

Corrections, Public Safety and Policing

4

Main points	26
Introduction	27
Audit conclusions and findings	28
Timely bank reconciliations needed	28
Fines not in accordance with legislation.....	29
Shared services agreement needs to be followed.....	30
Need to follow payroll guidance	30
Internal audit needs strengthening	31
Better information technology processes needed	32
Business continuity plan needed.....	33
Rehabilitation of sentenced adult inmates—a follow-up	33
Assessing inmates’ needs improving but not yet timely	34
Providing better access to relevant programs	35
Monitoring inmates’ use of relevant programs evolving.....	36
Inmates’ re-offending rate monitored but not in relation to rehabilitation	37
Processes to manage labour costs related to absenteeism	38
Background	38
Audit objective, criteria, and conclusion	39
Key findings and recommendations for managing absenteeism labour costs.....	41
Expectations not clear	41
Employees do not work as scheduled	42
Risks influencing labour costs not identified	44
Factors driving excess labour costs not minimized.....	47
Selected references.....	48

Main points

The Ministry of Corrections, Public Safety and Policing (Ministry) is responsible for managing provincial correctional centres. The Ministry's labour costs related to absenteeism increased steadily from 2004 to 2009 at the correctional centres. For the nine months ended December 31, 2009, overtime was \$6.7 million or 14% of labour costs. The Ministry's 2009-10 overtime budget was \$2.8 million.

We concluded that, as of December 31, 2009, the Ministry did not have adequate processes to manage provincial correctional centres' labour costs related to absenteeism.

The Ministry did not adequately set expectations, had weak processes to schedule employees for work, and did not adequately analyze factors that influenced labour costs or take action on known problems. As our findings explain, the Ministry:

- ◆ missed opportunities to communicate expectations
- ◆ did not set thresholds to monitor sick leave and excessive hours worked
- ◆ did not approve leaves of absence before leave was taken
- ◆ did not correctly record the hours worked by employees and did not pay employees accurately
- ◆ gave managers very limited information about costs or patterns of absenteeism, sick leave, and overtime
- ◆ did not take prompt and consistent action to address absenteeism and overtime costs

Saskatchewan's provincial correctional centres house inmates sentenced for terms of less than two years. Before releasing inmates into the community, the Ministry aims to rehabilitate inmates to reduce the rate of re-offending and make communities safer. In 2008, we assessed the Ministry's processes to rehabilitate adult inmates and made four recommendations. The Ministry has made progress on all the recommendations and has completed action on one up to March 31, 2010.

We also report the Ministry should follow its policy for internal audit to focus on activities where the Ministry is at greatest risk. The Ministry should reconcile its bank records on a timely basis, adequately protect its information technology systems and data, and complete its business continuity plan.

Introduction

The mandate of the Ministry of Corrections, Public Safety and Policing (Ministry) is to promote safe and secure communities through supporting: effective policing and law enforcement; rehabilitation and treatment services and programs for adult and young offenders; emergency planning and communication; monitoring building standards, fire prevention, and disaster assistance programs; and licensing and inspection services. The Ministry promotes public order, safety, and security by working with various communities and organizations and by ensuring that effective policing and private security programs uphold the rule of law and protect society and the rights of individuals.¹

The Ministry focuses on activities in five main areas: adult corrections, young offenders programs, licensing and inspections, protection and emergency services, and policing services.

In 2008-09, the Ministry had revenues of \$50.1 million and spent about \$315.2 million. About 59% of its revenues are from the Federal Government for cost-sharing programs. Information about the Ministry's revenues and expenses appears in its 2008-09 annual report.²

The following is a list of the Ministry's major programs and spending:

	<u>Original Estimates</u>	<u>Actual</u>
	(in millions of dollars)	
Central Management & Services	\$ 18.9	\$ 19.1
Adult Corrections	85.6	94.6
Young Offenders Programs	47.3	48.3
Public Safety	12.6	26.2
Policing Services	128.7	127.8
Major Capital Projects	21.0	18.7
Capital asset acquisitions	(22.5)	(19.8)
Capital asset amortization	0.2	0.3
	<u>\$ 291.8</u>	<u>\$ 315.2</u>

¹ Ministry of Corrections, Public Safety and Policing, 2008-09 Annual Report, p. 5.

² See www.cpsp.gov.sk.ca/AR-CPSP-08-09.pdf (26 Apr 2010).

Audit conclusions and findings

In our opinion, for the year ended March 31, 2009:

- ◆ the Ministry had adequate rules and procedures to safeguard public resources except as described in this chapter
- ◆ the Ministry complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing

In this chapter, we also report the results of our follow-up work on rehabilitation of sentenced adult inmates within provincial correctional centres, as well as our audit of the Ministry's processes to manage provincial correctional centres' labour costs related to absenteeism.

