



*Office of the Auditor General / Bureau du vérificateur général*

**AUDIT OF COMPRESSED WORK WEEK AGREEMENTS**

**2010**

**VÉRIFICATION DES ENTENTES DE SEMAINE DE TRAVAIL**

**COMPRIMÉE**



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## EXECUTIVE SUMMARY

### **Introduction**

This audit was part of the 2010 Audit Plan.

### **Background**

In December 2003, the Senior Management Team approved the *Alternative Work Arrangement Policy* (AWA) under the Delegated Authority of the Chief Corporate Services Officer. The stated purpose of the *AWA Policy* is “to enable work life balance for City employees while maintaining a commitment to cost effectiveness and excellence in service delivery”.

The policy lists the responsibilities for employees, for managers, for the Employee Services Branch<sup>1</sup> and for Legal Services<sup>2</sup> including the ability for the employee or management to cancel the arrangement.

The policy requirements state that,

- “success of an arrangement lies in it being mutually beneficial for the organization and the employee”,
- “AWA are not appropriate for all positions nor are they to be considered a right of employment”,
- “AWA will not result in additional cost to the City.”

The policy also states that, “neither the policy nor any formalized agreements shall supersede or contradict the terms and conditions of a collective agreement or terms and conditions of employment... where silent..., this policy will take precedence.”

Alternative work arrangements referenced in the policy and collective agreements include compressed working hours, flexible working hours, reduced work week, job sharing and telework. The *Compressed Work Week* procedures which appear in Appendix A define a compressed work week as working longer days for part of the week in exchange for shorter days or a day off each week or pay period.

### **Audit Scope and Objective**

The Audit Scope focussed on specific compressed work week (CWW) agreements from Employment and Financial Assistance (EFA) Social Services Centre South for 2009. The Audit Objective included reviewing agreements to determine if they complied with the *Alternative Work Arrangement Policy* and *Compressed*

*Work Week* procedures. After we reviewed this specific area, we expanded the scope of the audit work to look at the Human Resources process relating to handling these types of agreements on a corporate-wide basis.

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<sup>1</sup> As stated in *Alternative Work Arrangement Policy*.

<sup>2</sup> As stated in *Alternative Work Arrangement Policy*.

## **Summary of Key Findings**

During the course of the audit, we have found the following:

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.
2. 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.
3. 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.
4. 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.
5. 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 SAP<sup>3</sup> Position Incumbent report for EFA Centre South Unit.

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<sup>3</sup> City of Ottawa's Human Resource, Payroll and Financial Accounting and Reporting System

6. 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.
7. 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 result 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.
8. Under the current practise, Human Resources has indicated that this is an arrangement between the employee and their manager and is the manager's responsibility to ensure that the terms of the compressed work week are being honoured.

## ***Recommendations and Management Responses***

### **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.**

#### **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.

### **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.**

#### **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.

### **Recommendation 3**

**That the City develop the 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*.**

#### **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.

### ***Conclusion***

During the course of the audit, we found there were compressed work arrangements to September 2009 that were not compliant with the *Alternative Work Arrangement Policy* and *Compressed Work Week* procedures requirements for the Social Services Centre South. We also found that the staff work hours tool spreadsheet used to manage agreements contained information that did not match the agreements and also did not match the staff listed in SAP for this work unit.

Management indicated that they temporarily suspended CWW 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, 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.

We also reviewed the Human Resources process and found the responsibilities in the *Alternative Work Arrangement Policy* and in practise were inconsistent. HR Management indicated that they plan to update the policy in Q2 2011. We also found that although HR receives the agreements, that these are not tracked in the City's human resources, payroll, and financial accounting and reporting system in order to account for, control and monitor them and the amount of time spent by Management and staff performing these functions.

The Office of the Auditor General recommends that the City ensure that if they are going to permit alternative work arrangements that they are properly managed. This would include ensuring that alternative work agreements and monitoring tools are complete and accurate and compliant with City policies.

