the approach to reporting absences. Benchmarking against other municipalities will be undertaken to bring best practice guidance on reporting absences. Procedures will be updated accordingly

#	Risk	Recommendation	Management response, owner and deadline
			and communicated to staff. **Owner:** Visha Sukdeo - Executive Director of Human Resource Services **Deadline:** Q2 of 2019
4	Low	**Thresholds for attendance support program** City policies state that staff enter the first stage of the attendance support program once they hit the threshold number of absence days over a rolling 12 month period. Currently, different thresholds exist for different branches, due to the different job duties of the various branches and divisions within the City. **Recommendation:** Management should consider revising the above approach with the view of applying a single, consistent threshold across the whole City. This ensures consistency amongst employees in how absences are managed, and aligns with best practice seen across other organizations.	Management agrees with the recommendation. The City will review the attendance threshold best practices across other comparable organizations and consider appropriate revisions for the City's thresholds, based on this review, while maintaining consistency and equity across the various branches across the corporation. **Owner:** Visha Sukdeo - Executive Director of Human Resource Services **Deadline:** Q1 of 2020

Appendices

Appendix A: Collection of data and selection of branches.

Below we outline the process for collecting the relevant absence data and the process for selecting the branches for further review.

Data collection

Discussions with HR identified the following unplanned absence codes used across the City, which we used as part of our analysis.

- Sickness
- Family leave
- Family Emerg (PEL) (introduced in 2018)

- Emergency leave
- Medical appointments

- Funeral leave
- Bereavement

In order to collect the relevant data, we requested a list of all absences recorded against the above seven codes for the 2015 - 2018 calendar years. The data was extracted from the Human Resource Management System, PeopleSoft, and a reasonableness check and sign off of the data was undertaken by HR for validation purposes.

Data exclusions and limitations

We noted the following exclusions and limitations to the data provided.

- Data excluded Part Time Recreation, Camp Staff, Seasonal Temp Staff and Students, as absences for these staff are not tracked in the same way by the City.

- Data excluded any staff who had absences in the 2015-2018 period who have since retired. While absence data for retirees is retained within the system, limitations within the system prevent the data from being accessible and extracted for analysis. As part of our annual audit planning process (and on an on-going basis with the City) we continue to assess the systems used across the City for potential areas of focus for audit reviews. Since the number of retirees is small and the omission is applied consistently, we do not suspect this will impact our analysis significantly. Staff who left the City by means other than retirement are still included in the data.

- Due to the number of long-term sickness identified, we removed any instances where sickness had been recorded for four or more days (all branches apart from Fire Services) and 48 hours (for all divisions within Fire Services only). City procedures state that a medical certificate should be provided for any absences for 4 or more days, and so we used this as a cut-off point and excluded these from our analysis given our main areas of focus are on those instances where there could be more underlying issues with absence as opposed to those with longer term sickness skewing our results. It should be noted that we used the entire data for the other unplanned absence codes.

Data analysis

Applying the exclusions and limitations above, we undertook extensive analysis to review those branches with high levels of unplanned absences. This included a review of the number of absence instances, hours and a review of the average unplanned absence hours per staff member, based on the average yearly headcount per branch.

It should be noted that a new unplanned absence code "Family Emerg - Personal Emergency Leave (PEL)" was introduced in 2018 under Bill 148 and the Employment Standards Act, which we have included in our 2018 analysis.

Average unplanned absence hours per staff member (number of working shifts the hours equate to in brackets**)

Branch	2015 hours	2016 hours	2017 hours	*2018 hours (without PEL)	2018 hours (with PEL)
Operations Services	49.46 (5.5)	53.73 (5.97)	59.60 (6.62)	61.58 (6.84)	61.60 (6.84)
Law Enforcement & Licensing	42.12 (5.81)	51.21 (7.06)	62.23 (8.58)	43.53 (5.82)	45.79 (6.32)
Fire Services (all divisions)	50.00 (2.08)	51.81(2.16)	50.02 (2.08)	55.59 (2.32)	62.91(2.62)
Facilities Management Services	36.98 (4.93)	49.64 (6.62)	47.95 (6.39)	38.26 (5.09)	38.76 (5.17)
City Clerk Services	50.48 (6.96)	40.73 (5.62)	39.44 (5.44)	49.50 (6.83)	49.50 (6.83)
Information Technology Services	43.48 (6.00)	38.60 (5.32)	47.42 (6.54)	37.86 (5.22)	38.64 (5.33)
Engineering Services	30.33 (4.18)	39.70 (5.48)	49.28 (6.80)	47.99 (6.62)	47.99 (6.62)
Building Services	30.21(4.03)	43.51 (5.80)	39.96 (5.33)	52.48 (7.00)	52.88 (7.05)