Timely bank reconciliations needed

The Correctional Services Trust Account Regulations and *The Youth Justice Administration Act* set restrictions for the use of trust monies and requires adequate accounting records for trust monies. The Ministry needs to follow its policies and procedures to ensure it complies with these authorities to control monies held in its young offender and adult inmate trust accounts. The Ministry did not follow its rules and procedures to reconcile its bank accounts on a timely basis.

The Ministry holds about \$500,000 on behalf of adult inmates and young offenders in 37 bank accounts.

The Ministry's policies and procedures require employees to agree (reconcile) its recorded bank balances to the bank's records each month within a specified timeframe. They also require management to review and approve the reconciliations. Regular reconciliation of recorded bank balances to the bank's records provides a check that all charges to the bank account are proper and all money has been received and deposited in the right account. It also provides a check on the accuracy and reliability of the Ministry's accounting records. Furthermore, timely bank reconciliations help detect errors or misuse of money promptly.

During our audit, 20 monthly bank reconciliations out of 444 were not prepared and reviewed on a timely basis.

- 1. We recommend that the Ministry of Corrections, Public Safety and Policing follow its rules and procedures to reconcile its recorded trust bank balances to the bank's records on a timely basis.**

Fines not in accordance with legislation

In our 2009 Report – Volume 1, we recommended the Ministry work with law enforcement agencies to ensure the voluntary payment option on issued tickets is consistent with the law. On February 2, 2010, the Standing Committee on Public Accounts (PAC) considered this matter and agreed with our recommendation.

In November 2007, responsibility for policing programs transferred to the Ministry. Part of this responsibility is oversight of peace officers involved in municipal policing and services under contract with the Royal Canadian Mounted Police (RCMP).

The Summary Offences Procedure Act, 1990 allows peace officers to issue tickets with voluntary payment options (i.e., offenders can plead guilty and pay a fine without attending court). *The Summary Offences Procedure Regulations, 1991* (Regulations) set out the amount of the fine for offenders who may choose the voluntary payment option. Offenders pay the voluntary fines to the Ministry of Justice and Attorney General.

We tested a sample of tickets where offenders chose the voluntary payment option at the Ministry of Justice and Attorney General. In our sample, we found that fines for 13% of the tickets did not comply with the Regulations. The Ministry of Corrections, Public Safety and Policing is aware of this issue and has been in communication with the Ministry of Justice and Attorney General. Management told us training courses for peace officers took place to promote compliance with the law when issuing tickets.

However, the Ministry does not request information from the Ministry of Justice and Attorney General regarding errors or concerns with fines issued nor does the Ministry gather this information directly. Therefore,

the Ministry does not know if the processes and training for issuing tickets are adequate to prevent errors.

We continue to recommend the Ministry of Corrections, Public Safety and Policing work with law enforcement agencies to ensure the voluntary payment option on issued tickets is consistent with the law.

Shared services agreement needs to be followed

The Ministry needs to follow the terms set out in its shared services agreement with the Ministry of Justice and Attorney General (Justice). In April 2002, the Ministry approved a memorandum of understanding with Justice identifying the protocols for the operation of the Shared Services Branch. The shared services include administration, systems services, communications, and human resources.

The shared services agreement established a Shared Services Management Committee, which according to the terms of the agreement should meet at least twice a year. The committee has not met since October 2007.

The shared services agreement also established a Shared Services Operations Sub-Committee. Per the agreement, the committee is to perform an annual review and evaluation of the terms, conditions, services, and information provisions within the agreement. A formal review has not taken place since 2006. The Ministry told us it is in the process of updating the terms of the agreement.

- 2. We recommend the Ministry of Corrections, Public Safety and Policing comply with the terms of the shared services agreement with the Ministry of Justice and Attorney General.**

Need to follow payroll guidance

The Ministry needs to appropriately supervise its employees to ensure they follow the Ministry's policies and procedures for paying amounts owed to employees. If the Ministry does not follow its policies and procedures for paying employees, it may pay them more than owed.

The Ministry's salaries and wages were approximately \$123 million for the year ended March 31, 2009.

The Ministry did not correctly pay all its employees during the year. As a result, the Ministry has approximately \$190,000 of salary and vacation overpaid to employees as of September 30, 2009. One employee was overpaid almost \$80,000. The Ministry told us it is seeking to recover these overpayments.