## ***Acknowledgement***

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

## RÉSUMÉ

### **Introduction**

Cette vérification a été effectuée dans le cadre du plan de vérification de 2010.

### **Contexte**

En décembre 2003, l'équipe de direction approuvait la *Politique sur les régimes de travail non conventionnels* sous l'autorité déléguée du chef des Services généraux. La *Politique sur les régimes de travail non conventionnels* vise à « *permettre la conciliation travail-vie pour les employés de la Ville qui s'engagent à continuer à être efficaces et à offrir un excellent service.* »

La politique énumère les responsabilités des employés, des gestionnaires, de la Direction des services aux employés<sup>1</sup> et des Services juridiques<sup>2</sup>, y compris la possibilité pour les employés ou les membres de la direction d'annuler l'entente.

Les exigences de la politique stipulent que :

- « *la réussite d'un régime de travail repose sur le fait d'être profitable pour l'organisation et l'employé* »,
- « *les régimes de travail non conventionnels ne sont pas appropriés pour tous les postes et ne peuvent être considérés comme un droit d'emploi* »,
- « *les régimes de travail non conventionnels n'entraîneront pas pour la Ville des frais supplémentaires* ».

La politique stipule également que « *ni cette politique, ni quelconque régime de travail non conventionnel officiel n'aura préséance ou ne contredira les conditions de la convention collective ou conditions d'emploi... où elle est muette..., cette politique aura préséance.* »

Les régimes de travail non conventionnels mentionnés dans la politique et les conventions collectives comprennent les heures de travail comprimées, les heures de travail flexibles, la semaine de travail réduite, le partage d'emploi et le télétravail. Les procédures sur la *semaine de travail comprimée* apparaissant à l'Annexe A définissent la semaine de travail comprimée comme étant des quarts de travail plus longs pendant une partie de la semaine en échange de journées de travail plus courtes ou d'une journée de repos chaque semaine ou période de paie.

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<sup>1</sup> Tel que stipulé dans la *Politique sur les régimes de travail non conventionnels*.

<sup>2</sup> Tel que stipulé dans la *Politique sur les régimes de travail non conventionnels*.

## **Objectif et portée de la vérification**

La portée de la vérification était axée sur les ententes spécifiques de semaine de travail comprimée du Centre des services sociaux Sud des Services d'emploi et d'aide financière (EAF) pour 2009. L'objectif de la vérification comprenait la révision des ententes dans le but de déterminer si elles respectaient la *Politique sur les régimes de travail non conventionnels* et les procédures sur la *semaine de travail comprimée*. Après avoir examiné ce sujet précis, nous avons étendu la portée de la vérification pour nous pencher sur le processus des Ressources humaines en ce qui concerne la façon de gérer ces types d'ententes à l'échelle de l'entreprise.

## **Sommaire des principales constatations**

Durant la vérification, nous avons trouvé ce qui suit :

1. Pour 2009, pour le Centre des services sociaux Sud des Services d'emploi et d'aide financière (EAF), la direction a établi qu'environ 25 % du personnel travaillait une semaine de travail comprimée. Cela n'incluait pas le personnel qui travaillait des heures flexibles ou travaillait et était payé pour une semaine de travail réduite. La direction a indiqué que le pourcentage général correspondait aux trois autres CEAF, où le taux d'approbation des ententes de travail non conventionnelles était de 60 %.
2. Les ententes de semaine de travail comprimée datées de septembre 2009 ne respectaient pas la *Politique des régimes de travail non conventionnels* et les exigences des procédures sur la *semaine de travail comprimée* pour le Centre de services sociaux Sud. La non-conformité comprenait des ententes manquantes ou expirées, des signatures d'approbation manquantes de l'employé ou de la direction, et des cas où l'entente n'avait pas précisé le partenaire de remplacement. Il existait également des ententes où les heures de travail commençaient avant 7 h 30 ou se terminaient après 17 h et où aucun superviseur ne se trouvait sur place, ce qui occasionnait un manque de supervision.
3. L'équipe de gestion du Centre de services sociaux Sud a indiqué avoir suspendu temporairement les semaines de travail comprimées en tant qu'autre solution au régime de travail non conventionnel en juillet et en août 2009, renforcé les politiques sur les régimes de travail non conventionnels, élaboré des mécanismes de supervision et demandé des propositions pour de nouvelles demandes ou des prolongations entrant en vigueur en septembre 2009, car tous les régimes de travail non conventionnels précédents avaient pris fin. De plus, depuis décembre 2010, elle a également indiqué qu'un membre du personnel est maintenant chargé de gérer/faire le suivi des régimes de travail non conventionnels au site, y compris de garder à jour la feuille de suivi et de faire en sorte que les ententes sur les régimes de travail non conventionnels soient remplies et approuvées correctement.

