CORRECTIONAL SERVICE CANADA

Audit of Management of Leave & Overtime

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By
Samson & Associates
85, rue Victoria
Hull, Quebec
J8X 2A3

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EXECUTIVE SUMMARY

In accordance with the departmental audit plan for 2004-05, the audit of Leave and Overtime was conducted from February to March 2005.

The objectives established for this audit were as follows:

- To determine the adequacy of CSC's systems and controls for the management of leave, and identify means for improving the efficiency and effectiveness of these systems and accuracy of the data (including annual, sick, compensatory leave, family, volunteer, personal, leave without pay).

- To determine the adequacy of CSC's systems and controls for the management of overtime/compensatory time-off and identify means for improving the efficiency and effectiveness of these systems.

- To assess the adequacy of the organizational structure for the management of leave and overtime.

The scope of the audit included the overall process in place for the management of leave and overtime, based on the objectives defined above. Audit coverage was national in scope which included NHQ, five regions and selected institutions in each region. A total sample of 270 overtime/compensatory time off and leave transactions covering the five regions and National Headquarters for the period April 1, 2003 to December 31, 2004 were selected for review. Leave transactions included vacation leave, sick leave, family related leave and leave without pay.

The audit was conducted in accordance with the standards set out in the TB *Policy on Internal Audit*. These standards require that the audit is planned and performed in a manner that allows the audit team to determine assurance of the audit findings. The audit team's conclusions are based on the assessment of findings against the objectives and criteria as defined in Section 2.0 and reflect the audit work conducted between February and March 2005. In the audit team's opinion, sufficient audit work has been performed and the necessary evidence has been gathered to support the conclusions contained in this audit report. Debriefings were conducted by audit team members at which time audit findings were discussed. Some regions have already taken action to address specific areas requiring improvement.

In order to ensure the care and custody of inmates, Correctional Services institutions operate 24 hours a day, seven days a week. This operational requirement poses complex resourcing and scheduling demands for the management of its institutions. Resource changes often result in the need for overtime. Overtime costs totalled $34,387M in 2004-05 and $28,095M in 2003-04.

There are a number of factors that impact on managements' ability to effectively control leave and overtime. These include the effectiveness of the Rostering Process, unscheduled leaves,

requirements for transportation and custody of inmates outside the institutions, and delays in the staffing process resulting in long term position vacancies (acting situations) at the institutions. Management has little control over exceptional circumstances, such as incidents at institutions, which generate overtime, and thus management's ability to effectively budget for overtime expenditures is limited.

Overall, although we found that management is concerned about reducing overtime expenditures, and was actively monitoring the use and reasons for overtime, a consistent department-wide approach or strategy to analysing the drivers of overtime in an effort to reduce overtime does not exist. Presently, overtime worked is managed and reviewed in isolation within institutions/regions. This has resulted in regions and institutions implementing their own unique overtime and leave processes. These processes are not efficient and are cumbersome, which in some regions have led to serious control weaknesses. The department is at risk for potential overpayments. There is a risk that the benefits to be gained from a unified approach to managing leave and overtime are not being realized.

However, we did note good practices in some institutions which had processes in place providing effective controls over overtime and leave.

The results of this audit can be summarized as follows:

Overtime
- The Department has not clearly defined the roles and responsibilities of all individuals involved in the processing of overtime claims.
- Controls to ensure the accuracy of overtime payments are weak. As a result, errors may be occurring that remain undetected.
- Compensatory Time Off In Lieu of Pay is being granted without the requisite authority. Also, for some occupational groups compensatory time is generating additional overtime;
- Controls over the Overtime System (OTMS/OPRS) are not adequate.
- Financial controls for the verification and payment of overtime transactions are not consistently in place across the department.

Leave
- The unscheduled leave process lacks consistent procedures for the adequate reporting, recording and monitoring of leave.
- The Department does not have in place a consistent process to ensure that excess vacation leave balances are maintained within limits established by collective agreements
- There is no consistent approach in applying additional sick leave credits for CX shift workers.
- While a system control was in place at the time of the audit, to restrict the use of FRL, we found that this control is being circumvented through the recording of FRL under HRMS codes other than 220.

Overall, significant improvements are needed to improve the overall effectiveness and efficiency of the management of leave and overtime. Implementation of the following recommendations

will contribute significantly to ensuring that overtime is kept to a minimum, its cost is justified and that leave is managed effectively. Action will therefore be required in the following areas:

Human Resources Management Sector

Overtime
- Develop and communicate consistent department-wide procedures and guidelines, including the definition of roles and responsibilities, for the processing of overtime claims.
- Develop and implement a consistent monitoring & reported regime to ensure the effective management of overtime. Anomalies identified and addressed at a departmental level
- Assess the current overtime systems in place in each region and NHQ and adopt a consistent national system.
- Ensure that all staff that have a role in the overtime process are appropriately trained in their respective roles and responsibilities.
- Ensure that pay verification occurs and is evident against overtime payments.
- Ensure that a mechanism is in place to monitor and eliminate the occurrences of CX's being allowed compensatory time off for overtime worked.
- Regionally assess the impact of continually compensating employees in the NU HOS occupational group for compensatory time off versus payment of overtime worked.
- Ensure that the OTMS/OPRS is assessed for its adequacy as an acceptable tool for tracking and monitoring overtime expenditures.

Leave
- Ensure that appropriate consistent guidelines and procedures are developed for the recording, reporting and monitoring of unscheduled leave.
- Ensure that a national monitoring process is implemented to ensure that the requirements of the various collective agreements regarding excess vacation leave are respected.
- Monitor the use of HRMS codes such as 999, 699 etc to ensure that additional sick leave credits, in accordance with the Correctional Service collective agreement (CX) are recorded consistently.
- Ensure that adjustments to employee sick leave entitlements, for exceptional instances, are well documented and placed on appropriate files.
- Assess the utilization of the various codes within HRMS and restrict usage of undesignated codes to exceptional situations.
- Develop a checklist to ensure that employees' files contain the necessary information to support overtime/leave actions taken.

Corporate Services Sector

- Review the role of the Financial Officer in the overtime process to ensure that the requisite approvals are being carried out in accordance with the FAA.
- Provide supervisors with guidelines outlining their role in the authorization of overtime under Section 34 of the FAA.

- Ensure that a process is in place that provides the supporting documentation for overtime claims to financial officers to meet their obligations under Section 33 FAA.
- Based on the results of the assessment of the OTMS/OPRS, endorse the OTMS/OPRS as a departmental overtime system and provide the requisite security, maintenance and support necessary.

1.0   INTRODUCTION

A salary management risk-based preliminary audit survey was conducted by Samson & Associates, in March 2004, to provide Correctional Service Canada (CSC) with an independent assurance that administration of pay and benefits is controlled, has effective and efficient processes, complies with applicable policies, Acts and regulations, and identify best practices in the area of pay and benefits. The preliminary audit was performed at National Headquarters, and in the Ontario and Quebec Regions. The results were presented to Performance Assurance and Human Resources Management Sector at National Headquarters as well as the Regional Administrators of Human Resources.

