

Chapter 27

Justice—Absenteeism Follow Up

1.0 MAIN POINTS

We followed up the Ministry of Justice's actions on eight recommendations we made in 2010.

Effective May 25, 2012, the responsibilities of corrections and policing in Saskatchewan became a part of the Ministry of Justice (Ministry). In 2010, we made eight recommendations to improve the Ministry's processes to manage absenteeism and associated labour costs at provincial adult correctional centres. Since 2010, the Ministry has done significant work to manage absenteeism resulting in reduced overtime costs and sick days. The Ministry has addressed six of the eight recommendations we made. The Ministry still needs to appropriately manage and pay corrections workers who trade shifts.

2.0 INTRODUCTION

The Ministry of Justice (Ministry) is responsible for managing provincial correctional centres and labour costs under *The Correctional Services Act*. The Ministry employs over 1,200 corrections workers (925 corrections workers in 2009) who work in four adult correctional centres located in Regina, Saskatoon, and two in Prince Albert.

In 2010, we assessed the Ministry of Corrections, Public Safety and Policing's processes to manage provincial correctional centres' labour costs related to absenteeism. Labour costs include absenteeism and associated overtime costs. Our *2010 Report – Volume 1*, Chapter 4, concluded that as of December 31, 2009, the Ministry of Corrections, Public Safety and Policing did not have adequate processes to manage provincial adult correctional centres' labour costs related to absenteeism.

Correctional centres require 24-hour staff coverage to keep inmates, corrections workers, and the public safe. As a result, when corrections workers are absent from work, another worker must be called in to cover their shift. For example, if a corrections worker is sick and unable to work his/her scheduled shifts, the corrections worker that is sick still gets paid through available sick leave entitlements and another worker is called in to work the shift. Overtime costs may occur when the replacement workers have already worked their required regular hours, or where corrections workers are called in on their regular day off.

By not effectively managing absenteeism and the related labour costs, the Ministry faces the risk of excessive costs and undetected abuse of absenteeism. We found such processes were lacking when we conducted our audit in 2010, and made eight recommendations for improvement.

To conduct this review, we followed the *Standards for Assurance Engagements* published in the *CICA Handbook – Assurance*. To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Management agreed with the criteria in the original audit.



3.0 STATUS OF RECOMMENDATIONS

The following sections set out the eight recommendations we made and the Ministry's actions to address these recommendations up to December 31, 2012. We based our findings on examination of the Ministry's policies, procedures, and management reports. We also examined payroll processing in the four correctional centres.

Adult Corrections, which is a division under the Ministry of Justice, incurred \$69.1 million in salaries during the 2011-12 fiscal year, of which \$6.9 million was related to overtime. Overtime costs in Adult Corrections were \$9.6 million in 2009-10. There has been about a 28% decrease in overtime costs over the past three years (see **Figure 1**).

Figure 1 – Three Year Comparison of Overtime (OT) Costs for Adult Corrections

	April 1, 2009 to March 31, 2010	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012
Total OT Costs	\$9.6 million	\$7.5 million	\$6.9 million
Total Salary Costs	\$65.7 million	\$66.5 million	\$69.1 million
OT Costs as a % of Total Salary Costs	14.6%	11.3%	10%

Source: Ministry of Justice financial information

Since 2010, the Ministry has done significant work to improve absenteeism resulting in reduced overtime costs and average sick days. We found the Ministry has addressed six out of the eight recommendations we made.

3.1 Principles Set and Monitoring Sick Leave

We recommended that the Ministry of Justice (formerly the Ministry of Corrections, Public Safety and Policing) communicate to employees guiding principles such as personal accountability and fiscal responsibility. (2010 Report – Volume 1; Public Accounts Committee agreement May 11, 2011)

Status – Implemented

The Ministry developed and implemented a Commitment to Excellence and Code of Professional Conduct (Code) in 2010 for Adult Corrections which includes guiding principles on personal accountability, and fiscal responsibility for corrections workers. For example, the Code expects corrections workers to complete timesheets accurately and sign off timesheets accordingly. The Code was communicated to Adult Corrections' employees through presentations and training sessions in 2010.

Supervisors discuss the Code with corrections workers on an annual basis.

We recommended that the Ministry of Justice (formerly 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. (2010 Report – Volume 1; Public Accounts Committee agreement June 7, 2011)

Status – Implemented

The Ministry created an Attendance Management Policy in 2010. The Policy includes formal thresholds for monitoring excessive sick leave. For example, the Policy notes that supervisors should monitor corrections workers using more than eight days of sick leave in a year. Management at correctional centres receive monthly reports highlighting workers who have incurred excessive sick leave (e.g., over eight sick leave days), and they follow up to determine the reason for the high amount of sick leave and meet with workers as required. As noted in **Figure 2**, the average sick leave days per employee has gone down from 16 days in 2010 to 13 days in 2012.

Figure 2—Average Sick Leave Days for Adult Corrections

	2009-10	2010-11	2011-12
Average Sick Leave Days per Full-time Equivalent (FTE)	16.63	13.87	13.21

Source: Ministry of Justice information

The Ministry tries to ensure the amount of hours each corrections worker works is reasonable (and not excessive) when scheduling corrections workers and when managing vacancies. Management schedules corrections workers to minimize the amount of consecutive hours and days worked. Through an overtime reduction strategy implemented in 2010, there were additional corrections workers recruited to establish float pools to avoid excessive hours of work. Float pools allow for more scheduled employees than the minimum requires for flexible coverage of absent employees. As shown in **Figure 1**, overall overtime costs have decreased at adult correctional centres since our audit. The Ministry does not backfill shifts created by unplanned absences with a corrections worker which would result in overtime, unless there is no alternative worker available to fill the shift.

3.2 Employees Recording and Being Paid for Hours Not Worked

We recommended that the Ministry of Justice (formerly 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). (2010 Report – Volume 1; Public Accounts Committee agreement June 7, 2011)

Status – Partially Implemented



The Ministry has reduced overtime costs by \$2.7 million since the time of our initial audit. Management at correctional centres receive monthly reports that outline overtime costs. Management uses these reports as part of their financial forecasting process to monitor and explain why overtime costs have been incurred. Explanations include identification and quantification of controllable and non-controllable factors impacting overtime costs.

As noted in **Section 3.4**, supervisors that control changes to work schedules are now out-of-scope employees. Supervisors provide each corrections worker with an equal opportunity to work additional hours, but also attempt to minimize labour costs where possible. The reduction in overtime costs since 2010 coincides with this change.

The Ministry continues to investigate the use of scheduling software to generate further efficiencies. Scheduling software can assist in deciding the most efficient selection of corrections workers based on various factors including anticipated overtime costs. Scheduling software is currently being evaluated at the Regina Correctional Centre. The new scheduling system has the capacity to identify and record overtime costs by cause (i.e., sick leave, training, workload, etc.). The Ministry should continue to explore the use of a scheduling system to assist in monitoring and controlling overtime costs.

Changes to work schedules can occur as a result of shift trades made between corrections workers. Shift trades are not subject to approval by management at one of the correctional centres, as per the Letters of Understanding with the union. Shift trades are still impacting the correct completion of timecards and therefore the correct payment to corrections workers. We further describe this below.

We recommended that the Ministry of Justice (formerly the Ministry of Corrections, Public Safety and Policing) pay corrections workers for actual hours worked. (2010 Report – Volume 1; Public Accounts Committee agreement June 7, 2011)

Status – Partially Implemented

The Ministry chooses to pay corrections workers by the hour. Certain correctional centres operate under Letters of Understanding that allow corrections workers to engage in “shift trades”. Under a shift trade, a corrections worker will exchange shifts with another corrections worker without management’s involvement or knowledge. The corrections worker who was originally scheduled for the shift will complete their timesheet as if they were at work and a supervisor will approve the timesheet, even though the corrections worker was not even at work. In turn, the same corrections worker will work another shift for the corrections worker with whom the shift had been exchanged with and not complete a timesheet for the shift worked. Again, a supervisor will approve the incorrect timesheet. We found this was the case in 40% of the timecards we tested at one correctional centre – timecards were completed as if the corrections worker was at work, approved by the supervisor, entered into the payroll system by the timekeeper, and then the corrections worker was paid for hours not really worked.

Therefore, the Ministry is approving and paying employees for hours not worked. This is not standard practice. Shift trades can create safety and management issues, as

management cannot properly verify who is actually working until the shift occurs. We found instances when overtime was incurred when a worker traded a shift away – was still paid for it – and then accepted a shift later the same day and got paid overtime for it. Further, the use of shift trades may impact earned benefits such as the employees' pension and workers' compensation. Management advised us that it is currently renegotiating the Letters of Understanding.

We recommended that the Ministry of Justice (formerly 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. (2010 Report – Volume 1; Public Accounts Committee agreement June 7, 2011)

Status – Implemented

Timekeepers at correctional centres are entering what is recorded on time cards completed by employees and approved by supervisors into the payroll system. We found timekeepers entered hours worked correctly except for the shift trades, as noted above.

3.3 Factors Influencing Labour Costs Being Identified

We recommended that the Ministry of Justice (formerly 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. (2010 Report – Volume 1; Public Accounts Committee agreement June 7, 2011)

Status – Implemented

In 2010, the Ministry began to implement an overtime reduction strategy to reduce the amount of overtime worked. The strategy identified controllable (i.e., employee training, recruitment, and sick leave) and uncontrollable (i.e., statutory holidays, the number of offenders in the facility, the number of offenders that require employee escorts to the hospital) factors that can impact overtime. The Ministry undertook strategies to address the controllable factors that included recruiting to ensure sufficient resources were in place to reduce the need to pay overtime, and establishing an attendance management policy to reduce the amount of sick leave.

Supervisors and management review periodic reports regarding sick leave hours and overtime costs by facility. Through the Ministry's financial forecasting processes, correctional centres outline the controllable and uncontrollable factors that impact their overtime costs.



3.4 Appropriate Supervision and Policies Now in Place

We recommended that the Ministry of Justice (formerly 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. (2010 Report – Volume 1; Public Accounts Committee agreement June 7, 2011)

Status – Implemented

The Ministry went through a scope review which resulted in supervisory positions at the correctional centres moving from in-scope (union) positions to out-of-scope (management) positions in 2010. This created a management structure that allows supervisors to take prompt action on absenteeism issues arising with corrections workers they are supervising.

Overtime is an increased cost as a result of absenteeism. As previously noted, the Ministry implemented an Attendance Management Policy that outlines management and supervisor responsibilities for managing absenteeism. These responsibilities include maintaining concise and objective written documentation where absenteeism issues have been identified, monitoring levels of sick leave usage on a regular basis, taking appropriate and timely action to correct absenteeism issues, and discussing and resolving issues regarding attendance with corrections workers. We found that supervisors follow up with workers who have excessive sick leave.

We recommended that the Ministry of Justice (formerly the Ministry of Corrections, Public Safety and Policing) implement an attendance management policy. (2010 Report – Volume 1; Public Accounts Committee agreement June 7, 2011)

Status – Implemented

The Ministry implemented an Attendance Management Policy. The Policy was developed to assist supervisors in managing employee attendance. The Ministry provided training and communicated expectations contained in the Policy to both supervisors and employees in 2011. Supervisors reinforce the Policy with corrections workers through an annual review process.