4. La feuille de suivi de l'outil pour les heures de travail du personnel utilisée pour gérer les régimes de travail non conventionnels concernant les ententes en vigueur jusqu'en septembre 2009 affichait de l'information différente de celle des ententes, comme le nom du partenaire de remplacement, les heures de travail et la journée de repos prévue à l'horaire. La feuille de suivi contenait aussi des erreurs de formule.
5. Il y avait également des différences entre le personnel inscrit sur l'outil des heures de travail pour le Centre de services sociaux Sud et le personnel inscrit sur le rapport des titulaires de poste de SAP<sup>3</sup> pour l'unité du Centre Sud d'EAF.
6. La *Politique sur les régimes de travail non conventionnels* et les procédures sur la *semaine de travail comprimée* ont été approuvées en décembre 2003 et n'ont pas été révisées depuis. Par exemple, la section Responsabilités énumère des sphères qui ont été réorganisées depuis l'approbation de la politique. Des pratiques étaient également incompatibles avec les responsabilités établies dans la politique. Les Ressources humaines (RH) ont indiqué que des changements à la politique sont requis, dont la révision est prévue pour le deuxième trimestre de 2011.
7. Même si les Ressources humaines reçoivent chacune des ententes de semaine de travail comprimée, ces dernières ne sont pas consignées dans le SAP, car il n'y a aucune incidence sur la paie. Il en résulte que les RH ne sont pas en mesure de déterminer le nombre de personnes travaillant des semaines de travail comprimées et le temps consacré par la direction et le personnel à faire le suivi, à contrôler et à superviser les régimes de travail non conventionnels.
8. Conformément à la pratique actuelle, les RH ont indiqué qu'il s'agit d'un arrangement entre l'employé et son gestionnaire et qu'il revient au gestionnaire de s'assurer que les modalités de la semaine de travail comprimée sont respectées.

## ***Recommandations et réponse de la direction***

### **Recommandation 1**

**Que la Ville s'assure de gérer correctement les régimes de travail non conventionnels, si elle les autorise, y compris de faire en sorte que les régimes de travail non conventionnels et les outils de supervision soient remplis, exacts et conformes aux politiques de la Ville.**

#### **Réponse de la direction**

La direction est d'accord avec cette recommandation.

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<sup>3</sup> Ressources humaines de la Ville d'Ottawa, système de paie, de comptabilité générale et de rapports

Tel que noté dans la réponse de la direction à la recommandation 2, la Politique sur les régimes de travail non conventionnels et les procédures sur la semaine de travail comprimée seront mises à jour afin de fournir un processus défini et un suivi du système pour permettre une supervision et des contrôles d'ici à la fin du premier trimestre de 2012.

### **Recommandation 2**

**Que la Ville mette à jour la *Politique sur les régimes de travail non conventionnels*, les procédures et les pratiques, et qu'elle fasse en sorte que les responsabilités soient attribuées correctement pour contrôler, superviser les régimes de travail non conventionnels et en tenir compte.**

#### **Réponse de la direction**

La direction est d'accord avec cette recommandation.