Following discussions with the Human Resource Management Sector (HRMS), and further examination of the issues identified during the preliminary survey, the Performance Assurance Sector determined that due to the high risk areas identified, further audit attention was required to assess the extent of risk existing in the compensation and benefits function. The audit of Leave and Overtime was included in CSC's internal audit plan for 2004-05. Samson & Associates was contracted to conduct the audit in February and March 2005. The audit consisted of a review of overtime/compensatory time off and leave transactions between April 1, 2003 and December 31, 2004. Leave transactions included vacation leave, sick leave, family related leave (FRL) and leave without pay. This report presents the results of the audit.

As required by Treasury Board's (TB) Management of Overtime Policy, "it is the responsibility of departments to manage overtime in a way that will ensure that its use is kept to an appropriate minimum and its cost is justified".

CSC overtime costs totalled $34,387M in 2004-05 and $28,095M in 2003-04. Table 1 provides a breakdown of overtime costs and the relation to salary costs, by region.

Table 1 – Overtime Costs by Region

REGIONS	2004-2005	% OF SALARY	OVERTIME TRANSACTIONS 04/05	REGIONS	2003-2004	% OF SALARY	OVERTIME TRANSACTIONS 03/04
Pacific	$4,799,160	4.61	16,531	Pacific	$5,250,811	5.27	19,880
Prairies	$6,800,591	4.39	21,250	Prairies	$6,697,133	4.27	21,618
Ontario	$8,939,272	5.59	34,539	Ontario	$6,840,604	4.41	33,599
Quebec	$9,133,361	5.50	37,513	Quebec	$6,456,293	3.84	37,129
Atlantic	$4,375,226	6.06	13,983	Atlantic	$2,512,148	3.55	13,047
NHQ	$339,358	0.59	830	NHQ	$338,141	0.69	834
TOTAL	**$34,386,968**		**124,646**	**TOTAL**	**$28,095,130**		**126,107**

2.0 AUDIT OBJECTIVES & SCOPE

2.1 Audit Objectives

The objectives of the audit are:

- To determine the adequacy of CSC's systems and controls for the management of leave, and identify means for improving the efficiency and effectiveness of these systems and accuracy of the data (including annual, sick, compensatory leave, family, volunteer, personal, leave without pay).

- To determine the adequacy of CSC's systems and controls for the management of overtime/compensatory time-off and identify means for improving the efficiency and effectiveness of these systems.

- To assess the adequacy of the organizational structure for the management of leave and overtime.

2.2 Scope of the Audit

The audit examined the overall process in place for the management of leave and overtime, based on the objectives defined above. Audit coverage was national in scope which included NHQ, five regions and selected institutions in each region. A sample of overtime and leave transactions for the period April 1, 2003 to December 31, 2004 were selected for review. Transactions selected were based on sampling criteria as outlined in Section 3.0.

2.3 Audit Criteria

Audit criteria were derived from the various collective agreements applicable to the department including the Correctional Services Non-Supervisory and Supervisory (CX), Health Services, Program & Administrative Services, Operational Services, Financial Administration, etc. Criteria were also based on Treasury Board and CSC policies and Commissioner's Directives. These include but are not limited to:

Treasury Board

- Management of Overtime
- Pay Administration guidelines and directives
- Annual Leave Policy
- Account Verification
- Maximum Hours of Work

•   Relevant Terms and Conditions of Employment

The Human Resources Management Sector was provided with the audit criteria. The audit criteria for each objective are presented in Appendix B.

3.0   APPROACH AND METHODOLOGY

In order to ensure an equitable distribution amongst the regional offices, and to respect the time constraints of the audit to have field work completed by March 31[st,] 17 sites including NHQ, were selected for on-site work. The sites are listed in Appendix C, attached. Interviews were held with key individuals and detailed testing as outlined below on a sample of leave and overtime transactions were conducted.

Interviews and/or debriefs were held with Wardens, Deputy Wardens, Coordinators Correctional Operations (CCO's), Correctional Supervisors, Compensation Managers, Compensation Advisors, etc., and a variety of administrative staff throughout the institutions. An interview schedule is attached in Appendix D.

At each region and at NHQ, a sample of 45 leave and overtime transactions, for a total of 270, were selected for detailed testing. Transactions were selected based on sampling criteria as outlined below. The sampling criteria was developed from the audit teams previous knowledge and experience in conducting leave and overtime audits and from an analysis of leave and overtime data, using a data analysis software, Audit Command Language (ACL). Considering the total population of overtime and leave transactions and a 95% confidence level, it was determined that 270 transactions would provide a representative sample for detailed testing.

Overtime data was obtained from the Salary Management System (SMS) from April 1, 2003 to February 28, 2005. Leave data was obtained from the departmental Human Resources Management System (HRMS) for the same period of time. The sampling criteria are provided below in Table 2.

Table 2 – Sampling Criteria

Element	Sampling Criteria
Overtime - 15 transactions	
Extra-duty pay (overtime)	five highest total overtime expenditures by region
	ten randomly selected total overtime expenditures
Compensatory time-off - 8 transactions	
Compensatory time-off	used >120 hrs
	balance >120
Vacation Leave - 8 transactions	
Vacation Leave	leave used >320 hrs
Vacation Leave	advance >320 hrs
Vacation Leave	year end balance >320 hrs
Vacation Leave	year end balance = 0
Vacation Leave	year end balance <0
Sick Leave - 8 transactions	
Sick Leave	leave used >1000 hrs
	uncertified sick leave used >160 hrs
	uncertified used = 0
Family Related - 4 transactions (random sample)	
Leave without Pay - 2 transactions (random sample)	
Total transactions - 45	

Detailed testing was carried out based on the established criteria as described below.

Overtime

- a detailed record of overtime worked, including dates, and to and from hours has been completed;
- the record of overtime has been approved by the appropriate supervisor/manager;
- evidence exists that overtime has been pre-approved (call-in logs);
- compensation is based on the appropriate rate (e.g. 1.0/1.5/2.0) as per the collective agreement;
- compensation is based on the correct rate of pay in accordance with the collective agreement;
- evidence exists on file of input to the on-line pay system; and
- evidence of pay verification exists.

Excess Vacation Leave

- evidence that excess vacation leave was paid out;
- evidence of manager's approval for vacation leave paid out ;
- evidence of compensation manager's review for payments >$5K for leave paid out exists;
- evidence of Section 34 approval;
- evidence that compensation was based on employees correct rate of pay in accordance with the appropriate collective agreement;
- evidence on file of input into online pay system; and
- evidence of pay verification.

Leave

- evidence that scheduled leave was approved in advance of leave taken;
- evidence that unscheduled leave was called in to leave co-ordinator;
- evidence that leave was accurately recorded in the HRMS; and
- evidence that the employee had not exceeded leave entitlements.

Detailed process flowcharts were also developed for the leave and overtime processes. The processes were validated during the conduct of on-site audit work at each institution. The resulting process flowcharts are attached in Appendix E.

4.0   OBSERVATIONS AND RECOMMENDATIONS

Context

The management of leave and overtime is a shared responsibility amongst NHQ, institutional managers including Wardens, Deputy Wardens, Chief Correctional Officers and Correctional Supervisors and Compensation Managers.

There are a number of factors that impact on managements' ability to effectively control leave and overtime. These include the effectiveness of the Rostering Process, incidents at institutions, unscheduled leaves, requirements for transportation and custody of inmates outside the institutions, and delays in the staffing process resulting in long term position vacancies (acting situations) at the institutions.

In order to ensure the care and custody of inmates, Correctional Services institutions operate 24 hours a day, seven days a week. This operational requirement poses complex resourcing and scheduling demands for the management of its institutions. Institutions have implemented a Rostering Process to facilitate the scheduling and assignment of resources.