- 3. We recommend the Ministry of Corrections, Public Safety and Policing supervise its employees to ensure they follow the Ministry's policies and procedures for paying amounts owed to employees.**

Internal audit needs strengthening

In our 2009 Report – Volume 1, we recommended the Ministry follow its policy for its internal audit function to focus on activities where the Ministry is at greatest risk. On February 2, 2010, PAC considered this matter and agreed with our recommendation.

In January 2008, the Ministry approved an internal audit policy. The policy requires a risk assessment to ensure audits focus on the areas with the highest risk. This assessment has not been done.

The internal audit policy also establishes an audit committee to oversee internal audit. This committee is to provide direction to internal audit, approve the annual audit plan based on a risk assessment, and review semi-annual summary audit reports. The committee did not meet during the year. During the year, the internal auditor reported to the Executive Director of Corporate Services.

Without a formal risk assessment and an audit committee to provide direction, the risk is increased that audit resources will not focus on the areas of greatest significance to the Ministry.

We continue to recommend the Ministry of Corrections, Public Safety and Policing follow its policy for its internal audit function to focus on the activities where the Ministry is at greatest risk.

Better information technology processes needed

In our 2009 Report – Volume 1, we recommended the Ministry sign an adequate agreement on disaster recovery and security with the Information Technology Office (ITO). On February 2, 2010, PAC considered this matter and agreed with our recommendation.

The Ministry's agreement with ITO does not identify all of the security requirements. For example, the agreement does not set out what security policies and procedures the Ministry's employees need to follow. Nor does it identify disaster recovery times for significant applications.

We continue to recommend the Ministry sign an adequate agreement on disaster recovery and security with the Information Technology Office.

Also, in our 2009 Report – Volume 1, we recommended the Ministry adequately monitor the security of its information technology systems and data. On February 2, 2010, PAC considered this matter and agreed with our recommendation.

In May 2009, the Ministry began to receive monthly reports from ITO. The reports include information on ITO activities such as service levels and costs but little information on the security or availability of IT systems. Also, the Ministry does not receive any information about the adequacy of ITO controls or how the weaknesses at ITO could impact Ministry systems and data. Nor does it know if ITO could meet the Ministry's disaster recovery needs.

The Ministry has processes for removing user access from individuals who no longer work for the Ministry. However, the Ministry did not follow its processes for removing users' access on a timely basis. Four out of the ten individuals we sampled had left the Ministry but still had access to the system. If former employees access is not removed promptly, it increases the risk of inappropriate access to the Ministry's systems and data.

We continue to recommend the Ministry adequately monitor the security of its information technology systems and data.

Business continuity plan needed

In our 2007 Report – Volume 1, we reported that the Ministry needed to complete and implement its business continuity plan (BCP)³. On June 25, 2007, PAC considered this matter and agreed with our recommendation.

The Ministry has identified and developed plans for recovery of its critical services. The Ministry has approved its BCP but the approved BCP has not yet been updated to ensure continuity of services that ITO provides. As stated earlier, Ministry does not know if ITO's disaster recovery processes meet the Ministry's needs.

The Ministry completed some BCP testing during the year. The Ministry walked through the process of continuing one of its critical business processes in the event of a system failure. The Ministry determined that it was able to continue to carry on this business process without the availability of certain systems. The Ministry needs to continue to test all its critical business processes and work with ITO to identify its system recovery needs.

We continue to recommend the Ministry complete and implement its business continuity plan.

Rehabilitation of sentenced adult inmates—a follow-up

Our 2008 Report – Volume 1, Chapter 2 concluded that the Ministry of Corrections, Public Safety and Policing (Ministry) had adequate processes to rehabilitate sentenced adult inmates in provincial correctional centres except for completing timely assessments and case plans and monitoring the delivery of rehabilitation programs. We made four recommendations.

On August 28, 2008, PAC agreed with our recommendations.

The following sections set out our recommendations and expectations (in italics), and the Ministry's actions up to March 31, 2010. We found that

³ **Business Continuity Plan** (BCP)-Plan by an organization to respond to unforeseen incidents, accidents, and disasters that could affect the normal operations of the organization's critical operations or functions.

the Ministry has met one recommendation and still has work to do on three recommendations.

Assessing inmates' needs improving but not yet timely

In 2008, we recommended the Ministry of Corrections, Public Safety and Policing consistently comply with its policies to assess inmates' needs (primary and secondary) and plan relevant programs.⁴

We expected the Ministry to have adequate processes to monitor whether case managers completed assessments and case plans on a timely basis. This would allow the Ministry to offer inmates appropriate rehabilitation programs.

The Ministry is taking steps to comply consistently with its policies to assess inmates' needs for rehabilitation and create case plans. However, to comply with its policies, the Ministry requires more timely assessments of inmates' needs. Also, it should keep senior management informed about whether staff are able to comply with its policies consistently.