La Politique sur les régimes de travail non conventionnels et les procédures sur la semaine de travail comprimée seront mises à jour et les responsabilités seront clarifiées d'ici à la fin du premier trimestre de 2012.

### **Recommandation 3**

**Que la Ville élabore l'analyse de rentabilité pour envisager d'utiliser le système de paie, de comptabilité générale et de rapports des Ressources humaines de la Ville pour faire en sorte que les régimes de travail non conventionnels sont justifiés, contrôlés et supervisés correctement conformément à la *Politique sur les régimes de travail non conventionnels* mise à jour.**

#### **Réponse de la direction**

La direction est d'accord avec cette recommandation.

Une fois que la Politique sur les régimes de travail non conventionnels et les procédures sur la semaine de travail comprimée seront mises à jour, les Ressources humaines évalueront la faisabilité et analyseront les coûts/avantages de développer une reconfiguration du SAP en vue d'une nouvelle transaction d'employé pour la semaine de travail comprimée. Cette révision sera menée pendant le premier trimestre de 2012.

### **Conclusion**

Pendant la vérification, nous avons constaté que des ententes de semaines de travail comprimées jusqu'en septembre 2009 ne respectaient pas les exigences de la *Politique sur les régimes de travail non conventionnels* et des procédures sur la *semaine de travail comprimée* pour le Centre des services sociaux Sud. Nous avons également constaté que la feuille de suivi de l'outil pour les heures de travail du personnel utilisée pour gérer les ententes contenait de l'information qui ne correspondait pas aux ententes et au personnel inscrit dans le SAP pour cette unité de travail.

La direction a indiqué qu'elle avait suspendu temporairement les semaines de travail comprimées en tant qu'autre solution au régime de travail non conventionnel en juillet et en août 2009, renforcé les politiques sur les régimes de travail non conventionnels, élaboré des mécanismes de supervision et demandé des propositions pour de nouvelles demandes ou des prolongations entrant en vigueur en septembre 2009, car tous les régimes de travail non conventionnels précédents avaient pris fin. Depuis décembre 2010, elle a également indiqué qu'un membre du personnel est maintenant chargé de gérer/faire le suivi des régimes de travail non conventionnels au site, y compris de garder à jour la feuille de suivi et de faire en sorte que les ententes sur les régimes de travail non conventionnels soient remplies et approuvées correctement.

Nous avons également révisé le processus des Ressources humaines et avons constaté que les responsabilités dans la *Politique sur les régimes de travail non conventionnels* et dans la pratique étaient incompatibles. La direction des RH a indiqué qu'elle prévoit mettre à jour la politique au cours du deuxième trimestre de 2011. Nous avons également constaté que même si les RH reçoivent les ententes, ces dernières ne font pas l'objet d'un suivi dans le système de paie, de comptabilité générale et de rapport des Ressources humaines de la Ville dans le but de les contrôler, de les superviser, d'en tenir compte et de comptabiliser le temps consacré par la direction et le personnel à effectuer ces tâches.

Le bureau du vérificateur général recommande que la Ville s'assure de gérer correctement les régimes de travail non conventionnels si cette dernière les autorise, ce qui comprendrait le fait de s'assurer que les régimes de travail non conventionnels et les outils de supervision sont achevés, exacts et conformes aux politiques de la Ville.

### **Remerciements**

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



## 1 INTRODUCTION

This audit was part of the 2010 Audit Plan.

## 2 BACKGROUND

In December 2003, the Senior Management Team approved the *Alternative Work Arrangement (AWA) Policy* under the Delegated Authority of the Chief Corporate Services Officer. The stated purpose of the *AWA Policy* is “to enable work life balance for City employees while maintaining a commitment to cost effectiveness and excellence in service delivery”.

The policy lists the responsibilities for employees, for managers, for the Employee Services Branch<sup>1</sup> and for Legal Services<sup>2</sup> including the ability for the employee or management to cancel the arrangement.

The policy requirements state that,

- “success of an arrangement lies in it being mutually beneficial for the organization and the employee”,
- “AWA are not appropriate for all positions nor are they to be considered a right of employment”,
- “AWA will not result in additional cost to the City.”