The Rostering Process uses an electronic spreadsheet application which permits the rostering managers, often Coordinators Correctional Operations (CCOs) to assign CX resources to specific static and dynamic posts within the institution. A template is used to generate fair and equitable work schedules. Numerous preconditions must be taken into consideration such as:

- the number of available resources;
- the classification level of the resource (CX-1, 2 or 3);
- the number of hours required;
- the number and variety of shifts;
- minimum assignment requirements;
- employees' days of rest; and
- long term absence, etc.

It also allows for preconditions such as vacation leave, training and for certain employee specific exclusions negotiated with the unions. Some institutions are using the rostering process to schedule resources anywhere from six to 12 weeks in advance.

While this presents an effective mechanism to monitor the extent of overtime, management has little control over exceptional circumstances which generate overtime, such as incidents at the institutions, and thus their ability to effectively budget for overtime expenditures. This is particularly so with the Pacific Region where services are more clustered than in other regions. For example, clustering of the Institution Emergency Response Team (IERT) results in members/resources (from several institutions) being called in to respond to an incident at a particular site. This results in significant changes to the daily roster at all affected sites, thus often generating overtime. As a specific example, the August 2003 riot at the Kent Institution

resulted in a significant increase in overtime expenditures ($1,635,729 for FY 2003-2004 vs. $645,231 for FY 2004-2005).

4.1   Overtime

4.1.1   Roles and Responsibilities

Finding: The Department has not clearly defined the roles and responsibilities of all individuals involved in the processing of overtime claims.

We expected to find the existence of key elements of an effective management framework including well defined roles and responsibilities, established departmental policies, procedures and guidelines, the use of a consistent process for recording overtime and an effective monitoring regime. In order to support this we expected to find in place a well defined and consistent approach across the department for the processing of overtime claims.

A wide network of individuals are involved in the processing of overtime claims including correctional supervisors, unit managers, unit and CCO clerks, compensation advisors, etc. Results of our audit revealed that while compensation staff generally follow specific steps for the payment of overtime as outlined in the Treasury Board Pay Administration guidelines and directives, we did find some inconsistencies in the process. However, for other individuals involved in the overtime process, we found no departmental guidelines or directives which elaborate the roles, responsibilities and procedures to be followed in the recording, approval and retention of overtime claims. As a result the overtime processes are primarily manual, are inconsistent from region to region and are cumbersome and time consuming. The potential for error is high considering the volume of transactions processed each year (126,107 transactions in 2003-04 and 124,646 in 2004-05). Results of our testing revealed numerous anomalies and some have resulted in overpayments. We did find a good practice in the Quebec and Atlantic Regions where informal desk procedures had been developed.

Given the absence of any formal guidelines or directives, the audit team has considered the general overall process to consist of following key steps. This was based on the results of interviews with compensation and operational staff at the institutional, regional and national levels:

• Employees record overtime worked and submit the overtime claim to their supervisor for authorizing overtime worked and to the manager for approval.
• Original completed overtime claims are forwarded to compensation advisors to ensure that conditions of the respective collective agreement regarding overtime have been correctly applied.
• Compensation advisors ensure the accurate and valid input of overtime transactions in the PWGSC on-line pay system in accordance with TB Pay Administration guidelines.
• Authorization by supervisors that the overtime was worked and for the payment of overtime by supervisors, in accordance with Section 34 FAA.

- Authority for payment of overtime worked, by finance officers, in accordance with Section 33 FAA.

Note: the report uses the terminology "overtime claims" throughout the report since there is no consistent overtime document used to record overtime and limited use of the Form GC179

The department has made some attempts at streamlining the process through implementation of the Overtime Management System (OTMS), or its upgrade, the Overtime Pay and Reporting System (OPRS). The OTMS/OPRS facilitates the input of detailed overtime transactions into a central database. The OTMS is used to track overtime costs and to facilitate the transmission of overtime data to PWGSC. The OTMS is operational in the Prairie, Quebec and Ontario regions. The OPRS is used only in the Atlantic Region. The Pacific region inputs directly to the on-line pay system without the use of either OTMS or OPRS. Although we were informed that plans are to implement the OTMS in all regions, a strategy for implementation does not exist.

The following provides a description of the main deviations from the basic process for each region. This is based on the audit team's on-site work at the various institutions identified in Appendix B. No assumptions should be made that the process is the same for all institutions within a region.

Pacific Region
Compensation advisors do not receive the original record of overtime worked by CX employees. The employees record overtime worked on a common overtime claim form which contains the record of overtime worked on a given day. No supervisory approval of the overtime worked is evident on these documents since the approval is granted as part of the rostering process described previously. The information from this common overtime claim is subsequently transferred, by institutional administrative staff, to a unique overtime claim form for each employee for a given period of time (i.e. week or month). There is high potential for error in transcribing the details considering the volume of overtime claims processed. Supervisory approvals were evident on the individual's overtime claims. This unique overtime claim form is subsequently submitted by the sites to the Regional Headquarters' compensation advisors for input to the PWGSC on-line pay system. The compensation advisors must therefore assume that the information on the unique form is correct as the originating common form is retained at the institution. During the audit testing, we examined the original source (common) documents. We found numerous anomalies in trying to reconcile information contained on the common overtime claim form to the unique employee claim form.

Prairie Region
The process in the Prairie region differs somewhat from other regions in that compensation has been decentralized to four separate pay units:

- Edmonton Institution;
- Regional Psychiatric Centre (RPC);
- Saskatchewan Penitentiary; and
- Stony Mountain Institution.

The Edmonton Institution has an effective process in place and utilizes the OTMS to record overtime. The compensation advisors receive the original approved source documents and record the particulars of overtime worked for each employee in the OTMS. This information is summarized in the OTMS which is then input to the on-line pay system. Summary reports are produced and contain evidence of pay verification and Section 34 approval.

At the Stony Mountain Institution the process is clearly established for CX staff, however, we found that the process for non-CX staff was not clearly defined. As a result many overtime forms were not available for verification during the audit.

Ontario Region

Employees do not record their overtime worked. Based on results of our on-site work at the Joyceville Institution, we found that supervisors complete and authorize the overtime claim on behalf of the employees. This information is thereafter submitted to management for review and approval.

Compensation advisors are not receiving original records of overtime worked and are placing heavy reliance on junior institution staff e.g. casual unit clerks, to ensure that the conditions of the appropriate collective agreements have been correctly applied. The overtime claim is forwarded to the institution's human resource clerks for input into the OTMS and then to the compensation advisors for input of salary information into the OTMS. There is a risk that the potential for under/overpayments exists. This was demonstrated in our sampling where a number of anomalies were identified. For example, a Kingston Penitentiary employee was paid for 12 hours overtime worked at 2.0 instead of the correct rate of 8 hours at 1.5 and 4 hours at 2.0.

Furthermore, results of interviews revealed that there is no pay verification of source overtime data. OTMS data are returned to financial departments at institutions for FAA Section 33 authorization. After approval, compensation officers input overtime data into the PWGSC on-line pay system. The originating common reports are retained at the institution. Although, we were able to complete reconciliation of information contained on the common claim form to the OTMS reports, our review disclosed some anomalies with supervisory authorization and management approval. We were informed that regional plans are to eliminate the human resource clerk positions currently responsible for input of overtime in the OTMS at each institution. It is unclear what process will then be followed once this position is deleted.