| Legal Services | 46.00 (6.34) | 37.21(5.13) | 22.31(3.08) | 50.96 (7.03) | 53.73 (7.41) |
| Administration & Accessibility | 31.44 (4.34) | 27.89 (3.85) | 37.76 (5.21) | 48.14 (6.64) | 48.14 (6.64) |

*2018 figures have been shown with and without the new PEL code to allow for easier comparisons to previous years where the code was not in use.

**All branches are based off of 7.25 hour shifts apart from Operations (9 hours), Fire Services (24 hours), and Facilities Management & Building Services (both 7.5 hours).

Top three significant increases/decreases in absence hours from 2015-2018

The table below shows the top three most significant increases/decreases in absence hours from 2015 – 2018. We have included the % changes from 2017 to 2018 as part of this table. From the below three branches, only MLELS used the new "Family Emerg (PEL)" code in 2018.

Branch	% change from 2015 to 2016	% change from 2016 to 2017	% change from 2017 to 2018
City Clerk Services	-19.31	-5.27	19.91
Engineering Services	24.42	16.08	-8.03
MLELS	21.59	19.66	12.58 (18.40 with PEL days)

Branch selection

In the table below we have outlined the branches selected for further analysis along with the reasoning for our selections.

Branch	KPMG assessment on selection
Operation Services	The average unplanned absence hours per employee within Operational Services was the highest across all branches, and had increased steadily from 2015-2018.
Engineering Services	We noted a significant increase in both overall absence hours and absence instances across Engineering Services from 2015-

	2017. The number of overall absence hours had increased by 24% from 2015 to 2016 and by 16% from 2016 to 2017.
Municipal Law Enforcement and Licensing Services	The average unplanned absence days per employee and absence instances per employee were highest in Municipal Law Enforcement and Licensing Services than in any other branch across the City.
Fire Services	Fire Services have a high number of average absence hours per employee and overall have a high number of absence hours across the City. The branch also holds a large number of employees.

For each branch listed above we discussed their absence management and monitoring practices with branch Directors and a sample of staff. Please see Appendix B for further information.

Appendix B: Absence management – roles and responsibilities

Across each branch selected for further analysis, we held interviews with the branch Director and a sample of staff. We discussed how unplanned absences are monitored across each branch.

A large portion of absence management covers sickness. The City's Attendance Support Program Policy outlines the process to be followed by branches for managing sickness. Each branch within the City has a work group threshold which is set annually. The threshold is based on the previous year's sick days/hours for each work group, union or exempt group within a section, division or branch. Each quarter, Directors receive reports which outlines those staff whose average sick days/hours over the previous 12 months exceed the work group threshold or if a pattern / trend has been discovered in their historic unplanned absences. There is a six step approach outlined in the policy for branches to undertake for those staff over the threshold.

We discussed the above process for managing sickness, along with processes to manage other unplanned absences with the branch Director and a sample of three staff (covering both Managers and Supervisors). The below table summarizes our findings from the Director, Managers and Supervisors interviews in each branch. Note we have not queried individual staff members' absences as part of this appendix, rather have focused more on assessing the overall processes for managing unplanned absences.

<u>Operations Services</u>

Role	Activities Performed	KPMG assessment
Director	• Review of the employee attendance report with the Commissioner. • Ensuring Management is administering the necessary steps of the Attendance Support Program. • Review and address any instances of patterns in unplanned absences through	✓ We obtained a copy of the latest employee attendance report, provided from Strategic Business Services (SBS) and extracted from the City's Human Resource Management System. ✓ The report includes employee's name, branch division, number of sick days taken (FTE Days), attendance support program level, and the work group thresholds for each branch. ✓ From our analysis, we were able to evidence appropriate monitoring of staff on the program. Application of the steps under the program, along with monitoring

Role	Activities Performed	KPMG assessment
	notification from management.	of other unplanned absences is undertaken at the management level.
Manager	• Review of the Employee Attendance Report for absences exceeding the Work Group Threshold. • Review of the Attendance Calendars for patterns/trends in other unplanned absences for their reporting supervisors. • Administering the Attendance Support Program for their reporting Supervisors. • Ensuring their reporting Supervisors are facilitating the Program to staff. • Notifying the Director of the Actions taken and the employee's current status in the Program.	✓ We obtained a copy of the employee attendance report provided to management. The report includes all staff members within the branch division. The report displays the staff's historic unplanned absences in paid hours, unpaid hours, partial days, full days and full time equivalent (FTE) days over the previous 12 months. ✓ We obtained a copy of an example employee attendance calendar which is prepared for individual staff. The calendar displays the staff's previous shifts, days they were absent (all planned/unplanned absences) and a summary in hours of their previously used attendance codes in the current year. ✓ From our analysis, we were able to confirm appropriate monitoring of absences both through the attendance reports and attendance calendars. Attendance calendars were annotated to evidence review and assessment of staff absences and any patterns occurring.
Supervisor	• Review of the Employee Attendance Report for absences exceeding the Work Group Threshold. • Review of the Attendance Calendars for patterns/trends in	✓ We obtained a copy of the attendance report and attendance calendars reviewed by supervisors. These reports are the same context and format as those reviewed by the Managers. ✓ From review of the reports and calendars we were able to evidence appropriate monitoring of unplanned absences.

16

Role	Activities Performed	KPMG assessment
	absences for their designated staff. • Administering the Attendance Support Program for their designated staff. • Notifying Management of the actions taken and the employee's current status in the Program.	Calendars also include staff vacation days so supervisors and managers can assess whether staff are taking absences either straight before or after vacations.

Municipal Law Enforcement and Licensing Services (MLELS)

Title	Activities Performed	KPMG assessment
Director	• Review of the employee attendance report every quarter. • Ensuring Management is administering the necessary steps of the Attendance Support Program.	✓ We obtained a copy of the employee attendance report provided to the Director by the Management Team. The report is gathered directly from their Human Resource Management System, ✓ The report includes all staff members within the branch. The report displays the staff's historic unplanned absences in paid hours, unpaid hours, partial days, full days and full time equivalent (FTE) days over the previous 12 months. ✓ From our analysis, we were able to evidence appropriate monitoring of staff on the program. Application of the steps under the program, along with monitoring of other unplanned absences is undertaken at the management level
Manager	• Obtain and Review the Employee Attendance	✓ We obtained a copy of the employee attendance report reviewed by managers.

Title	Activities Performed	KPMG assessment
	Report for absences exceeding the Work Group Threshold. • Obtain and Review the Attendance Calendars for patterns/trends in absences for their reporting supervisors. • Administering the Attendance Support Program for their reporting Supervisors. • Ensuring their reporting Supervisors are facilitating the Program to staff. • Notifying the Director of the Actions taken and the employee's current status in the Program.	The format and context of these reports is the same as those reviewed by Directors. ✓ We obtained a copy of the employee calendars for individual staff members. These calendars are the same format as those within Operations. ✓ From our discussions with Management and review of the attendance reports and employee calendars, we were able to evidence appropriate monitoring of absences and any possible patterns in unplanned absences.
Supervisor	• Review of the Employee Attendance Report for absences exceeding the Work Group Threshold. • Review of the Attendance Calendars for patterns/trends in absences for their designated staff. • Administering the Attendance Support	✓ We obtained a copy of the attendance report and attendance calendars reviewed by supervisors. These reports are the same context and format as those reviewed by the Managers. ✓ From review of the reports and calendars we were able to evidence appropriate monitoring of unplanned absences. Calendars also include staff vacation days so supervisors and managers can assess whether staff are taking absences either straight before or after vacations.

22

Title	Activities Performed	KPMG assessment
	Program for their designated staff. • Notifying Management of the actions taken and the employee's current status in the Program.	

Engineering Services

Title	Activities Performed	KPMG assessment
Director	• Review of the Employee Attendance Report and provides a copy to Management & Supervisors. • Emailed staff to notify their status in the attendance support program.	✓ We obtained a copy of the employee attendance report provided to the Director by the Management Team. The report is gathered directly from their Human Resource Management System. • We were unable to evidence a clear review and oversight of staff on the attendance report. The previous Director stated that while he received attendance reports quarterly he does not consistently administer the necessary steps in the program. **(See Recommendation One)**
Manager	• Manages and tracks absences on a case-by-case basis.	• Through discussions with staff we identified that absences are not consistently tracked across Engineering Services at the Management level. There is currently no review of the attendance report or the attendance calendar. While Managers log absences in their personal calendars there is no overall absence management processes undertaken. **(See Recommendation One)**

Title	Activities Performed	KPMG assessment
Supervisor	• Manages and tracks absences on a case-by-case basis.	• As per our commentary above, there is no clear or consistent process in place within Engineering Services to track and monitor unplanned absences. We were informed that this is the case across the whole of Engineering Services as opposed to just the selected staff we spoke to. **(See Recommendation One)**

Fire Services

Title	Activities Performed	KPMG assessment
Fire Chief	• Review of the attendance tracker to determine staff eligible for the attendance support program. • Review of the employee attendance records to identify any patterns / trends in their absences.	✓ Absences are monitored rigorously within Fire Services due to the nature of their work and requirement to have a certain number of staff on shifts. Absences are reviewed on a daily basis by the Fire Chief and staff within Strategic Business Services (SBS) ✓ SBS input daily absence data into an attendance tracker, which includes staff within fire suppression and communication. Other divisions are also monitored however not within the attendance tracker.
SBS Supervisor	• Review of the attendance tracker to determine staff eligible for the attendance support program. • Review of the employee attendance records to identify any patterns / trends in their absences.	✓ The employee attendance records are used to track absences and patterned absences. We obtained a copy of the records and confirmed rigorous monitoring of staff, their shift patterns and unplanned absences recorded is undertaken. ✓ SBS also monitor and review staff on the attendance support program on a

Title	Activities Performed	KPMG assessment
	• Inputting daily attendance data into the attendance tracker. • Inputting daily attendance data into the employee attendance records. • Tracking steps taken for employee's in the attendance support program. • Tracking previously discovered patterns in staff's absences.	quarterly basis. The progress and the steps taken to address employee's absences are also tracked in an excel workbook. We reviewed the workbooks and monitoring of staff on the program and confirmed absences were being regularly monitored. .

From our data obtained as part of our review (as per appendix A) we undertook our own analysis of staff absences across the four sampled branches above. Please see Appendix D for further information.

Appendix C: Collective agreement criteria and thresholds.

As part of our review we obtained a copy of the collective agreements for each department, which outline the different absence types, criteria for applying absences and the number of days allocated for staff. The below table summarizes the criteria and allocated amounts for each absence type in CUPE 250, CUPE 251 and IAFF 465 Collective Agreements, which cover staff within the four branches we selected for analysis.

Branch	Emergency Leave	Bereavement Leave / Funeral Leave	Sick / Family / Medical Appointment
Operation Services (CUPE 250 & 251)	One Day a Year (250 & 251)	Max. 7 Days* (250 & 251)	Max. 18 Days** (250 & 251)
Engineering Services (CUPE 251)	One Day a Year	Max. 7 Days	Max. 18 Days
MLELS (CUPE 251)	One Day a Year	Max. 7 Days	Max. 18 Days
Fire Services (CUPE 251 & IAFF 465)	Not Entitled	Max. 4 Days*	Max. 18 Days***

Non-union (Exempt Group) staff have the same entitlements as CUPE 251.

