Kilkenny County Council

Report Distribution
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Audit Committee Members

Local Government Auditor

Objectives
The objective of the audit is to ensure staff are adhering to attendance policy and to ensure proper internal controls have been implemented and are being followed.

Approach
Internal Audit examined staff clockings on CORE system for Jan-June 2018.

Scope & Limitations of scope
Audit check is limited to CORE clockings for Jan-June 2018. Staff that are not included on CORE system were not included in scope of audit.

Audit Risk
- Attendance not being recorded.
- Non adherence to HR policies.
- Lack of supervision.
- Inability to provide efficient service.
- Potential fraud.

Co-operation of Management and staff
Internal Audit received full co-operation from Council Management and staff throughout the course of this review and would like to thank them for their assistance.

Summary of Findings & Recommendations

Findings

- Internal Audit checked a sample no. of sick leave occurrences in 2018. 40% of Return to Work forms had not been completed correctly or not been received at all.
- Staff are clocking at locations other than their work base on a regular basis.
- Retirees and former employees remain on CORE with flexi negative hours.
- Existing staff with excessive flexi negative hours accumulating over a prolonged period.
- Monthly flexi reports are not being returned by all supervisors. In some months less than 50% of forms are returned.
- In some months in 2018, due to staff resources, there were no monthly flexi reports issued to supervisors.

Recommendations

1. A procedure document for supervisors should be prepared and circulated. This should remind supervisors of their responsibility for managing the time and attendance of their staff.
2. During this audit, it was difficult to extract data from CORE system. HR Dept. should request the system provider to supply a suite of reports required to monitor time and attendance.
3. Supervisors should be issued with a monthly report when their staff have regularly clocked at a location other than their work base.
4. HR dept. should maintain the CORE system by removing staff who no longer work for Kilkenny County Council. This should become part of the process of an employee leaving the organization.
5. Monthly exception reports should be prepared highlighting excessive flexi negative hours, missed clockings and unexplained absences etc. Supervisors should be asked to provide an explanation and sign off on these reports.
6. A time and attendance report should be included on the agenda of the Management Team Meeting on a quarterly basis. This should include information on the monthly reports unreturned by supervisors.

Findings

- Internal Audit checked a sample no. of sick leave occurrences in 2018. 40% of Return to Work forms had not been completed correctly or not been received at all.
- Process in place
    a. Towards the end of the flexi period a reminder is sent to all staff and line managers to address unexplained absences and regularise time and attendance records
    b. Upon completion of the flexi period an unexplained absence report is systematically sent to line managers to resolve.
- HR will continue to remind all line managers in relation to their obligations regarding sick leave.

- Staff are clocking at locations other than their work base on a regular basis.
- Recently KCCHR have been advised of a mechanism to identify within Core the location of staff clockins
- KCCHR will build a report within Tableau to monitor compliance of staff clockin locations with approved clock in locations and issue exception reports as required.

- Retirees and former employees remain on CORE with flexi negative hours.
- Process in place
    a. Staff exiting the organisation are recorded as "ended" witin Core T&A and consequently will not continue to incur negative hours
    b. Staff that retired are relocated to a retired post but heretofore were not "deactivated" within T&A and consequently continued to incur negative hours. This has been redressed for all future retiring staff and an exercise is underway to identify all existing retired staff and deactivate them for T&A purposes

- Existing staff with excessive flexi negative hours accumulating over a prolonged period.

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- 4 weekly report processed to highlight staff with opening and closing negatives. Staff members are instructed to resolve negative balances where possible and annual leave is deducted if unable to do so.
- All current staff with opening and closing negatives who are not required to clock i.e. engineers out on projects are being removed from requirement to maintain clocks and therefore will not appear on the flexi report.

- Monthly flexi reports are not being returned by all supervisors. In some months less than 50% of forms are returned.
- This is currently at approx. 30% not returned.
- KCCHR will continue to remind line managers of their obligations to check reports, ensure all clocking issues are resolved and return signed report to HR on a timely basis.

