



# TORONTO STAFF REPORT

---

October 15, 2004

To: Audit Committee

From: Auditor General

Subject: Corporate Absenteeism/Attendance Management Follow-up Review

Purpose:

The purpose of this review was to determine whether recommendations made in the Auditor General's report dated January 22, 2001, entitled "Corporate Absenteeism/Attendance Management Review" had been implemented and if appropriate, recommend further action.

Financial Implications and Impact Statement:

There are no immediate financial implications resulting from the adoption of this report.

Recommendations:

It is recommended that:

- (1) the Commissioner, Corporate Services, develop a standardized reporting format to document the results of meetings held with employees to discuss their absenteeism and ensure that evidence of acknowledgement by the employee of these discussions and action taken is retained on file; and
- (2) Commissioners ensure that staff have access to appropriate Attendance Management Reports and that the information in these reports forms the basis for compliance with the City's policy on managing employee attendance.

Background:

The Auditor General's 2004 Work Plan included a follow-up review of the adequacy of policies, procedures and systems for managing employee absenteeism throughout the City.

The objectives of our review were to determine the extent of the implementation of the recommendations made in the Auditor General's January 22, 2001 report, "Corporate Absenteeism/Attendance Management Review" and to recommend any further action, if necessary.

The scope of our audit included discussions with staff, a review of the Human Resources Policy for the City's Attendance Management Program, and analysis of related documents, including such tests and other procedures as we considered necessary in the circumstances.

The recommendations in this report address additional improvements in the administration of the Attendance Management Program.

#### Comments:

In January 2001, the Auditor General issued a report entitled "Corporate Absenteeism/Attendance Management Review". Appendix 1 (attached) summarizes the recommendations included in that report and the current implementation status.

One of the recommendations in the January 2001 report related to implementing an employee absenteeism/attendance policy. On July 24, 2001, City Council adopted an Attendance Management Program for City employees. The program includes a Corporate policy and supporting guidelines describing the responsibility of managers for attendance management. The guidelines require the maintenance of accurate records and regular monitoring and communication with employees.

The reporting framework outlined in the policy includes:

- an annual report, at a department/divisional level, highlighting the average rate of absenteeism; and
- monthly reports to management of those employees who have exceeded the department/divisional absenteeism average.

Although the policy and reporting framework were addressed shortly after the release of our January 2001 report, implementation of the Program by departments has taken much longer with some divisions only implementing the Attendance Management Program in April, 2004.

#### Documentation Requirements

The Attendance Management Program includes criteria to help managers identify when an employee's absenteeism may require closer attention. One of these criteria is when an employee has more absences during a 12-month period than the divisional/departamental average absenteeism. Where this threshold is met or exceeded, an informal interview is to be conducted by the employee's supervisor.

We selected a sample of 27 employee files, where the employee absences from work exceeded the division's average absenteeism rate. The files were reviewed to determine if action taken by management is in compliance with the procedures and requirements outlined in the Attendance Management Program.

Based on the results of a review of the 27 files where the employee's absenteeism was above the divisional average, (therefore requiring action by management), we observed that:

- documentation as required by policy is not always evident in the employee file;
- a standard form for managing employee attendance is not used; and
- there is no evidence of acknowledgement from the employee that the matter has been addressed with the employee.

A record of the informal meeting held with the employee is not always maintained. Of the 27 files reviewed, seven had no documentation of a meeting with the employee and none of the files had written acknowledgement by the employee that their absenteeism had been discussed with them.

Under the Corporate Attendance Management Program, an employee's supervisor is required to interview the employee if the employee's absences exceed the Division's average absenteeism rate. Should a supervisor feel that, due to special circumstances, a meeting with the employee is not required, the supervisor is to document the reasons in the file. Two of the 27 cases we reviewed had indications that the supervisor knew of special circumstances and that a meeting with the employee was not required. In both of these instances, reasons for not holding a meeting were not documented in the file as required.

In the Attendance Management Program at the former City of Toronto, a standard form entitled "Attendance Review Memorandum", which listed the various steps to be taken and required the employee's signature, was used to document action taken in managing an employee's attendance. Re-introducing such a form to ensure consistency in the implementation of the program and that the appropriate steps are taken would be beneficial.

Recommendation:

1. The Commissioner, Corporate Services, develop a standardized reporting format to document the results of meetings held with employees to discuss their absenteeism and ensure that evidence of acknowledgement by the employee of these discussions and action taken is retained on file.

Use of Attendance Reports

In examining the reports used by the two divisions in the Community and Neighbourhood Services Department and two divisions in the Finance Department we found that:

- reports for managing attendance are not always reviewed on a monthly basis using a rolling 12-month time frame. For example, we observed that in some instances reports are issued on a quarterly basis; and

- reports specifically created in response to the Attendance Management Program are not always used. In some instances, this is due to the fact that access to these reports has not been requested, while in other cases staff have elected to create their own reports using other sources for their data.

Recommendation:

2. Commissioners ensure that staff have access to appropriate Attendance Management Reports and that the information in these reports forms the basis for compliance with the City's policy on managing employee attendance.

Conclusions:

The recommendations in the Auditor General's January 2001 report, "Corporate Absenteeism/Attendance Management Review" were implemented shortly after the release of the report. However, implementation of the Attendance Management Program at the department and division level has taken more time than one would expect. For example, some areas have only recently started to follow the attendance management practices outlined in the City's Attendance Management Program.

The additional recommendations in this report support a fair and consistent approach to managing attendance and will help to ensure the goals of the Attendance Management Program are met.

Contact:

Jerry Shaubel  
Director, Auditor General's Office  
Tel: (416) 392-8462, Fax: (416) 392-3754  
E-mail: JShaubel@toronto.ca

Ben Smid  
Senior Audit Manager, Auditor General's Office  
Tel: (416) 392-8478, Fax: (416) 392-3754  
E-mail: BSmid@toronto.ca

Jeffrey Griffiths  
Auditor General

List of Attachments:

Appendix 1: Absenteeism/Attendance Management Review – January 2001

Auditor General's Office  
Audit Recommendation Status Report  
Corporate Absenteeism/Attendance Management Review – January 2001  
as at October 15, 2004

#	Recommendations 2001 Report	Status Audit Comments
1	The Commissioner of Corporate Services give immediate attention to the development of an employee absenteeism/attendance policy. Such a policy be submitted to the Administration Committee by June 30, 2001, and include best practices of the former City municipalities, other municipalities throughout North America, and other public and private sector organizations.	Implemented Council Approval – July 24, 2001.
2	The Commissioner of Corporate Services report to the Administration Committee by June 30, 2001, on a framework for reporting absenteeism across the Corporation, which should include the development of appropriate definitions and reporting guidelines to enable a meaningful comparison of absenteeism among the various departments, agencies, boards and commissions.	Implemented
3	The Attendance Management Committee be required to review the specific reporting requirements relating to employee absenteeism. Such reporting requirements be conveyed to the City's Finance Department.	Implemented Committee replaced by the Personnel Sub-Committee
4	The Attendance Management Committee, during its deliberations, consider the results of the departmental surveys relating to absenteeism conducted by the City Auditor's office.	Implemented