Québec Region

The Quebec Region follows a process similar to the Ontario Region with results comparable as noted in the Ontario region. Overtime claims are forwarded to the institution's administrative services clerks for input into the OTMS and then to the compensation advisors for input of salary information into the OTMS. After Section 33 and 34 FAA approvals, compensation staff transmits the OTMS data to the PWGSC Regional Pay System in Québec city (RPS) for payment processing.

Atlantic Region

Employees do not record their overtime worked. As with the Ontario and Quebec regions, supervisors complete and authorize overtime claims on behalf of the employees.

As in the Pacific, Ontario and Quebec regions, compensation advisors are not receiving original records of overtime worked and are placing heavy reliance on junior institution staff e.g. casual unit clerks, to ensure that the conditions of the appropriate collective agreements and correct rate of pay are correctly applied. Institution administration staff input overtime data and salary information into the OPRS. Interviews with some of these individuals revealed that they have received no compensation training and don't feel comfortable with the process.

Compensation advisors are not ensuring the accurate and valid input of overtime payments. Compensation staff transmits the OPRS data to the PWGSC Regional Pay System (RPS) in Halifax for payment processing. Supporting original overtime claims are not forwarded to PWGSC. The originating common claims are retained at the institution. We were not able to complete reconciliation of most information contained on the common claim forms to the OPRS reports.

Overtime claims are not being appropriately authorized and approved. Results of our testing revealed that of the 15 overtime claims reviewed, 8 were either approved but not authorized as per Section 34 of the FAA and 2 were approved and authorized by the same individual.

National Headquarters (NHQ)
Overtime transactions and expenditures for NHQ represent less than 1% of total departmental overtime transactions and costs. NHQ does not have CX employees within its area of responsibility. We found no significant deviations in the process, nor anomalies.

Conclusion

Overall, the absence of any formal nationally directed and monitored process has resulted in an inefficient and cumbersome process that leaves the department at risk for potentially significant errors and unnecessary costs to the department. Furthermore, regions and institutions have implemented their own unique overtime processes which in some regions have led to serious control weaknesses.

The lack of clearly defined roles and responsibilities has resulted in individuals applying policy requirements without the requisite knowledge/training to correctly complete their assumed role in the process. There is a risk that errors are occurring that remain undetected. Also, the potential exists that staff lack the confidence in the overtime process and that they may not have been appropriately compensated for the overtime worked.

Recommendations

The Assistant Commissioner, Human Resources Management Sector in consultation with Regional Deputy Commissioners should:

1. Develop and communicate consistent department-wide procedures and guidelines, including the definition of roles and responsibilities, for the processing of overtime claims.
2. Develop and implement a monitoring regime to ensure the effective management of overtime.
3. Assess the current overtime processes in place in each region and NHQ and adopt a consistent national overtime process.
4. Ensure that all staff that plays a role in the overtime process are appropriately trained in their respective roles and responsibilities.

The Assistant Commissioner, Corporate Services should:

5. Review the role of the Financial Officer in the overtime process to ensure that the requisite approvals are being carried out in accordance with the FAA.

4.1.2 Controls

Finding: Controls to ensure the accuracy of overtime payments are weak .

We expected to find adequate controls in place to ensure the accuracy of overtime payments. As mentioned earlier, the TB Pay Administration guidelines stipulate that departments are responsible for the accuracy and validity of pay input data.

We found that with few exceptions, compensation advisors are not verifying the accuracy of overtime recorded. In most cases reliance is being appropriately placed on the approving authority (supervisor) (Section 34 FAA) at the site level, that all overtime particulars are recorded accurately and reflect the individuals' entitlements under the respective collective agreements. The assumption is made that the supervisors are well versed in the requirements of the various collective agreements pertaining to overtime claimed.

We also found that once overtime claims have been received for payment processing, generally compensation advisors do not have adequate information available to them to ensure that the particulars of the overtime worked are recorded accurately and are in accordance with the requirements of the respective collective agreements. For example, employee schedules (rosters) are not provided to the CA's. Without this information the CA's are not able to verify whether the employee is working their first day of rest, second day of rest, etc. which has a direct impact on the rate of compensation for overtime ie x1.5, x1.75 or x2. We found little evidence to support that the CA's challenge or question inaccurately recorded information and that payments are generated based strictly on what appears on the overtime claim.

We also found that with few exceptions, compensation advisors are not exercising an independent verification of pay input. Although we were informed that pay transactions actioned by one compensation advisor are verified by a colleague compensation advisor (buddy system) and that pay transactions are verified, we found little evidence in the files to substantiate this claimed practice.

A random sample of 15 overtime transactions was selected per region. Results of our testing revealed the following significant anomalies identified per region. Minor anomalies are provided under separate cover.

Pacific Region

Employees classified at the MD-MSP-03 group and level are subject to the Terms and Conditions of Employment Regulations for Certain Unrepresented Employees and not the requirements of the Health Services collective agreement. As such, these individuals may be granted management leave for excessive hours worked. These individuals are not entitled to overtime, standby or call-back. In one case an employee was compensated for overtime claimed during 2003-04 and 2004-05 which has resulted in the need for recovery action.

Prairie Region

An additional case, as outlined in the Pacific Region above, was identified in the Prairie Region where an employee was compensated for overtime, standby and call-back claimed for 2004-05. This situation has also resulted in the need for recovery action.

In accordance with the Correctional Services collective agreement (CX), subject to the operational requirements of the service, the Employer shall make every reasonable effort to allocate overtime work on an equitable basis amongst readily available qualified employees. Results of our testing revealed that in one case in the Prairie Region a CX-3 employee is consistently working overtime whereas other CX-3's at the same institution for the same period of time are working overtime infrequently. Furthermore, we noted numerous anomalies in comparing time worked according to the daily roll call against that claimed which has resulted in the need for recovery action.

We noted a good practice at Edmonton Institution where the Compensation Manager had identified a case of an employee working excessive overtime in conjunction with poor attendance. This case was brought to the attention of the manager and no further overtime was authorized for this individual.

Atlantic Region

Although compensation advisors do spot checks of overtime payments against the payroll registers they do not have the original overtime claims for validation purposes.

A case was noted at Dorchester Institution where a Corcan employee was being compensated for time worked continuously on weekends for several months. The overtime was approved.

Conclusion

Overall, supervisors are signing Section 34, but given the number of anomalies identified during our detailed testing, it is evident that some supervisors are not verifying the accuracy of overtime recorded.

Also, some compensation advisors are not exercising their responsibility to ensure the accuracy and validity of overtime payments which is resulting in some significant overpayments.

We expected to find a process in place to ensure that overtime claimed can easily be traced to the overtime paid ensuring that the appropriate rates of pay are applied in each case. We found in many cases original overtime claim forms were held at institutions while the pay information was held at the regional pay offices. The result is a fragmented process and a disconnect between the two ends of the process.

Recommendations

The Assistant Commissioner, Human Resources Management Sector in consultation with Regional Deputy Commissioners should:

6. Ensure that pay verification occurs and is evident against overtime payments

The Assistant Commissioner, Corporate Services should:

7. Provide supervisors with guidelines outlining their role in the authorization of overtime under Section 34 of the FAA

4.1.3   Compensatory Time Off

Finding: Compensatory Time Off In Lieu of Pay is being granted without the requisite authority. Also, for some occupational groups compensatory time is generating additional overtime.

The Correctional Services (CX) collective agreement stipulates that "an employee is entitled to overtime compensation for each completed fifteen (15) minute period of overtime worked…" We were informed by the Labour Relations Branch that compensation is considered to be in cash and not compensatory time off in lieu of pay.

Based on the result of our testing we found that, for the most part, CX employees are compensated in pay for overtime worked. However, we did identify approximately 40 cases in each fiscal year 2003/04 and 2004/05, where CX employees had earned compensatory time for overtime worked.

Table 3 - Compensatory time for overtime worked by CX employees in 2003-2004

2003-2004

Region	# of CX	Structure	Compensatory Time Earned (Hrs)
Atlantic Region	9	6 CX02, 2 CX03 and 1 CX04	163.75
Ontario Region	2	1 CX02 and 1 CX03	45.75
Pacific Region	9	1 CX01, 6 CX02 and 1 CX03	341.875
Prairie Region	8	1 CX01, 4 CX02 and 3 CX03	470.875
Quebec Region	14	1 CX01, 9 CX02 and 4 CX03	638.441
Totals	**42**		1,660.69

Table 4 - Compensatory time for overtime worked by CX employees in 2004-2005

2004-2005			
Region	**# of CX**	**Structure**	**Compensatory Time Earned (Hrs)**
Atlantic Region	10	5 CX02, 4 CX03 and 1 CX04	349.875
Ontario Region	3	1 CX01 and 2 CX03	34.75
Pacific Region	9	1 CX01, 4 CX02 and 4 CX03	275.3
Prairie Region	9	1 CX01, 4 CX02 and 4 CX03	239.053
Quebec Region	9	2 CX01, 3 CX02 and 4 CX03	373.784
Totals	**40**		1,272.76

The Health Services collective agreement stipulates that upon application by the employee and at the discretion of the employer, compensation earned may be taken in the form of compensatory leave. Results of our file review revealed that a large number of employees in the NU HOS occupational group primarily utilize compensatory time off as opposed to paid overtime. Approximately 290 employees in the NU HOS occupational group requested compensatory time off in lieu of pay for both fiscal years 2003/04 and 2004/05. We noted that in many cases the compensatory time off, although approved, generated additional overtime since key positions cannot be left unstaffed.

As well, results of our audit revealed a number of anomalies with respect to the process for approving compensatory time off. For example in the Atlantic region in 3 out of 8 cases compensatory leave was approved after the leave was taken. In the Ontario region we noted a number of cases where compensatory time off had been approved far in advance (5-6 months) of the compensatory time being taken.

Conclusion

Overall, based on the results of our testing it appears that some supervisors/managers may not be cognizant of the conditions of the Correctional Services (CX) collective agreement regarding compensatory time off in lieu of pay. As a result, errors may be occurring that remain undetected.

As required by Treasury Board's Management of Overtime Policy, it is the responsibility of departments to manage overtime in a way that will ensure that its use is kept to an appropriate minimum and its cost is justified. Based on the results of our testing it is evident that the NU HOS use of compensatory time off is often generating additional overtime.

Recommendation

The Assistant Commissioner, Human Resources Management in consultation with Regional Deputy Commissioners should:

8. Ensure that a mechanism is in place to monitor and eliminate the occurrences of CX's being allowed compensatory time off for overtime worked.

The Acting Assistant Commissioner Correctional Operations and Programs in co-ordination with the Assistant Commissioner, Human Resources Management should:

9. Assess the impact of continually compensating employees in the NU HOS occupational group for compensatory time off versus payment of overtime worked.

4.1.4   Controls over the Overtime System

Finding: Controls over the Overtime System (OTMS/OPRS) are not adequate.

The OTMS is an in-house system developed in 1999 by the Quebec Region. The OTMS is also operational in the Prairie, Ontario and Quebec regions. Its upgrade, the OPRS, is operational in the Atlantic region. The Pacific region does not use the OTMS/OPRS. The OTMS/OPRS have not been formally endorsed as a corporate system and as such maintenance and support for the system have become the responsibility of each institution with little guidance or no guidance provided. We expected to find in place adequate documentation to describe the functionality of the system, procedures for input of data and the controls in place to ensure the integrity of the data. We found that no such documentation existed.

Based on the results of interviews and detailed testing the following weaknesses in system control have been identified.

- Unique user identification and password usage is not in force. In the Ontario, Quebec and Atlantic Regions the same password is shared amongst the specific regional compensation managers and their advisors.

- We were unable to determine if application owner and user responsibilities have been specified and responsibilities for table maintenance defined. Presently, there is no document specifying employee access to control tables and describing access levels by individual in relation to responsibility. At the Edmonton Institution, access to salary tables is restricted to the Compensation Manager whereas in the Ontario, Quebec and Atlantic regions all individuals have access to this table.

- The system has no built-in data validation and editing controls such as checks related to existence of criteria, validity, reasonableness, limit, etc.

- There is no documentation or procedures on system maintenance and updates.

Conclusion

Overall, although the OTMS/OPRS has not been endorsed as a corporate system it does facilitate the recording of detailed overtime transactions and summarizes the data for a more streamlined input to the on-line pay system. However, there is a risk that the weaknesses identified may preclude the benefits of the system. Furthermore, the accuracy and validity of data may be at risk.

Recommendations

The Assistant Commissioner, Human Resources Management Sector in consultation with Regional Deputy Commissioners and in co-ordination with the Assistant Commissioner, Corporate Services should:

> 10. ensure that the OTMS/OPRS is assessed for its adequacy as an acceptable tool for tracking and monitoring overtime expenditures; and
> 11. based on the results of the assessment, endorse the OTMS/OPRS as a departmental overtime system and provide the requisite security, maintenance and support necessary

4.1.5   Financial Controls

Finding: **Financial controls for the verification and payment of overtime transactions are not consistently in place across the department.**

As required by the TBS policy on Account Verification and Section 34 of the Financial Administration Act (FAA), all payments must be verified and certified. "Financial Officers with payment authority pursuant to FAA Section 33, must provide assurance of the adequacy of the Section 34 account verification and be in a position to state that the process is in place and is being properly and conscientiously followed". We expected to find that the department had adequate controls and processes in place to meet these legislative and policy requirements.

We found that the Financial Officers at the Edmonton Institution, Pacific Regional Health Centre, Joyceville Institution and Ontario Regional Headquarters granted approval of overtime payments supported by completed overtime claims. We were informed that the Westmorland Institution forwards completed and approved overtime claims to finance at the institution.

However, in the remaining regions interviews with financial officers revealed that they provide blanket authorization without substantiating documentation.

Conclusion

There is a risk that the Department is not meeting the legislative requirements of the Financial Administration Act (FAA) and that the potential exists for loss of public funds through errors and omissions.

Recommendation

The Assistant Commissioner, Corporate Services in consultation with Regional Deputy Commissioners should:

> 12. Ensure that a process is in place that provides the supporting documentation for overtime claims to financial officers to meet their obligations under Section 33 FAA, including those providing blanket authorization.

4.2   Leave

4.2.1   Unscheduled Leave

Finding: The unscheduled leave process lacks consistent procedures for the adequate reporting, recording and monitoring of leave.

