



**AUDITOR GENERAL'S
REPORT
ACTION REQUIRED**

**Continuous Controls Monitoring Program – Review of
City Staff Absenteeism**

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| Date: | March 14, 2013 |
| To: | Audit Committee |
| From: | Auditor General |
| Wards: | All |
| Reference Number: | |

SUMMARY

The Auditor General's Work Plan includes the development of a system of continuous controls monitoring for selected City expenses. The objective of the Continuous Controls Monitoring Program is to provide periodic reports to management which assist in proactively monitoring financial transactions, detecting unusual expenses and identifying areas where internal controls could be strengthened.

The Continuous Controls Monitoring Program was initiated in 2011. Initial expenses selected for the application of continuous controls monitoring were employee overtime and mileage reimbursements. In 2012, the program was expanded to include standby pay.

In January 2013, the Auditor General further expanded the Continuous Controls Monitoring Program to include staff absences. Our objective in including staff absences is to analyze trends and monitor absences under selected categories. The categories for review include absences resulting from sick time, union related work, and bereavement.

On a periodic basis, we will be providing management with details related to unusual levels of employee absences for their review and comment. The results of our review will be reported to the Audit Committee.

RECOMMENDATION

The Auditor General recommends that:

1. City Council receive this report for information.

Financial Impact

The recommendation in this report has no financial impact. However, ongoing savings and efficiencies are expected from this program. Since the initiation of the Continuous Controls Monitoring Program in 2011, there has been a decline in staff overtime, mileage and other related payroll expenses of approximately \$7 million. The increased focus on staff absences through the continuous controls monitoring process may result in a reduction of staff absences.

DECISION HISTORY

The Auditor General's 2013 Audit Work Plan included an ongoing project entitled "Continuous Controls Monitoring". The Auditor General's work plan is available on the City's Web site at:

http://www.toronto.ca/audit/2012/2013AuditWorkPlanOct_10_2012_Web.pdf

COMMENTS

The use of continuous controls monitoring was initiated in 2011. Since then periodic updates have been reported to the Audit Committee. The 2012 wrap-up report was presented to Audit Committee at the February 15, 2013 meeting. The report is available on the website at:

http://www1.toronto.ca/staticfiles/static_files/auditorgeneral/pdf/2013/continuous_controls_monitoring-city_overtime_mileage_21jan2013_final.pdf

This current report is provided to the Audit Committee for information on the progress of the continuous controls monitoring project at the Auditor General's Office.

CONCLUSION

As part of the Continuous Controls Monitoring Program, the City Manager will be requested to review unusual levels of employee absences under various categories and report back on the findings of his review on a periodic basis.

CONTACT

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SIGNATURE

Jeff Griffiths, Auditor General

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