The Ministry increased its capacity to assess inmates' rehabilitation needs promptly after admitting sentenced inmates to a correctional centre. It trained more case managers to conduct primary and secondary assessments of inmate rehabilitation needs. Case managers used these assessments to plan relevant programs for inmate rehabilitation.

Case managers usually completed these assessments within two months but not always within 28 days of admitting an inmate as required by the Ministry's policy. Many inmates have a relatively short sentence (e.g., less than five months). As a result, if there is a delay in assessing inmates' needs, the inmates may not complete the identified rehabilitation programs before they return to the community at the end of their sentences.

The Ministry still does not have a process to inform supervisors and senior management about the timeliness of inmate needs assessments. Management cannot ensure that the Ministry plans relevant programs for

⁴ Primary assessments consider an inmate's needs in terms of health, education, relationship skills, etc. Secondary assessments relate to the nature of an inmate's offence (e.g., use of violence).

inmates if needs assessments are not timely. In addition, management needs this information to know if staff follows its policies consistently.

The Ministry still has work to do; therefore, we continue to make this recommendation.

Providing better access to relevant programs

In 2008, we recommended the Ministry of Corrections, Public Safety and Policing facilitate inmates' access to key programming related to their offences prior to their release into the community, particularly if the offences were related to assault or bodily harm.

We expected the Ministry to offer relevant programs targeted to meet identified needs prior to inmates' release into the community. We expected the Ministry to have adequate processes to determine priority programs for areas of highest risk.

The Ministry has adequate processes to facilitate inmates' access to key programming related to their offences prior to their release into the community.

The Ministry regularly reviewed the programs offered to inmates and revised them as necessary. The Ministry introduced several new programs to improve inmates' access to rehabilitation programs. It focused on programs for high-risk, violent offenders. Using this priority, the Ministry worked to improve access to rehabilitation programs for inmates whose offences were related to assault or bodily harm.

To facilitate access to relevant programs, the Ministry planned to offer more inmates the opportunity to participate in programs. For example, it arranged for inmates to have greater access to the Courage to Change program, the Violence Prevention Program, and an Emotions Management Program for women. The Ministry introduced a mental-health screening tool for use in program planning. Also, it trained more staff to provide rehabilitation programs directly to inmates on high-security units. This on-unit programming increased access for high-risk inmates whose rehabilitation was a Ministry priority.

The Ministry had adequate processes to determine priority programs. For example, the Ministry developed a relapse-prevention tool for use in case planning. Staff are being trained to use this tool to analyze offence patterns and identify programs with potential to reduce the risk of inmates re-offending. The Ministry also trained many more staff to use core correctional practices. The Ministry finds that these core practices help to rehabilitate inmates through day-to-day interactions with corrections staff.

The Ministry has met our recommendation to make its rehabilitation programs more accessible to inmates, particularly if their offences were related to assault or bodily harm. The Ministry now has better processes to offer relevant programs. However, as we explain below, it does not yet receive timely reports to help it monitor the proportion of inmates that participate in these programs.

Monitoring inmates' use of relevant programs evolving

In 2008, we recommended the Ministry of Corrections, Public Safety and Policing monitor the proportion of inmates accessing planned rehabilitation programs before their release into the community and enhance access to rehabilitation if required.

We expected the Ministry to analyze inmates' access to programs and keep management informed. For example, periodic reports to management should explain the percentage of inmates completing priority programs before their release into the community, the number of inmates waiting to attend specific programs, and the timeliness of inmate referrals to relevant community programs. With this information, the Ministry would be better able to adjust access to specific programs in time to meet inmates' needs before their release into the community.

At the end of each year, the Ministry receives an overview of the number of inmates who attended each rehabilitation program. It does not inform management what proportion of the inmates needing a program actually attended the program before their release into the community.

The Ministry has taken steps that may help it to monitor the proportion of inmates accessing planned rehabilitation programs before their release into the community. The Ministry has begun developing more useful information systems. It purchased software that should help it monitor the

proportion of inmates' accessing rehabilitation programs. However, the Ministry has not yet implemented these systems.

The Ministry still has work to do; therefore, we continue to make this recommendation.

Inmates' re-offending rate monitored but not in relation to rehabilitation

In 2008, we recommended the Ministry of Corrections, Public Safety and Policing monitor re-offending rates in relation to rehabilitation programs to better evaluate its rehabilitation of inmates.

We expected the Ministry to have adequate processes to monitor re-offending rates and evaluate the impact of participation in its rehabilitation programs. This information would help the Ministry revise its programs to better rehabilitate inmates.

The Ministry is working on evaluating whether its programs help to rehabilitate inmates and prevent re-offending. More work is needed.