The audit team was informed that CSC has implemented a process whereby occurrences of unscheduled leave (sick leave, family related, etc) do not require completed and approved leave & attendance forms. However, we were unable to obtain documentation outlining this process. We expected to find clear and consistent procedures in place, including clearly defined and consistent responsibilities for each individual involved in the process. With the exception of Saskatchewan Penitentiary and Springhill Institution, we were unable to find the existence of documentation or procedures regarding unscheduled leave. Both these institutions have communicated the unscheduled leave procedures to their employees both verbally and in writing.

While the unscheduled leave process has been effective in reducing the paper burden associated with the completion of leave forms it has resulted in a lack of control over the recording of absences. As mentioned earlier CX staff are required to report absences to the Correctional Supervisors or rostering manager which are subsequently manually recorded on call-in logs.

Non-CX staff are to report their absences to their supervisors. However, in many cases there is no physical record to validate the HRMS entry. We found that this process left the leave coordinators vulnerable to challenge since no supporting documentation or record was available to substantiate the called in absence.

We found two institutions (Edmonton and Springhill) which had also implemented a central call-in centre for non-CX employees. A record of those absences is manually recorded on a call-in log which is then forwarded to the appropriate manager for approval. The call-in log is subsequently forwarded to administrative staff or input to the HRMS. This provides a clear reconciliation process and audit trail.

We found in most institutions that there is no clear direction regarding the reconciliation of the call-in logs to the daily rosters or procedures for the retention of the call-in logs. As a result, with few exceptions, we did not find evidence that reconciliation was routinely occurring. In most institutions call-in logs are retained by the units and not forwarded to compensation. Results of our testing revealed some instances where completed and authorized leave forms were still attached to the call-in logs and had not been forwarded to compensation for retention on the employees file.

In some institutions, Correctional Supervisors and/or CCO clerks were responsible for input while in others such as Stony Mountain, Sainte Anne des Plaines and Saskatchewan Penitentiary, absences were recorded by the CCO. We found good practices in these institutions where the CCO had developed a tool to record absences of all CX's, based on the daily roster. All absences were reconciled against the call-in-sheets and subsequently recorded in the HRMS. Trends and patterns in employee absences were monitored on a regular basis and employees with excessive leave were brought to the attention of the Deputy Warden and placed on the Attendance Management Program.

The responsibility for recording absences in the HRMS varied dramatically from region to region and from institution to institution. In most institutions a wide network of individuals are involved in the recording of absences in the HRMS. Approximately 335,000 leave transactions were entered in 2003/04 and 340,000 in 2004/05. We also found that many of the individuals interviewed were unclear on their responsibilities for entering or monitoring.

We were informed that the department is planning a partial implementation of the HRMS Self-Service Leave Module in September 2005 at NHQ and January 2006 in the regions. While this initiative will shift the responsibility for recording unscheduled leave absences from leave coordinators to employees, it may pose an even greater challenge for ensuring that unscheduled absences are recorded in the HRMS. Procedures and training have not yet been developed to address the change.

A number of institutions, including Stony Mountain (CX's), Sainte des Plaines, Saskatchewan Penitentiary and Springhill have mechanisms in place to monitor and detect instances where leave balances have been exceeded. In some institutions we were informed that if an employee had exceeded their leave entitlements, compensation would eventually learn about it and action LWOP.

We were informed that the RPC in Saskatoon had conducted their own leave review in 2004 which consisted of reconciliation between rosters and attendance records with call-in logs and leave approvals. Results of the review revealed that a significant number of employees had exceeded their leave entitlements by more than 20 days. Our understanding is that recoveries were made to rectify the overages. It is noted that RPC's initiative resulted in rectifying noted anomalies and demonstrated senior managements' efforts to monitor excess leave usage.

Conclusion

Overall, the absence of clear and consistent guidelines and procedures has resulted in a fragmented approach to the reporting, recording of unscheduled leave. For the most part, at those sites visited, the monitoring of leave practices is non-existent.

Recommendation:

The Assistant Commissioner Human Resource Management Sector in consultation with Regional Deputy Commissioners should:

13. Ensure that appropriate consistent guidelines and procedures are developed for the recording, reporting and monitoring of unscheduled leave.
14. Assess the leave control processes in place in at Stony Mountain, Ste. Anne des Plaines and Saskatchewan Penitentiary for consideration of implementation department-wide

4.2.2   Excess Vacation Leave

Finding: The Department does not have in place a consistent process in place to ensure that excess vacation leave balances are maintained within limits established by collective agreements.

The Correctional Services collective agreement (CX) stipulates that carry-over of vacation leave shall not exceed 25 days. Most other collective agreements, such as the Program and Administrative Services collective agreement stipulate the carry-over is not to exceed 35 days, and that excess vacation leave credits must be paid in cash annually.

With the exception of NHQ and the Prairie Region we found no evidence that the other Regions are taking action to reduce the excess leave as required by the various collective agreements.

As a result, a total of 613 employees had vacation leave carry-over balances in excess of 25 days (CX) and 374 employees in excess of 35 days (non-CX) as of April 1, 2004. Of this total, 59 employees (32 CX and 27 non-CX) had opening balances in excess of 100 days, 46 of which are in the Ontario region.

Furthermore, results of our testing revealed one case in the Prairie Region where an employee and manager were circumventing the requirements of the collective agreement. The employee

with vacation leave credits in excess of 35 days submitted leave applications in March 2003 and March 2004 to reduce his excess leave balance. A subsequent leave application was submitted in April 2003 and April 2004 to cancel the original leave requested. In both instances managerial approval was granted.

In the Québec Region, we found two instances where employees close to retirement were allowed to take excessive sick leaves and vacation leaves without formal approval.

We also noted in the Atlantic Region a number of cases where vacation leave was recommended by the supervisor but not approved by the manager or approved after the leave was taken.

Conclusion

Overall, in most regions appropriate actions are not being taken to respect the requirements of the collective agreements regarding excess vacation leave. There is a risk that the department is not able to effectively plan for costs related to payout of excess vacation leave.

Recommendation:

The Assistant Commissioner Human Resources Management Sector in consultation with Regional Deputy Commissioners should:

15. Ensure that a national monitoring process is implemented to ensure that the requirements of the various collective agreements regarding excess vacation leave are respected.

4.2.3   Sick Leave

Finding: There is no consistent approach in applying additional sick leave credits for CX shift workers.

In accordance with Article 31 of the Correctional Service collective agreement (CX), " (b) A shift worker shall earn additional sick leave credits at the rate of one-sixth (1/6) of a day for each calendar month during which he or she works shifts and he or she receives pay for at least ten (10) days. Such credits shall not be carried over in the next fiscal year and are available only if the employee has already used fifteen (15) sick leave credits during the current fiscal year." As of February 28, 2005, 959 CX's used more than 15 days sick leave. Based on the maximum rate of daily pay for each CX level, the additional 2 days equates to an estimated cost to CSC of $357K.

We found that there is no consistent approach to recording employee leave for this situation. In some regions, the understanding was that it was automatically credited in the HRMS. In other regions, compensation advisors await notification from the Correctional Supervisor that the employee has used their 15 days sick leave and are eligible for the extra 2 days.

Furthermore, based on a review of employee leave statements there is no consistent manner in which the 2 additional days are reflected. A variety of codes are being used in the HRMS (999, 699 and 200, etc) to reflect the adjustment. There is a risk that management is not being provided with complete and accurate information regarding sick leave usage.