The policy also states that, “neither the policy nor any formalized agreements shall supersede or contradict the terms and conditions of a collective agreement or terms and conditions of employment... where silent..., this policy will take precedence.”

Alternative work arrangements referenced in the policy and collective agreements include compressed working hours, flexible working hours, reduced work week, job sharing and telework. The *Compressed Work Week* procedures which appear in Appendix A define a compressed work week as working longer days for part of the week in exchange for shorter days or a day off each week or pay period.

## 3 AUDIT SCOPE AND OBJECTIVE

The Audit Scope focussed on specific compressed work week agreements from EFA Social Services Centre South for 2009. The Audit Objective included reviewing agreements to determine if they complied with the *Alternative Work Arrangements Policy and Compressed Work Week* (procedures).

After we reviewed this specific area, we expanded the scope of the audit work to look at the Human Resources process relating to handling these types of agreements on a corporate-wide basis.

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<sup>1</sup> As stated in *Alternative Work Arrangement Policy*.

<sup>2</sup> As stated in *Alternative Work Arrangement Policy*.

## 4 AUDIT CRITERIA

1. To assess if compressed work agreements complied with policy and procedures requirements.
2. To assess that reporting tools used to manage alternative work arrangements properly reflected the agreements and the City's financial reporting system.

## 5 APPROACH

- Discuss and correspond with City Management;
- Review City policies and procedures;
- Review agreements and reports; and,
- Review the City's financial reporting system.

## 6 DETAILED FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

### ***6.1 Compressed work agreements not compliant with policy and procedures requirements***

For 2009, within Employment and Financial Assistance Social Services Centre South, Management identified that out of 118 staff members that approximately 29 worked compressed work weeks. This represented approximately 25% of staff. 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.

Management provided copies of the compressed work week agreements expiring to September 2009 and the "staff work hours" tool which is a spreadsheet used to manage alternative work arrangements. During the course of the audit, we found that compressed work week agreements dated to September 2009 were not compliant with the *Alternative Work Arrangements Policy* and *Compressed Work Week* procedures requirements (Attached in Appendix A) for the Social Services Centre South.

A review of the 29 agreements and comparison to the "staff work hours" tool which listed 121 staff showed that there were two agreements provided that were not identified as having an alternative work arrangement on the "staff work hours" spreadsheet. There was also a proposal document provided that was not an agreement. There were two names listed on the spreadsheet where no agreements were provided. As shown in the tables below this resulted in three agreements that were not provided.

Total Staff on Compressed Work Week per "staff work hours" tool	29
Plus: Staff where agreements provided but not identified as CWW on "staff work hours" tool	2
Adjusted total staff on CWW	31

Agreements provided	29
Less: Proposal document not an agreement	1
Actual agreements provided	28

Agreements not provided	3
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Out of the 28 agreements provided, there were issues as follows:

- Two of the agreements had expired in the previous year (September and December 2008);
- Employee signature missing for one agreement;
- Manager or supervisor signature missing for 23 agreements;
- Cover-off partner<sup>3</sup> not specified for 12 agreements;
- In three additional cases, cover-off partner differs between agreement and staff work hours tool;
- In six cases, hours of work specified in agreement differs from hours of work on staff work hours tool;
- In four cases, hours of work before 7:30 a.m. or after 5:00 p.m. when supervisor not on site; and,
- In four cases, scheduled day off differs between agreement and staff work hours tool.

As detailed above, during the course of this audit we found 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 am 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.

The Social Services Centre South Management Team indicated that they temporarily suspended CWW as an alternative work arrangement during July and August 2009 (explained below), reinforced alternative work arrangement policies, developed monitoring mechanisms and requested submissions for new requests or

<sup>3</sup> Cover-off partner – person identified as cover-off during day when staff member is away.

extensions effective September 2009 as all the prior work arrangements had expired.

