EMPLOYEE ABSENCES AND OVERTIME AUDIT

RECOMMENDATION

That the June 27, 2023, Office of the City Auditor report OCA01937, be received for information.

Report Purpose

Information only.

Executive Summary

This report presents the results of the Employee Absences and Overtime Audit.

REPORT

The City of Edmonton has a workforce of around 11,500 employees. In 2022, the City spent $1.165 billion on personnel related expenses. This includes salaries, hourly wages, benefits, vacation pay, overtime and sick pay.

Business areas are responsible for monitoring and managing employee absences and overtime. The Employee Services Department (Employee Services) provides guidance and support to business areas in managing their workforce, including managing employee absences and overtime.

The objective of the audit was to determine if Administration is managing employee absences and overtime cost effectively and to minimize the risks of error in payroll transactions.

We found areas where Employee Services can improve their support relating to reporting, approval, management and oversight of overtime and absences. This includes: providing more consistent guidance on roles and responsibilities, making business areas aware of the available tools for obtaining management information and monitoring absences and overtime at a corporate level.

Specifically to the earned day off program we found:

- Employees do not receive consistent communications on the use of earned days off, including banking earned days off and carrying them forward to the next year.

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- It was not clear to some supervisors that they are responsible for tracking employees' use of earned days off on an annual basis.

Specifically related to overtime we found:

- The guidance on effective overtime management is outdated.
- Most interviewed supervisors were unaware of the tools and data available to them to help manage overtime.
- Issues with how some business areas monitor individual overtime and manage aggregate overtime to minimize costs.
- Employee Services is not periodically reviewing and reporting corporately on how business areas are managing and monitoring overtime.

We made the following recommendations to Employee Services:

1. Strengthen support for the management of absences and overtime to hold business areas accountable for managing risks related to employee absences and overtime.
2. Provide City staff with consistent guidance on the use and tracking of earned days off and monitor that business areas are tracking employees' used earned days off against annual entitlements.
3. Provide business areas with consistent guidance on the monitoring and managing of overtime both at an individual and aggregate level.
4. Review and report on business areas' overtime monitoring and management practices.

POLICY

Bylaw 16097 - Audit Committee, Section 14(d) states that Audit Committee will review all reports from the City Auditor dealing with completed audit projects.

ATTACHMENT

1. Employee Absences and Overtime Audit Report