A random sample of eight sick leave transactions were reviewed per region. Results of our testing revealed few significant anomalies. However, in one case an employee transferred into CSC (NHQ) and during a review of the individuals file, compensation staff determined that the employees previous department had failed to accurately credit his sick leave entitlements. The error was corrected and the employees credited with 1,075 hrs. We found no documentation on the employees file to substantiate the actions taken to verify the accuracy of the actions taken by the compensation advisor. Furthermore, no supervisory review of the case was evident.
Results of our testing also revealed that a large number of staff, particularly CX staff, utilizes their full annual allotment of sick leave credits.

Recommendation:

The Assistant Commissioner Human Resources Management Sector in consultation with Regional Deputy Commissioners should:

16. Monitor the use of HRMS codes such as 999, 699 etc to ensure that additional sick leave credits, in accordance with the Correctional Service collective agreement (CX) are recorded consistently.

17. Ensure that adjustments to employee sick leave entitlements, for exceptional instances, are well documented and placed on appropriate files.

4.2.4   Family Related Leave (FRL)

Finding: **While a system control is in place to restrict the use of FRL, there is a high potential for circumvention of the system controls**

In accordance with most collective agreements, including Correctional Services (CX), leave with pay may be granted, not to exceed five days, for various circumstances pertaining to medical and dental appointments and for immediate and temporary care of family members. This is commonly referred to in the department as "FRL". There is no provision for carry-over of unused FRL days into the following fiscal year.

The departmental HRMS has a system control in place to restrict the usage/recording of Family Related Leave (FRL) to 5 days. A random sample of four employee files per region was selected where the employee had used a total of five FRL days. Results of our testing revealed that in some instances where the employee had requested FRL beyond the 5 days, LWOP action had been taken.

As of February 2005, we found that approximately 18% (2,747 employees out of 15,269) during 2004-05 had no FRL usage. Approximately 36% (5,442) have utilized two days or less of FRL for the same time frame. Furthermore, we noted that the usage of FRL spikes in the month of March each year.

Conclusion

Overall we did not find any significant anomalies and for the most part employees are utilizing their FRL entitlement appropriately.

No recommendation

4.2.5   Leave Without Pay (LWOP)

Results of our testing revealed no significant anomalies regarding leave without pay. However, considering that the sample selection reviewed was relatively small, i.e. two cases per region and based on the weaknesses noted throughout this report, the department should consider a more extensive review of LWOP transactions in the near future. Traditionally, LWOP cases are complex and therefore high risk.

4.3   Other Issues

4.3.1 Human Resources Management System (HRMS)

During the conduct of the audit, the audit team noted a number of improvements that may contribute to the integrity of the information within HRMS.

A listing of employees with read and write access to the HRMS was provided by NHQ. This listing was validated at each regional office. Results revealed that many employees who had left CSC, in some cases more than 2 years previously, still had access rights. We found no consistent process to ensure that HRMS was notified of departing employees. This presents a risk of unauthorized access to the system.

We found during the detailed testing that frequently HRMS codes 699 and 999 were being used to record adjustments to employees leave. A total 210,849 hours were recorded against 9,752 transactions in 2003-04 and 196,763 hours against 10,266 transactions in 2004-05. While some of these transactions appear to be well documented leave without pay transactions (LWOP) we identified a number of transactions that are not well documented and appear to be used to circumvent leave entitlements. The extensive use of these codes for may jeopardize the accuracy of information reported to senior management for decision making with regard to leave.

Recommendation:

The Assistant Commissioner, Human Resources Management Sector should:

18. Assess the utilization of the various codes within HRMS and restrict usage of undesignated codes to exceptional situations.

4.3.2 Records Management

We noted, during the course of the audit a number of instances that had an overall effect on Leave and Overtime processes.

We found, with the exception of NHQ, Edmonton Institution, Saskatchewan Penitentiary and institutions from the Quebec Region that documentation to support the overtime payments was scattered, both within and outside an institution, not readily available and in some cases inaccessible. This was found to be largely due to lack of implementation of the government records management policies and practices. The impact was that audit trails could not be established and reconciliations of various transactions, to the extent anticipated, could not be made.

Specific cases were noted during the conduct of the audit. For example, in one case an employee transferred into CSC had not been appropriately credited vacation leave for the past 4 years. We did not find sufficient documentation on any of these files to provide substantial evidence as to whether or not these situations were warranted and accurately applied. No supervisory approval was noted on file.

Through interviews at the various levels and sites, the audit team noted that there is no clear direction as to how compensation files are to be maintained and retained. Furthermore, we found no checklists in use which would identify the specific documentation required to be retained on file.

Recommendation:

The Assistant Commissioner, Human Resources Management Sector in consultation with Regional Deputy Commissioners and in conjunction with the Assistant Commissioner, Corporate Services should:

19. Develop a checklist to ensure that employees' files contain the necessary information to support overtime/leave actions taken.

APPENDIX A
Action Plans

The Assistant Commissioner Human Resource Management (ACHRM) submitted the following response/action plan on behalf of all Regional Deputy Commissioners (RDCs), the Assistant Commissioner Corporate Services (ACCS), the acting Assistant Commissioner, Correctional Operations and Programs (A/ACCOP) and the ACHRM.

First, we accept the basic thrust of the report and its recommendations.

Because of a degree of commonality and some overlap in the content of the recommendations, we have chosen to group our responses as follows:

With regards to Recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 15, 16, 17, 18 and 19, we have developed and will publish by June 2006, a Statement of Roles and Responsibilities in the Management of Leave and Overtime. This document outlines roles and responsibilities for all employees and managers, up to and including RDCs, in the leave approval process, as well as roles and responsibilities relating to processing leave and overtime transactions. The RDCs have collectively agreed that they will ensure that the processes outlined in this document are being complied with in each region within six months of its publication, i.e. by December, 2006.

With regards to Recommendations 10, 11 and 14, while we agree that a single, national leave and overtime management tool would be advantageous, we do not believe that developing such a system, whether from scratch or by enhancing existing site/region-based systems, is the best use of CSC's very scarce resources (both financial and qualified IT staff) at this time. We believe that more consistent application of existing systems (whether computerized or paper-based) is a more appropriate short-term response. Consequently we will monitor the implementation of the Statement of Roles and Responsibilities throughout the year and the Assistant Commissioner Human Resources Management (ACHRM), on behalf of the other colleagues, will report back to the Audit Committee by June 2007 with an assessment whether the actions taken to date are sufficient or whether there is a need to revisit Recommendations 10, 11 and 14.

APPENDIX B
Audit Criteria

Objective 1: To determine the adequacy of CSC's systems and controls for the management of leave, and identify means for improving the efficiency and effectiveness of these systems and accuracy of the data (including annual, sick, compensatory leave, family, volunteer, personnel, leave without pay).

- Criterion 1
  - ➢ The process for the administration of leave requests and their approvals is clear, consistent, understood by staff, properly documented and based on sound decision-making.
- Criterion 2
  - ➢ Mechanisms in place, to record and account for leave, including entry into the Human Resources Management System, (HRMS) as well as ensure that all leave is recorded in a timely and effective manner.
- Criterion 3
  - ➢ Leave monitoring system has been established to identify and address data inaccuracies, weaknesses, potential abuse, trends and is used for planning purposes (i.e. scheduling, budgeting).
- Criterion 4
  - ➢ Management of leave within CSC is in accordance with legislation, departmental and central agency policies and procedures, and collective agreements.