For 2009, there was also a specific example where an employee on a compressed work schedule was given a letter of expectation and the alternative work week was cancelled for 2009.

As at December 2010, Management indicated that the current CWW process used at the South Social Services Centre includes the following:

- The Social Services Centre South Management Team continues to suspend CWW during July and August as operational requirements do not support the CWW process due to the high volume of vacation leave, therefore all CWW arrangements expire each June;
- All interested staff submit their CWW Agreement for consideration over the summer months;
- The Management Team reviews all new/renewed requests for CWW over the summer months and approves arrangements, based on operational requirements, to start annually in September of each year. Approval is also based on favourable attendance and performance review. Communication was sent to staff confirming the Updated Alternative Work guidelines;
- Subsequent requests for, or changes to AWA (Flexible Hours and CWW) are brought to the Management Team meetings for approval throughout the year as required. Approval is given where operational requirements allow;
- Supervisors sign off on AWA agreements on behalf of the Manager;
- Spreadsheet is updated each September to reflect approved CWW arrangements (including cover-off partners, hours of work, compressed days off (CDO) and the cycle) as well as other AWA's (flex hours, four day work week, regular hours, etc);
- Staff can request which day of the week they wish to be their CDO; however placement on a cycle is determined by the Management Team to ensure equal balance of staff in various positions over the two cycles. This includes looking at cycle placement within the staff group as well as within teams, so as not to have too many away on any given team per day. Therefore CWW agreements may not specify cycle;
- New CWW agreements are completed when partnerships change, when compressed days off change or when working hours change, however not if the staff is simply changed to a different cycle;
- One staff member, the Assistant to the Manager has now been assigned to manage and track the Alternative Work Arrangements for the site. This includes keeping the tracking spreadsheet up to date and ensuring AWA agreements are properly completed and signed off.

Management also indicated that:

- Staff hours are monitored by their supervisor through their attendance tool, regular walk-about, through discussions at regular supervision meetings, Performance Development Plan (PDP), and through the Outlook Calendar;
- In addition guidelines are reviewed and discussed with each staff participating in CWW in September which is the start of each year;
- Arrangements have been made with supervisors in other sites to assist with monitoring decentralized staff.

During the course of this audit, Management was made aware of the work agreements that were non-compliant with policies and procedures and should ensure AWA agreements are properly completed and signed off.

## **6.2 Staff work hours tool inaccurate and incomplete**

The staff work hours tool is a spreadsheet Management has indicated that they use to manage alternative work arrangements. As noted in the previous section, we have found that the staff work hours tool spreadsheet 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 Manager indicated that there was 118 staff at Social Services Centre South. During the course of this audit, we found that the “staff work tools” showed the total of 112 staff but contained three formula errors and other missing information which when adjusted totalled 121.

We found 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 SAP Position Incumbent report for EFA Centre South Unit. These differences included:

- Names on the staff work hours tool that did not appear on the SAP Position Incumbent Report for EFA Centre South Unit but that appeared in SAP within other areas of EFA;
- Names on the SAP Position Incumbent Report that did not appear on the “staff work tool” which Management confirmed were acting in a position in another area or were on leave such as long term disability or maternity leave; and,
- Three with different position titles and two with different name spelling on the staff work hours tool than on the SAP Position Incumbent Report for EFA Centre South Unit.

During the course of this audit, Management was made aware of the errors in the spreadsheet. As noted in the prior section, as at December 2010, Management indicated they have now assigned a staff member to manage and track the AWA agreements on the spreadsheet and ensure AWA agreements are properly completed and signed off. Management has identified that the effort to track compressed work agreements for this area would be performed by the Manager’s

assistant, a Verification Specialist, and would amount to approximately 32 hours per year or approximately 2% of their time for all Alternative Work Arrangement agreements.

### **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.**

#### **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.

### ***6.3 Alternative Work Arrangement Policy to be Updated***

After we reviewed the specific area, we expanded the scope of the audit work to look at the HR process relating to handling compressed work week agreements.