- In some months in 2018, due to staff resources, there were no monthly flexi reports issued to supervisors.
- Not an issue at present. Flexi reports issued to all line managers every 4 weeks.

Management response to main Recommendations

1. A procedure document for supervisors should be prepared and circulated. This should remind supervisors of their responsibility for managing the time and attendance of their staff.
   - There is a time and attendance document in place for supervisors. A link to this document (which is on intranet) will be sent to all supervisors with a reminder of their obligations.
2. During this audit, it was difficult to extract data from CORE system. HR Dept. should request the system provider to supply a suite of reports required to monitor time and attendance.
   - There have been significant changes in key HR staff resulting in loss of expertise and competencies in the management of CORE Backoffice and report engine Tableau

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- A training programme has commenced to align with the national programme to migrate from version 19 to version 28 of CORE system
- Training has also commenced in respect to the associated report engine "Tableau" that will provide the KCCHR Team with capacity to deliver high end value adding data analytic reports
- Associated with this will be a significant data cleansing within Core itself.

3. Supervisors should be issued with a monthly report when their staff have regularly clocked at a location other than their work base.
   - An exception report is being built in Tableau to identify staff that clock in at locations that are not approved for them

4. HR dept. should maintain the CORE system by removing staff who no longer work for Kilkenny County Council. This should become part of the process of an employee leaving the organization.
   - In association with response 2(a) above – a programme of data cleansing is underway to complement the renewed commitment to the management of CORE and in particular to optimize management reporting through the new HR Data Analytic reports.
   - The staff leaving process presently "ends" staff within Core correctly.
   - For staff retiring from the organisation a new process has been implemented to ensure that retred staff are deactivated from T&A module

5. Monthly exception reports should be prepared highlighting excessive flexi negative hours, missed clockings and unexplained absences etc. Supervisors should be asked to provide an explanation and sign off on these reports.
   - Monthly reports are systematically issued to staff advising of these matters

6. A time and attendance report should be included on the agenda of the Management Team Meeting on a quarterly basis. This should include information on the monthly reports unreturned by supervisors.
   - HR Team are committed to provide increased management reporting supports to the Senior Management Team meetings to fulfil its objective as a strategic partner to service delivery units of the organisation.
   - A suite of Data Analytic reports is being introduced nationally by the LGMA and KCC have requested early implementation phase

Detailed Findings

Finding	Implication	Recommendation	Management Action Plan
Certified/Uncertified Sick • 129 staff took 404 days uncertified sick leave. • Internal Audit examined a sample of 25 uncertified sick leave records. 7 had not completed a Return to Work form. A further 3 had submitted forms but were not signed by both employee and supervisor. • 4,608 certified sick days in 2018. • A description/narrative is no longer required for sick leave.	• Non adherence with Sick Leave policy.	• Sick leave should only be approved by HR Dept when a completed Return to Work form is received. • Supervisors should be reminded of their responsibility to complete Return to Work form for their staff. • Supervisors should be issued with a monthly exception report when staff have significant CORE infringements. Reasons for infringements should be requested.	• ████████ ████████ only enters sick leave when she receives a return to work form for indoor staff. • HR manager to send reminder letters with copy of time and attendance and sick leave policies. • 4 weekly flexi reports which detail all clockings are issued to all line managers for approval.
Core Infringements • 733 Core Infringements recorded in the 6 month period. • 2 staff members had more than 450 infringements each. Internal Audit accepts that staff may have local work pattern arrangements in their section that results in multiple core infringements.	• Non adherence with Flexi Leave Policy		

Finding	Implication	Recommendation	Management Action Plan
Business Absences • 1,464 occurrences of business absences approved. • A reason for business absence is mandatory when applying. • However, one employee used a "**full stop**" as a reason for 100 business absences. • Another employee used "**business leave"** as a reason for leave for 65 business absences.	• Lack of backup information undermines approval process.	• A reason for a business absence should be included in all applications to ensure supervisors have sufficient information to make a decision on each application.	• Line managers approve all business absences on core. HR manager will send a reminder to line managers to only approve business absences with a valid reason entered.

Toil Leave
• No adopted TOIL policy document.
• