



Office of the Auditor General / Bureau du vérificateur général

**FOLLOW-UP TO THE 2010 AUDIT OF
COMPRESSED WORK WEEK AGREEMENTS**

2012

**SUIVI DE LA VÉRIFICATION DES ENTENTES DE SEMAINE
DE TRAVAIL COMPRIMÉE DE 2010**

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EXECUTIVE SUMMARY

Introduction

The Follow-up to the 2010 Audit of Compressed Work Week Agreements was included in the Auditor General’s Audit Plan.

The key findings of the original 2010 audit included:

- An audit of compressed work week agreements at Social Services Centre South (Employment and Financial Assistance) showed non-compliance with the policy and procedures including missing or expired agreements, missing signatures and cases where cover-off partners were not specified.
- Alternative work arrangements need to be properly managed if they are to work effectively.
- The audit found that approximately 25% of staff had compressed work week agreements at the Centre, but they were not fully compliant with the established policy and procedures. In addition, a staffing program used to manage employees’ work time contained information that did not match the agreements.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of December 2012. It also outlines management’s assessment of the level of completion of each recommendation as of February 2013.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	3	1	33%
PARTIALLY COMPLETE	50 – 74	-	-	-
SUBSTANTIALLY COMPLETE	75 – 99	1	1	33%
COMPLETE	100	2	1	34%
TOTAL			3	100%

Conclusion

The Alternate Work Arrangement policy was reviewed and responsibilities for Human Resources, for managers and for employees have been assigned as recommended. Recommendation 2 is fully implemented.

For recommendation 1, the implementation of the file process is a good step toward monitoring. Improvements are however needed to ensure that permitted alternative work agreements are properly managed, including ensuring that alternative work agreements and monitoring tools are complete, accurate and compliant with City policies.

As for recommendation 3, the capacity to use SAP for Compressed Work Agreements continues to be developed and management indicates it should become available in early fall 2013.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

RÉSUMÉ

Introduction

Le Suivi de la vérification des ententes de semaine de travail comprimée de 2010 était prévu dans le Plan de vérification du vérificateur général.

Les principales constatations de la vérification de 2010 sont les suivantes :

- Une vérification des ententes de semaine de travail comprimée au Centre de services sociaux Sud (Services d'emploi et d'aide financière) indique plusieurs cas de non-conformité avec la politique et les procédures comme des ententes manquantes ou périmées, des signatures manquantes et des cas où le nom du partenaire de remplacement n'était pas précisé.
- Il faut gérer les régimes de travail non conventionnels de manière adéquate si nous voulons assurer un fonctionnement efficace.
- La vérification a constaté qu'environ 25 % du personnel avait conclu des ententes de semaine de travail comprimée au Centre; or ces ententes n'étaient pas pleinement conformes à la politique et les procédures établies. De plus, le programme de dotation utilisé pour gérer le temps de travail des employés contenait des renseignements qui ne correspondaient pas aux ententes.

Sommaire du degré d'achèvement

Le tableau ci-dessous présente notre évaluation du degré d'achèvement de chaque recommandation au mois de décembre 2012. Celui-ci présente également l'évaluation de la direction concernant le degré de réalisation de chaque recommandation au mois de février 2013 :

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 – 24	-	-	-
ACTION AMORCÉE	25 – 49	3	1	33 %
COMPLÉTÉE EN PARTIE	50 – 74	-	-	-
PRATIQUEMENT COMPLÉTÉE	75 – 99	1	1	33 %
COMPLÉTÉE	100	2	1	34 %
TOTAL			3	100 %

Conclusion

La politique des régimes de travail non conventionnels a été examinée. Les responsabilités des ressources humaines, des gestionnaires et des employés ont été assignées conformément aux recommandations. La recommandation 2 est entièrement mise en œuvre.

En ce qui concerne la recommandation 1, la mise en œuvre du processus de fichier constitue une bonne étape envers l'établissement d'un modèle de supervision. Cependant, des améliorations sont nécessaires pour garantir que les ententes de régime de travail non conventionnel sont gérées adéquatement. Il faudra notamment veiller à ce que des ententes de régime de travail non conventionnel et les mécanismes de supervision soient complets, précis et conformes aux politiques de la Ville.

En ce qui a trait à la recommandation 3, les services concernés ont mis en œuvre un projet visant à intégrer les ententes de semaine de travail comprimée dans SAP; la direction a indiqué que cette capacité serait mise en œuvre au début de l'automne 2013.

Remerciements

Nous tenons à remercier la direction pour la coopération et l'assistance accordées à l'équipe de vérification.

1 INTRODUCTION

The Follow-up to the 2010 Audit of Compressed Work Week Agreements was included in the Auditor General's Audit Plan.

The key findings of the original 2010 audit included:

- An audit of compressed work week agreements at Social Services Centre South (Employment and Financial Assistance) showed non-compliance with the policy and procedures including missing or expired agreements, missing signatures and cases where cover-off partners were not specified.
- Alternative work arrangements need to be properly managed if they are to work effectively.
- The audit found that approximately 25% of staff had compressed work week agreements at the Centre, but they were not fully compliant with the established policy and procedures. In addition, a staffing program used to manage employees' work time contained information that did not match the agreements.