*CUPE 251 & 250 are allocated five or seven paid days off depending on the relationship of the deceased family member. IAFF is allocated two or four paid days off depending on the relationship of the deceased family member.

**CUPE 251 & 250 are given two options regarding sick/family leave/appointments; 18 Sick Days or 15 Sick and 3 Family Days. Appointments come out of staff's sick allowances.

***The IAFF does not specifically state that staff can take family leave as part of their 18 day allowance (Note one 24 hour shift is equal to three days). From our data analysis, we identified only a small number of staff within Fire Services who had taken family leave. Fire Services staff also do not code time under medical appointments as this comes under their sick day allowance.

Sick leave is accrued and sick leave credits can be banked to be used in the event of short term or long terms sick incidents. There aren't any restrictions on the number of sick days that staff on legitimate long-term sick absences are allowed to use. Therefore those staff who run out of credits would have unpaid sick time.

Appendix D: KPMG review of absence data

Following our review of the collective agreements and understanding of the absence management processes across the sampled divisions, we undertook our own analysis of the data collected from 2015-17*. The aim of our analysis was to identify staff either with apparent trends and patterns in absences (e.g. unplanned absences taken on Fridays and Mondays, or staff with a high proportion of sick days taken in the summer months, etc.) or staff who have had repeated absences or gone over the thresholds set in the agreements.

Due to audit timings our analysis was performed across the 2015, 2016 and 2017 data. The 2018 data was received retrospectively and, while used for our data analysis in Appendix B, was not used in our analysis of the trends and patters in absences taken.

Data reviewed as part of analysis

When selecting the sample of branches to review as per Appendix A, we removed any instances where sickness had been recorded for four or more days (all branches apart from Fire Services) and 48 hours (Fire Services only). For this analysis, we included all sick days recorded up to the 18 day allowance in the agreements. We therefore excluded staff who had taken more than 18 consecutive days sickness, as these are likely to be known by the City. The aim was to identify any staff who had taken sick days in short but frequent occurrences which may have resulted in them going over the limit of the agreements, as opposed to staff who had taken a large batch of sickness in one go, which the City are likely to be aware of. For all other unplanned absence codes as per Appendix A, we used the entire data population for our analysis.

Conclusion of analysis

Our analysis identified a number of staff which we felt had certain trends or patterns in the absences they had taken. We provided our analysis to HR for further follow up. Management should review the details of our analysis and assess whether any further action is required against these staff. **(See Recommendation Two).**

Appendix E: Staff involvement and documents reviewed

We undertook interviews in September and October 2018 with key stakeholders to inform this work, including:

Name	Title
Mike Saulnier	Director – Operation Services
Jerry Conlin	Director – Municipal Law Enforcement and Licensing Services
Derrick Clark	Director / Fire Chief – Fire Services
Ilmar Simanovskis	Previous Director – Engineering Services
Anthony Ambra	Manager (Current Director) – Engineering Services
Andrea Mitchell-Wiecak	Supervisor – Strategic Business Services
Aaron McLeod	Manager – Operation Services
Phil Lyon	Manager – Operation Services
Dru Chillingworth	Manager – Operation Services
Chris Rutherford	Manager – Municipal Law Enforcement and Licensing Services
Kenneth Man	Manager – Municipal Law Enforcement and Licensing Services
Melissa McCabe	Manager – Engineering Services
Don Misseri	Supervisor – Operations Services
Justin Bishop	Supervisor – Operations Services
Mike Kerr	Supervisor – Municipal Law Enforcement and Licensing Services
Mike Harrington	Supervisor – Engineering
Jim Stubbs	Supervisor - Operation Services
Brad Annis	Manager – Compensation, Benefits and HRIS

We received and reviewed the following documentation over the course of fieldwork:

- CUPE 250, CUPE 251 & IAFF 465 Collective Agreements
- LR140 Employee Attendance Support Program
- 2015-2018 Absence Data provided by Human Resources
- Quarterly Employee Attendance Reports for Operations, MLELS and Engineering
- 2018 Employee Attendance Calendars for Operations, MLELS, Fire and Engineering
- 2018 Suppression/Communication Attendance Trackers, (Fire Services)