

## REPORT

### ADMINISTRATIVE SERVICES COMMITTEE

MEETING DATE: DECEMBER 5, 2016

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**FROM:** Internal Audit Department

**DATE:** November 14, 2016

**SUBJECT:** Overtime Review

**LOCATION:**

**WARD:** Town wide

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#### RECOMMENDATION:

That the report dated November 14, 2016, from the Internal Audit department be received, and that the recommendations and action plans reported be implemented by management.

#### KEY FACTS:

The following are key points for consideration with respect to this report:

- The objective of this review was to assess corporate-wide use of overtime.
- Majority of costs associated with overtime were in the following three departments:
  - Fire;
  - Oakville Transit; and
  - Roads and Works Operations.
- Overtime costs has remained relatively constant from 2011 to 2015; hovering a little above \$2.0 million
- The town total base overtime rate of 2.3% for 2015 is similar to the municipalities benchmarked between 2.0% to 2.5%.
- However, there exists opportunities to reduce the costs of overtime.
- Specifically, the opportunities relate to the overtime drivers, namely absenteeism in the town as a whole and within specific departments.
- It is important to state that the town's average sick days of 6.49 days taken by full time employees is lower the national average for the municipal sector as measured by Statistics Canada; as well as private sector.
- The potential exists to reduce absenteeism with the re-launching of the Attendance Support Program, as well as wellness strategy. In addition, through good people management and the regular monitoring and reporting of attendance by management to executive management, the Chief Administrative Officer and Council, the absenteeism costs will decline from \$2.4 million in 2015.

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**BACKGROUND:**

The Administrative Services Committee assists Council in fulfilling its oversight responsibilities for the financial reporting processes, the system of internal controls and the audit processes. One of the responsibilities of this Committee is receiving internal audit reports and ensuring that appropriate action(s) are taken by staff where required as a result of the review of such reports.

**COMMENT/OPTIONS:**

The Overtime review was included as part of the assurance audits identified in the 2015 Internal Audit Work Plan. A review of overtime was selected based on criteria such as town liability, lack of transparency, expenditures, and other issues of concern. The Overtime Review includes details of observations, recommendations and action plans.

The results of this review are communicated to management and subsequently to the Administrative Services Committee and Council.

**CONSIDERATIONS:****(A) PUBLIC**

The recommendations and action plans contained in the Internal Audit report assist the Administrative Services Committee in fulfilling its oversight responsibilities for the system of internal control and the audit process.

**(B) FINANCIAL**

There is no financial impact for the receipt of this report.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

The Commissioner, Corporate Services and the other members of the Executive Management Team, as well as the Chief Administrative Officer have reviewed the Overtime Review report.

**(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS**

This report addresses the corporate strategic goal to:

- continuously improve our programs and services
- be accountable in everything we do
- be honest in everything we do
- be dedicated in everything we do
- treat everyone with respect
- be fiscally sustainable

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**(E) COMMUNITY SUSTAINABILITY**

The town's effectiveness in the delivery of our programs and services is a key component of all four pillars of community sustainability (economic, environmental, social and cultural). The recommendations and actions plans reported in the Overtime Review are intended to increase the productivity of staff and reduce the need for overtime resulting from absenteeism.

**APPENDICES:**

Appendix A – Overtime Review

Prepared and Submitted by:

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