The Ministry selects rehabilitation programs based on research showing the program worked elsewhere. Also, the Ministry monitors the percentage of sentenced offenders that are not re-admitted to any correctional centre within 24 months. It reports this as one measure of the effectiveness of its rehabilitation programs in its annual report and performance plans. For example, the Ministry reported that 74% of inmates are at high risk of re-offending and in Saskatchewan the rate of re-offending is about 49%.⁵

Knowing the general rate of re-offending is useful. However, it does not evaluate whether specific rehabilitation programs are effective in Saskatchewan. The Ministry needs to find cost-effective ways to monitor re-offending rates in relation to rehabilitation programs.

The Ministry still has work to do, therefore, we continue to make this recommendation.

⁵ *Ministry of Corrections, Public Safety and Policing 2008-09 Annual Report (p.11) and the Ministry of Corrections, Public Safety and Policing 2009-10 Plan (p.2).*

Processes to manage labour costs related to absenteeism

Background

The Ministry of Corrections, Public Safety and Policing (Ministry) is responsible for managing provincial correctional centres and related labour costs under *The Correctional Services Act*. Labour costs include absenteeism and associated overtime costs. The Ministry employs over 2,000 staff including 925 corrections workers who work in four large correctional centres located in Regina, Saskatoon, and two in Prince Albert.⁶

The Ministry operates in a unionized environment. The collective bargaining agreement⁷ includes some factors influencing labour costs. The Ministry has over 75 letters of understanding (LOUs) which are local union agreements negotiated at each correctional centre. These LOUs form part of the collective bargaining agreement (CBA).

Correctional centres require sufficient workers to ensure the safety of inmates, workers, and the public. As a result, the Ministry must replace workers who are ill or absent for other reasons. If there is a shortage of skilled workers, finding replacements may mean paying overtime to workers. Replacing absent workers and paying for overtime increases the Ministry's labour costs.

Statistics Canada reported the average number of workdays lost due to illness or disability in 2007 in Saskatchewan was 8.3 days annually.⁸ On average in 2008-09, Saskatchewan corrections workers had sick leave of 15.8 days and the annual cost of sick leave was over \$4 million.⁹

The Ministry's labour costs related to absenteeism increased steadily from 2004 to 2009. For the nine months ended December 31, 2009, the Ministry's labour costs for all four correctional centres were \$46.9 million. For this same period, overtime was \$6.7 million or 14% of labour costs,

⁶ *Ministry of Corrections Public Safety and Policing 2008-09 Annual Report*, p.6.

⁷ The Collective Bargaining Agreement is an agreement on labour-related needs between the Government of Saskatchewan and the Saskatchewan Government and General Employees' Union (SGEU) for the period October 1, 2006 to September 30, 2009.

⁸ Statistics Canada. Days lost per worker by cause, by province. Raw data. 22 May 2008.

⁹ Ministry's 2009-11 Human Resources Plan. p.5 and reported to Ministry Union-Management Committee.

up from \$5.2 million in 2008.¹⁰ The Ministry's 2009-10 overtime budget was \$2.8 million.¹¹ If the Ministry does not adequately manage absenteeism and related labour costs, it faces the risk of excessive costs and undetected abuse of absenteeism.

Audit objective, criteria, and conclusion

The objective of this audit was to assess whether the Ministry of Corrections, Public Safety and Policing had adequate processes, as of December 31, 2009, to manage provincial correctional centres' labour costs related to absenteeism.

We focused our audit on the management of absenteeism (including sick leave) and related overtime at provincial correctional centres. We did not audit labour costs related to other leaves (e.g. vacation, definite leave of absence, maternity/parental leave).

We define "absenteeism" as unscheduled absence from the workplace. Absenteeism includes corrections workers who are absent without informing a supervisor or who are on sick leave or worker's compensation. We define "sick leave" as short-term absence from work due to illness or injury. "Overtime" is hours worked beyond a regular shift or on a scheduled day off that is reimbursed with a cash payout at a higher rate of pay or banked time in-lieu of extra pay (banked time).

To conduct this audit, we followed the *Standards for Assurance Engagements* published by The Canadian Institute of Chartered Accountants. To evaluate the Ministry's processes, we used criteria based on the work of other auditors, current literature, and consultations with management. The selected references section sets out the key sources for these criteria. The Ministry's management agreed with these criteria (see Exhibit 1).

¹⁰ We observed Ministry reports on labour costs, overtime costs, and the overtime budget for the four correctional centres.

¹¹ The overtime budget includes \$1.7 million for premium pay for statutory holidays.

Exhibit 1—Audit criteria for managing absenteeism labour costs

To have adequate processes to manage provincial correctional centres' labour costs related to absenteeism, the Ministry should:

1. Set expectations for factors influencing labour costs
2. Schedule employees for effective service delivery
3. Analyze factors influencing labour costs to identify risks
4. Minimize factors driving excess costs

We concluded that, as of December 31, 2009, the Ministry of Corrections, Public Safety and Policing did not have adequate processes to manage provincial correctional centres' labour costs related to absenteeism.

In summary, the Ministry did not adequately set expectations, had weak processes to schedule employees for work, and did not adequately analyze factors that influenced labour costs or take action on known problems. As our findings explain, the Ministry:

- ◆ missed opportunities to communicate expectations
- ◆ did not set thresholds to monitor sick leave and excessive hours worked
- ◆ did not approve leaves of absence before leave was taken
- ◆ did not correctly record the hours worked by employees and did not pay employees accurately
- ◆ gave managers very limited information about costs or patterns of absenteeism, sick leave, and overtime
- ◆ did not take prompt and consistent action to address absenteeism and overtime costs

In the next section, we describe what we expected (in italics) and key findings for the four criteria together with our recommendations.

Key findings and recommendations for managing absenteeism labour costs

Expectations not clear

We expected the Ministry to set expectations for factors influencing labour costs by:

- ◆ *communicating expectations to employees*
- ◆ *setting thresholds for key performance expectations*
- ◆ *training managers to monitor labour costs*

The Ministry did not adequately set expectations for factors influencing labour costs.

The Ministry did not communicate guiding principles such as personal accountability and fiscal responsibility to employees. These guiding principles influence labour costs. As we explain later in this chapter, corrections workers and supervisors signed incorrect timecards leading to errors in pay.

The Ministry gave its employees detailed procedures to communicate some work expectations. For example, the Ministry explained how to record and approve time worked through orientation, job descriptions, the Public Service Commission's (PSC) Human Resources Manual, the CBA, and local policies. The Ministry also guided workers with directions on forms, training, and procedural directives. However, employees did not implement the Ministry's expectations.

For example, the Ministry directed supervisors to minimize labour costs whenever possible. However, supervisors told us they did not use staff meetings to talk with staff about guiding principles such as personal accountability and fiscal responsibility in relation to the cost of absenteeism. Also, supervisors seldom had one-on-one interviews with workers who frequently missed work for unexplained reasons. Front line in-scope supervisors told us that they were uncomfortable discussing absenteeism issues with colleagues who are also union members.

- 4. We recommend the Ministry of Corrections, Public Safety and Policing communicate to employees guiding principles such as personal accountability and fiscal responsibility.**

Management used the thresholds for expected work-related behaviour set out in its union agreements. The collective bargaining agreement (CBA) set a maximum sick leave of 15 days per year and allowed unused sick leave to build up over time. Management did not communicate any other sick leave threshold as a target to work toward. Some local union agreements set a maximum of 16 hours of work daily for corrections workers. Management did not set any thresholds for how much overtime workers could accept in each pay period. A few workers chose to work so many overtime hours that they seldom had a day off work over many weeks. Working excessive hours may increase risks to the worker, other staff, or inmates as fatigue influences judgement and physical capacity, particularly during times of crisis.

5. We recommend the Ministry of Corrections, Public Safety and Policing set formal thresholds to monitor sick leave and excessive hours worked and communicate these thresholds to corrections workers.

Supervisors received general training that could help them monitor labour costs. For example, training courses in 2009 included management fundamentals, conflict resolution, leadership skills, and stress-management issues. In February 2010, front line supervisors received “HR Tools” training including sessions on attendance management and progressive discipline.

Employees do not work as scheduled

We expected the Ministry to schedule employees for effective service delivery by:

- ◆ *scheduling staff to meet anticipated needs*
- ◆ *establishing processes to handle contingencies*
- ◆ *balancing schedules equitably*

The Ministry established written processes for scheduling but correctional centres did not follow them.

Staffing needs change with the number and type of inmates (e.g., high risk) and the number of workers away from work for training, approved leave, or absenteeism. The Ministry assessed staffing needs in correctional centres using a standard method. For safety, each centre

assigned a minimum number of corrections workers to security-post positions.¹² Each centre typically scheduled more workers for duty than the minimum required (e.g., through float positions¹³ not assigned to a particular post). This allowed flexible coverage for crises, training, extra tasks, and to replace absent workers. In addition, to obtain enough staff to meet anticipated needs, the Ministry often asked some corrections workers to work additional hours at overtime pay rates.

The Ministry had a contingency plan at each centre in case there were more inmates than usual and communicated the plan to staff at each centre. The plan included adding extra corrections workers to handle high-risk situations. For example, to find extra workers, centres first used float positions, then called part-time workers (in order of seniority), and then asked corrections workers to work overtime (calling the next worker on a rotating list).¹⁴ The Ministry aimed to reduce labour costs by using less costly float positions and part-time workers first. However, it still used considerable overtime resulting in high labour costs.

The Ministry planned to balance work schedules equitably so that workers had equal opportunity to work shifts with higher pay (e.g., nights, statutory holidays). However, the Ministry did not consistently control or monitor changes to schedules to maintain an equitable balance of shifts worked. Corrections workers changed their work schedules by trading their assigned shifts, with or without supervisor approval. This shift trading allowed corrections workers to take time off later, creating further changes to the planned schedule.

Additional changes to the planned work schedule occurred when workers arranged time off to use their banked time.¹⁵ When corrections workers built up large amounts of banked time, these workers could take time off with management approval, sometimes creating the need to call in other workers, often at overtime rates of pay.

The cycle of overtime contributed significantly to increased labour costs. For example, for the nine months ending December 31, 2009, the Ministry

¹² The minimum number of workers assigned to security posts (for safety) was set out in local letter of understanding (LOU) or union-management agreement.

¹³ A float position was a full-time position used to manage employee absence in any unit within the centre.

¹⁴ The rotating list was alphabetical or based on seniority depending on the centre based on the LOUs.

¹⁵ When corrections workers worked extra shifts beyond their scheduled shift rotation, they earned overtime, which may be saved as banked time.

paid 237 (26%) of its corrections workers overtime pay of \$10,000 or more (i.e., through cash payout or banked time). For the year ended March 31, 2009, the Ministry paid 29 corrections workers so much overtime that their annual pay exceeded \$100,000, when the average salary for corrections workers was about \$50,000 per year.¹⁶

- 6. We recommend the Ministry of Corrections, Public Safety and Policing monitor and control changes to work schedules to minimize labour costs in correctional centres (e.g., approval of shift trades, pay out of overtime).**

Risks influencing labour costs not identified

We expected the Ministry to analyze factors influencing labour costs to identify risks by:

- ◆ *keeping accurate information on absenteeism*
- ◆ *comparing actual to expected labour costs*
- ◆ *identifying patterns requiring prompt follow up*
- ◆ *reporting risk factors to managers promptly*

The Ministry did not have adequate processes to analyze factors influencing labour costs and identify risks.

The Ministry did not keep accurate records of time worked. Because time worked records were not accurate, the Ministry's labour costs were not accurate. The Ministry used timecards¹⁷ to record hours worked for payroll purposes. Most centres paid corrections workers using timecards based on planned work schedules, not actual shifts worked. Workers and their supervisors both approved timecards that were not correct.

Shift trading¹⁸ contributed to inaccurate records of time worked, particularly in two correctional centres. In one of these centres, corrections workers traded shifts without prior supervisor approval.¹⁹ Sometimes management did not know who would report for duty on each shift. In addition, supervisors did not update work schedules to record who actually worked that shift, resulting in incorrect timecards and

¹⁶ This is based on an analysis of the 2008-09 Ministry Payee list.

¹⁷ A timecard is a manual or electronic record of the time worked by an employee within a pay period.

¹⁸ Workers traded shifts to create flexible schedules and shorten the days worked each week (e.g., by working 16-hour shifts instead of regular 8-hour shifts).

¹⁹ This is set out in a LOU for that centre.

incorrect pay. The Ministry paid some workers for shifts that they did not actually work (including regular pay, weekend differential pay, and shift premium pay). The Ministry paid overtime pay to some workers who did not work extra hours. The Ministry paid some workers as if they worked 24 hours continuously even though they did not work the entire 24 hours.

For regular shifts worked, we found that at the four correctional centres, 45% of timecards were wrong (i.e., the timecards did not reflect the actual hours worked by workers). For sick leave or overtime hours, 23% of timecards were wrong. Direct supervisors did not properly approve 75% of timecards. That is, the supervisor did not approve the timecard, approved the timecard after the corrections worker was paid, or approved an incorrect timecard.

In addition, 8% of timecards across all four correctional centres were not entered correctly into the payroll system. That is, the Ministry did not have processes to identify and correct payroll data-entry errors. In all cases, these errors resulted in paying corrections workers for hours they did not work.

Management told us that inaccurate recording of labour costs was due to its difficulties in tracking shift trades to actual hours worked. Because of these difficulties, the Ministry often paid corrections workers for shifts they did not work and did not pay workers for shifts they did work.