As stated earlier, the *Alternative Work Arrangement Policy* and *Compressed Work Week* procedures were approved in December 2003 and have not been revised since that time. HR indicated that there are a lot of changes required to the policy which is targeted for review in Q2 2011. For example, the Responsibilities Section lists areas that have been reorganized since 2003 when the policy was approved. The Employee Services Branch lists the Payroll Division which now reports to Finance and the Labour Relations Division which now reports to the City Clerk and Solicitor Department. Legal Services Branch is now part of the City Clerk and Solicitor Department.

During the course of this audit we also found that there are also practices that are inconsistent with responsibilities identified in the policy. The current practise includes the requirement to provide the original compressed work week agreements to the HR Consultant; however this responsibility and the actions to be taken are not documented in the policy or procedures.

The policy states that, "*Labour Relations shall review all Alternative Work Agreements to ensure compliance with the provisions of the applicable collective agreement*" and that,

*"Legal Services Branch is responsible for reviewing all Alternative Work Agreements prior to final sign-off and implementation."* Human Resources Management has indicated that the compressed work agreements are not provided to Labour Relations or Legal as Labour Relations is now part of the City Clerk and Solicitor Department and have advised that they don't need to see the agreements.

In our opinion, the *Alternative Work Arrangement Policy*, procedures and practises should be updated to ensure that responsibilities are appropriately assigned to account for, control and monitor alternative work arrangements.

### **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.**

#### **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.

### **6.4 Compressed Work Agreements not tracked by Human Resources (HR)**

HR has indicated that the existence of a Compressed Work Week agreement is not recorded in SAP, the City's human resources, payroll and financial accounting and reporting system, as there is no impact on pay. Human Resources have indicated it is an arrangement between the employee and their manager and is the manager's responsibility to ensure that the terms of the compressed work week are being honoured. Therefore, HR does not have a role in controlling and monitoring the agreements. This approach would be consistent with the City of Toronto where Human Resources may not necessarily be aware as they are not involved in tracking alternative work arrangements.

Consequently, HR indicated they would not know and would not be able to determine the number of individuals on compressed work weeks. They advised they could provide some data from SAP about other types of Alternative Work Agreements.

HR would also not know the number of staff and quantity of time involved in tracking agreements, scheduled days off, attendance, absences, owed time, etc. They indicated that it is likely the Administrative Assistants of the Managers in the areas that track these agreements. Therefore, it is not possible to estimate the overall costs associated with tracking, monitoring and controlling these agreements.

Human Resources management has indicated that they would not have a guideline for the percentage of staff within a work unit on a compressed/alternative work agreement. They indicated that they have discussed this matter and it would depend upon the service delivery requirements, the operational requirements, the size of the team and the cycle for the compressed day off. HR indicated they would not make recommendations on the percentage.

As SAP is the City's human resources, payroll and financial accounting and reporting system, and spreadsheets are prone to error, in our opinion Management should consider developing a staff work hours tool using SAP. At a minimum, the staff work hours tool referenced in Section 6.2 should be reconciled to SAP.

As Human Resources receive a copy of the Alternative Work Agreements, they could consider entering a code in SAP to identify employees on an alternative work arrangement whether or not the arrangement impacted pay.

In our opinion, the business case should be developed to use the system to track the agreements to ensure they are accounted for, controlled and monitored in accordance with the updated *Alternative Work Arrangement Policy*.

### **Recommendation 3**

**That the City develop the 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*.**

#### **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.

## **7 CONCLUSION**

During the course of the audit, we found there were compressed work arrangements to September 2009 that were not compliant with the *Alternative Work Arrangement Policy* and *Compressed Work Week* procedures requirements for the Social Services Centre South. We also found that the staff work hours tool spreadsheet used to manage agreements contained information that did not match the agreements and also did not match the staff listed in SAP for this work unit.

Management indicated that they temporarily suspended CWW 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, 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.