2 KEY FINDINGS OF THE ORIGINAL 2010 AUDIT

1. For 2009, within Employment and Financial Assistance Social Services Centre South, Management identified that approximately 25% of staff worked a compressed work week. This would not include the staff that worked flexible working hours or that worked and were paid for a reduced work week. Management indicated the overall percentage was consistent with all three other EFAC sites which were each at approximately 60% capacity for alternative work arrangement approvals.
1. Compressed work week agreements dated to September 2009 were not compliant with the *Alternative Work Arrangement Policy* and *Compressed Work Week* procedures requirements for the Social Services Centre South. Non-compliance included missing or expired agreements, missing employee or management approval signatures, and cases where the agreement did not specify the cover-off partner. There were also agreements where the hours of work started before 7:30 a.m. or finished after 5:00 p.m. when there was no supervisor scheduled to be on site which would result in a lack of monitoring.
2. The Social Services Centre South Management Team indicated that they temporarily suspended Compressed Work Weeks as an alternative work arrangement during July and August 2009, reinforced alternative work arrangement policies, developed monitoring mechanisms and requested submissions for new requests or extensions effective September 2009, as all the prior work arrangements had expired. As at December 2010, in addition, they have also indicated that one staff member has now been assigned to manage/track the Alternative Work Arrangements for the site including

keeping the tracking spreadsheet up to date and ensuring AWA agreements are properly completed and signed off.

3. The staff work hours tool spreadsheet used to manage alternative work arrangements for agreements to September 2009 showed information which differed from the agreements, such as the name of the cover-off partner, the hours of work and the scheduled day off. The spreadsheet also contained formula errors.
4. There were also differences between the staff identified on the staff work hours tool for the Social Services Centre South and the staff on the SAP¹ Position Incumbent report for EFA Centre South Unit.
5. The *Alternative Work Arrangement Policy* and *Compressed Work Week* procedures were approved in December 2003 and have not been revised since that time. For example, the Responsibilities Section lists areas that have been reorganized since the policy was approved. There are also practices that are inconsistent with responsibilities identified in the policy. Human Resources indicated that changes are required to the policy which is targeted for review in Q2 2011.
6. Although Human Resources (HR) receives the individual Compressed Work Week agreements, they are not recorded in SAP as there is no impact on pay. This results in HR being unable to determine the overall number of individuals on compressed work weeks and the amount of time spent by Management and staff involved in tracking, controlling, and monitoring alternative work arrangements.
7. Under the current practise, Human Resources has indicated that this is an arrangement between the employee and their manager and that it is the manager's responsibility to ensure that the terms of the compressed work week are being honoured.

3 STATUS OF IMPLEMENTATION OF 2010 AUDIT RECOMMENDATIONS

2010 Recommendation 1

That the City ensure that if they are going to permit alternative work agreements that they are properly managed, including ensuring that alternative work agreements and monitoring tools are complete, accurate and compliant with City policies.

¹ City of Ottawa's Human Resource, Payroll and Financial Accounting and Reporting System

2010 Management Response

Management agrees with this recommendation.

As noted in Management's Response to Recommendation 2, the Alternative Work Arrangement policy and Compressed Work Week procedures will be updated to provide a defined process and system tracking to enable monitoring and controls by the end of Q1 2012.

Management Representation of the Status of Implementation of Recommendation 1 as of July 3, 2012

The Alternate Work Arrangement policy and Compressed Work Week procedures have been revised and will be updated on Ozone in Q3 2012. The file review process has been updated to include a review of alternate work arrangement agreements, which will commence in Q4 2012.

Management: complete

95%

OAG's Follow-up Audit Findings regarding Recommendation 1

The Alternate Work Arrangement policy and the Compressed Work Week procedures have been revised, updated and made available on Ozone.

The file review process started being executed in February 2012. The official "Employee File audit Review Process" was made effective on April 2, 2012.

As required by the "Employee File audit Review Process", a second review was completed in August 2012.

We reviewed these two internal documents and concluded that the review served its purpose, as it was noted by the human resource reviewer, in six cases, that actions were necessary for cases of missing documentation in files.

Neither the February nor the August review process included a review of the alternate work arrangement agreements. Management stated that it is planned to be included when doing the next review in February 2013.

With the objective of reviewing the monitoring tools, a sample review of 10 Compressed Work Week Agreements was undertaken at the East Social Services Center.

The results from the review of these 10 agreements were positives for some aspects, however there were some problems and it has been decided on site to review all of the 22 work week agreements.

There were no missing signatures on any of 22 agreements.