Management in the correctional centres told us it left it up to corrections workers to correct wrong payments among themselves or to balance the shifts traded within a reasonable period. This resulted in overpayment to many workers and underpayment to many others. It also affected the accuracy of other earned benefits such as pensions and worker's compensation. The Ministry is responsible to pay its workers accurately.

- 7. We recommend the Ministry of Corrections, Public Safety and Policing pay corrections workers for actual hours worked.**
- 8. We recommend the Ministry of Corrections, Public Safety and Policing establish processes to verify accurate data-entry of hours worked into the payroll system before paying employees.**

The Ministry did not adequately compare actual to expected labour costs. In its monthly financial reports, the Ministry compared actual labour costs to those it expected. However, as explained above, the Ministry's labour costs for corrections workers were not accurate.

The Ministry did not regularly report to any level of management its actual costs compared to expected costs for absenteeism or sick leave. The Ministry did not identify expected absenteeism or sick leave costs in its human resource plan so it did not monitor these costs.

Once each year, the Ministry prepared a report comparing sick leave costs for the current and prior year. It did not monitor sick leave or absenteeism costs throughout the year.

The Ministry did not identify risks contributing to absenteeism patterns or report risks requiring prompt follow up. Management did not regularly ask for reports about specific absenteeism patterns (e.g., around long weekends or coinciding with certain events). It did not regularly identify work units with unacceptable patterns of absenteeism or related overtime use. The Ministry expected front-line supervisors to follow up on unusual situations; however, not all supervisors did. Formal reports would help management identify absenteeism patterns and control related costs.

Because the Ministry did not analyze absenteeism patterns, it could not report risk factors promptly to management and track progress in reducing these risks. For example, if absenteeism is consistently high, the Ministry could be at risk of adverse events happening due to insufficient or overworked corrections workers.²⁰

- 9. We recommend the Ministry of Corrections, Public Safety and Policing periodically analyze absenteeism patterns and regularly report to senior management the risk factors that influence labour costs in correctional centres. The analysis should include all types of absenteeism (e.g., use of sick leave, shift trades) and related overtime costs.**

²⁰ Adverse events include riots, inmate escape, illness break-out, lock-down, etc.

Factors driving excess labour costs not minimized

We expected the Ministry to minimize factors driving excess costs by:

- ◆ *consulting with stakeholders*
- ◆ *using prevention strategies*
- ◆ *taking action on excessive absenteeism*
- ◆ *taking action on excessive overtime*

The Ministry did not have adequate processes to minimize factors driving excess costs.

The Ministry consulted with its stakeholders about labour costs.²¹ Through the union, the Ministry asked corrections workers for input into policies and procedures relating to labour costs. The Ministry regularly discussed absenteeism at various meetings with the union and senior management. Regular staff meetings at the centres also gave corrections workers opportunities for input into local policies. The Ministry had opportunities to work with others to design ways to reduce labour costs. However, the Ministry had not yet taken sufficient action to adequately correct problems that influenced labour costs.

The Ministry used some prevention strategies that it hoped would reduce absenteeism and promote staff wellness. The Ministry promoted work-life balance by using job share programs, variable work-hours arrangements, and modified work-hours agreements. The Ministry provided access to health management programs and made referrals for counselling through the Employee Family Assistance program and the Critical Incident Stress Management program. It also had a job accommodation program to help injured workers return to work. The Ministry expects these programs to help workers handle challenges before they interfere with attendance at work.

The Ministry did not use supervisory structures²² that enabled prompt action on excessive absenteeism. Supervisors can require a medical certificate as proof of illness. A few supervisors told us they used the Public Service Commission's progressive discipline procedures if they suspected abuse of sick leave (e.g., discussing absenteeism with the

²¹ The Ministry's stakeholders include employees, managers, unions, etc.

²² Supervisory structures include clearly assigned roles and responsibilities that enable effective, ongoing supervision of a workplace and its workers during all shifts.

worker, letter on personnel file). However, not all supervisors were clear that this was their responsibility. Also, front line supervisors told us that because they were union members they did not feel they had the right to confront co-workers with excessive absenteeism. Front line supervisors told us they did not carry out all of the roles assigned to them, including using progressive discipline, because of their union membership.

- 10. We recommend the Ministry of Corrections, Public Safety and Policing establish adequate supervisory roles and responsibilities so that supervisors take prompt action on excessive absenteeism and overtime in correctional centres.**

In late 2009, the Ministry began to use an overtime reduction strategy to help it take action on excessive absenteeism and overtime. Also, the Ministry had been researching best practices for an attendance management policy over several years. It had not yet approved a policy to guide senior management and front line supervisors to take action consistently on unacceptable absenteeism patterns and excessive overtime.

- 11. We recommend the Ministry of Corrections, Public Safety and Policing implement an attendance management policy.**

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