We also reviewed the Human Resources process and found the responsibilities in the *Alternative Work Arrangement Policy* and in practise were inconsistent. HR Management indicated that they plan to update the policy in Q2 2011. We also found that although HR receives the agreements, that these are not tracked in the City's human resources, payroll and financial accounting and reporting system in order to account for, control and monitor them and the amount of time spent by Management and staff performing these functions.

The Office of the Auditor General recommends that the City ensure that if they are going to permit alternative work arrangements that they are properly managed. This would include ensuring that alternative work agreements and monitoring tools are complete and accurate and compliant with City policies.

## **8 ACKNOWLEDGEMENT**

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

## 9 Appendix A – Extract of *Compressed Work Week* Requirements

Approval Date: December 05, 2003

[Procedure Description](#)

[Scheduled Days Off](#)

[Absences](#)

[Owed Time](#)

[Operational Differences](#)

[Definitions](#)

[References](#)

[Appendix](#)

### Procedure Description

A compressed work week allows employees to work longer days for part of the week or pay period in exchange for shorter days or a day off each week or pay period.

Employees are required to complete the [Compressed Work Week Agreement](#) (Appendix 1) and forward it to their manager for approval.

The manager will review the request to ensure that it complies with the appropriate collective agreement, Terms and Conditions of Employment and the Alternative Work Arrangements policy. If approved, the manager will sign the Compressed Work Week Agreement. A Manager's decision to deny a request must be communicated to the employee in writing.

The term of the arrangement will be for a maximum of twelve months. The manager or employee may cancel the work arrangement by providing two weeks' notice in writing. This does not preclude the manager from suspending or cancelling the arrangement at any time because of operational requirements. At the conclusion of the arrangement, the employee will return to their regular work week schedule. The compressed work week arrangement can be re-negotiated subject to the approval of the manager and the employee.

### Scheduled Days Off

Scheduled days off must be predetermined and consistently taken as set out in the Compressed Work Week Agreement. Scheduled days off are considered days of rest and must be earned prior to taking them. Scheduled days off cannot be accumulated or banked.

Employees who wish to come to work on a scheduled day off must obtain prior approval and select an alternate day off, mutually agreed to with their manager. Where an earned

day off falls on a statutory holiday, the employee and manager may select a mutually acceptable alternate day off.

## Absences

A compressed work week arrangement creates longer workdays. Absences must account for the additional hours of missed work. All absences from work under the compressed work week arrangement will be dealt with as follows:

where the leave does not exceed two days, the employee may

make up the difference in time between the compressed work week extended day and the standard work day, or

revert to the standard work days for that cycle;

where leave exceeds two days, management can request the employee to revert to the standard work days for the cycle;

where the combination of a statutory holiday and another leave exceeds two days, the arrangement may be suspended for that cycle.

For the purpose of tracking leave on the payroll system, leave will continue to be recorded in actual hours taken, where applicable, as in special leave and time off in lieu of overtime.

## Owed Time

Where the employee or the City "owe time", the make-up of hours owed is to be mutually agreed to between the manager and the employee and should be taken during the cycle in which it is owed, or not later than the next cycle.

## Operational Differences

This procedure recognizes that there are different City work situations. For example:

7 - and 8 - hour set shifts;

8 - and 12 - hour rotating shifts;

7 - day operations; and

operations that are dependent on set work crews and schedules or interdependent work teams.

These different situations may require modification to the compressed workweek arrangement. Where management and employees are considering modified approaches, the fundamental principles of the Alternative Work Arrangements policy and this procedure continue to apply.

## Definitions

**Compressed Day** - the regular day(s) off resulting from an employee working a compressed work week.

**Compressed Work Week** - an arrangement whereby employees work longer shifts in exchange for a reduction in the number of working days in their working cycle (i.e. on a weekly or biweekly basis).

## References

[Alternative Work Arrangement Policy](#)

## Appendix

[Appendix 1 - Compressed Work Week Agreement](#)

Last Updated: Dec 14, 2007

[IQCT\\_003454](#)