Specific data collection methods for leave were also followed. These included, but were not limited to, the following:

- Interviewing appropriate managers and staff responsible for leave management (i.e. approval, recording, monitoring, etc.).
- Reviewing controls in place to ensure that required leave documents are completed and submitted by staff members.
- Sampling of leave forms (all types, including emails, etc.) and supporting documentation to verify:
  - ➢ that leave is promptly and correctly entered into the HRMS and that excess and erroneous leave is reported and acted upon;
  - ➢ that leave is properly authorized and approved by management.
- Determine the extent of the possible existence of unofficial leave systems as well as verify the actual reporting of leave by reviewing log books, work schedules and tracing employees' names to leave systems.

Objective 2: To determine the adequacy of CSC's systems and controls for the management of overtime/compensatory time-off and identify means for improving the efficiency and effectiveness of these systems.

- Criterion 1
  - ➢ The process for the administration of overtime requests and their approvals is clear, consistent, understood by staff, properly documented and based on sound decision-making.
- Criterion 2
  - ➢ Adequate mechanisms are in place to submit, record, account for and control overtime expenditures, and systems used for recording overtime are efficient and cost-effective.
- Criterion 3
  - ➢ Overtime monitoring system has been established to identify and address data inaccuracies, system weaknesses, potential abuse, trends, and is used for planning purposes (operational and budgeting needs).
- Criterion 4
  - ➢ Management of overtime within CSC is in accordance with legislation and departmental and central agency policies and procedures, and collective agreements.

Specific data collection methods for overtime/compensatory time-off were also followed. These included, but were not limited to the following:

- Interviewing appropriate managers and staff responsible for management of overtime (i.e. approval, recording, monitoring, etc.)
- Verifying processes for work scheduling as well as identifying any patterns that may be observed to perform overtime work
- Sampling of overtime forms and supporting documentation to verify:
  - ➢ that overtime is promptly and correctly entered into systems (i.e. extra-duty pay or compensatory leave) and that excessive overtime payments are reported and acted upon;
  - ➢ that overtime is properly authorized and approved by management.
- Determine the extent of the possible existence of unofficial overtime systems as well as verify the accuracy of the overtime reporting by reviewing log books, work schedules or other records.

Objective 3: To assess the adequacy of the organizational structure for the management of leave and overtime

- Criterion 1
  - ➢ Roles and responsibilities are clear, consistent, equitable and properly assigned at all levels of the organization

- Criterion 2
  - ➢ Effective training, communication and monitoring systems are in place to ensure the efficient and effective management of leave and overtime within CSC.

APPENDIX C
Institutions Visited

Pacific Region
- Kent Institution
- Mountain Institution
- Regional Health Centre
- Pacific Regional Headquarters

Prairie Region
- Edmonton Institution
- Stony Mountain Institution

Ontario Region
- Joyceville Institution
- Ontario Regional Headquarters

Quebec Region
- Ste-Anne-des-Plaines
- Leclerc Institution
- Quebec Regional Headquarters
- Regional Reception Centre

Atlantic Region
- Dorchester Institution
- Atlantic Regional Headquarters
- Westmorland Institution
- Springhill Institution

National Headquarters
- Compensation

APPENDIX D
Interview Schedule

Region/Institution	Name	Responsibility	Date
NHQ	Barb Logan	A/Director, Compensation Policy	Feb 15/05
NHQ	Diane Bazinet (telephone conversations & emails for clarifications)	Director, Compensation Policy	various dates in April
NHQ Pacific Region Prairie Region Ontario Region Atlantic Region Quebec Region	Shirley Petry Judith Steffler Linda Cole Wayne Kelly Joanne Leblanc Ms. Boyer	HRMS Regional Coordinators	Feb 23/05
NHQ	Jeannine Rene	Compensation Manager	February 25/05
NHQ	Karen Blaszczyk	Human Resources Business Analyst	March/05
Prairies Region/Edmonton Institution	Diane Leitch	Compensation Manager	March/05
Prairies Region/Edmonton Institution	Richard Edwards	Financial Officer	March/05
Prairies Region/Grieson Centre	Deb Matthews	Unit Clerk-Grieson Centre - assisted with audit at Edmonton Institution	
Prairies Region/Stony Mountain	Rick Reiman & Robert Bonnefoy Len Horyski	A/Warden and A/Deputy Warden CCO SMI	Feb/05
Prairies Region/Stony Mountain	Helen Hildebrand	Compensation Manager	March 9/05
Prairies Region/Stony Mountain	Rick Reimen	A/Warden	March 9/05
Prairies Region/Edmonton Institution	Arthur Ding Henry Parker	A/Warden AWMS	Feb/05
Prairies Region/RPC	Marc Ouellet	Program Director - RPC	March/05
Pacific Region Pacific Regional Headquarters	Rick Oakes	Compensation Manager	March/05
Pacific Institution	John Costello & Doug Richmond	Warden/Deputy Warden	March 4/05
Pacific Region/Regional Treatment Centre	Ghalibe Dhala & Anoop Abraham	Financial Services	March 4/05
Pacific Region/Kent Institution	Brian Mackay	Assistant Warden, Management Services & A/CCO	March 7/05
Pacific Region/Pacific Institution	Fern Kaufmann	CCO Clerk	March 4/05
Pacific Region/Kent Institution	Dena Lister	CCO Clerk	March 7/05
Atlantic Region/Westmorland Institution	Claude Arsenault	CX-03 - Correctional Supervisor	March 15/05
Atlantic Region/Dorchester Institution	Rheal LeBlanc Tina Tapley Mr. Mills	Correctional Supervisor CCO clerk AWMS	March 15/05

Samson & Associates

Region/Institution	Name	Responsibility	Date
Atlantic Region/Springhill Institution	Bette Matheson Sofia Gould Bob McKay Anne Beliveau	Deputy warden Admin Assistant IPSO Clerk CCO Engineering and Maintenance Clerk	March 16/05
Atlantic Region	Denise Bourgeois Lorraine Leger	Regional Compensation Manager Regional Administrator, Personnel	March 17/05
Atlantic Region, Regional Headquarters	Jim Currier	Regional Chief, Budgets and Financial Analysis	March 18/05
Ontario Region/Joyceville Institution	Larry Stebbins Debbie Marsh Terry Beatty Sneddon and Germain	Warden HR Entitlement Specialist - CR3 CX-03 Unit Managers	March 21/05
Ontario Region/RHQ	Marilyn Demers	Chief of Finance	March 22/05
Ontario Region/RHQ	Marilyn Hughes	Regional Compensation Manager	March 22/05
Quebec Region/Ste. Anne-des-Plaines Institution	J-L Gougeon Sylvain Lapointe	Warden Officer, Analysis and Financial Services	March 29/05
Quebec Region/Regional Reception Centre	Pierre Lachapelle	Unit Manager	March 30/05
Quebec Region/Leclerc Institution	Donat Mérette	Correctional Operation Coordinator	March 31/05
Quebec Region/Leclerc Institution	Joelle Gougeon	Assistant to the Director	March 31/05
Quebec Region/Leclerc Institution	Judith Warren	Unit Assistant	March 31/05
Quebec Region/Regional Office	Carolle Dagenais	Regional Manager	April 1/05