However, improvements are still needed. There were issues as follow:

- Working hours specified in agreements differed from the hours of work from the staff tool in only one case;
- Working hours were not specified at all in one agreement, while some hours were specified in the staff tool;
- In four cases, the scheduled day off and frequency, specified in the agreement, differed from what was specified in the staff tool;
- In 17 cases, the agreement was signed by the manager at a later date than the date it became effective; and,
- There were two agreements submitted to the auditor that are not registered as work week agreements in the staff tool and that should have been, which brings the number of staff that work on a compressed work week agreement to 24 rather than 22, as specified in the staff tool.

Considering that there has been great improvement by updating the policy and the procedure, plus the fact that the file review process has been implemented, we concluded that there had been progress. However, considering that the Compressed Work Week Agreements are not yet captured by the review process, and that the sample review that we have done still demonstrates many issues, we believe that this recommendation is not yet completely implemented.

OAG: % complete *75%*

Management Representation of Status of Implementation of Recommendation 1 as of January 31, 2013

Management agrees with the OAG’s follow-up audit findings.

The February 2013 file review process will include a review of Alternate Work Agreements for the “types” that are currently captured in SAP – i.e., Reduced Work Week and Job Share. Human Resources will meet with management to review discrepancies between the agreement and the staff tool and identify the appropriate measures to be taken in Q1 2013.

Compressed Work Week Agreements will be included in the file review process once implementation of Recommendation 3 is completed. The file review process will include a review of the Compressed Work Week Agreement to ensure that key elements are captured, along with a review of the effective date and signature date.

Management: % complete *75%*

2010 Recommendation 2

That the City update the *Alternative Work Arrangement Policy* procedures and practises including ensuring that responsibilities are appropriately assigned to account for, control and monitor alternative work arrangements.

2010 Management Response

Management agrees with this recommendation.

The Alternative Work Arrangement policy and Compressed Work Week procedures will be updated and responsibilities will be clarified by the end of Q1 2012.

Management Representation of the Status of Implementation of Recommendation 2 as of July 3, 2012

The Alternate Work Arrangement policy and Compressed Work Week procedures have been revised and responsibilities have been clarified. They will be updated on Ozone in Q3 2012.

Management: % complete *95%*

OAG's Follow-up Audit Findings regarding Recommendation 2

The Alternate Work Arrangement policy was reviewed and responsibilities for Human Resources, for managers and for employees have been assigned.

In terms of Monitoring and Contraventions, the policy states that:

- Departmental managers shall monitor the use and application of alternative work arrangements to ensure that the policy requirements are met.
- Departments are required to maintain records on all alternative work arrangements, including the hours of work and the nature of appointments by position level.
- Human Resources shall conduct periodic file reviews and identify areas of non-compliance.

At the time of the management answer, in July 2012, the revisions for the Alternative Work Arrangement policy was completed but not yet approved, and management considered that the status of implementation of the recommendation was 95%. As of December 2012, the OAG considers this recommendation to be fully implemented.

OAG: % complete *100%*

2010 Recommendation 3

That the City develop a business case, to consider using the City's human resources, payroll and financial accounting and reporting system to ensure that alternative work agreements are accounted for and properly controlled and monitored in accordance with the updated *Alternative Work Arrangement Policy*.

2010 Management Response

Management agrees with this recommendation.

Once the Alternative Work Arrangement policy and Compressed Work Week procedures are updated Human Resources will assess the feasibility and analyze the cost/benefit of developing an SAP reconfiguration for a new Employee Transaction for Compressed Work Week. This review will be conducted in Q1 2012.

Management Representation of the Status of Implementation of Recommendation 3 as of July 3, 2012

The Alternate Work Arrangement policy and Compressed Work Week procedures were updated in Q2 2012. A review for the required SAP reconfiguration was completed and task types were developed. The business requirements for a new automated Employee Transaction (ET) will be captured and submitted to ITS by Q4 2012.

Management: % complete 25%

OAG's Follow-up Audit Findings regarding Recommendation 3

Task Types is the terminology used when making a request to IT to configure, reconfigure or add something to the SAP system.

In the present case, the Task Type concerned building the ability to register if an employee has a work week arrangement in the system.

The Task Type reference was completed on August 17, 2012.

A review of the SAP system HR personal file option demonstrated that the work week arrangement option has been programmed into the system.

Having developed this ability is the first step for the implementation of this recommendation.

The next step is to develop the capacity to make this new function usable on a web base and, until this is done, managers simply don't have the option to use the function.

For this next step, HR has to make a request for it to be developed. They presently have a work plan of over 200 items requesting IT services, while IT is asking departments to choose priorities, as all departments are competing for resources.

In this context, they decided to make the request in 2013 with the objective of having the web base availability for early fall.

OAG: % complete 25%

Management Representation of Status of Implementation of Recommendation 3 as of January 31, 2013

Management agrees with the OAG's follow-up audit findings.

Human Resources is currently undertaking a process to prioritize the more than 200 items requiring IT review. This process is scheduled to be complete by the end of Q1 2013. Once established, HR will be in a position to make a request for IT support to assess feasibility and cost/benefit analysis.

Management: % complete 25%

4 SUMMARY OF THE LEVEL OF COMPLETION

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5 CONCLUSION

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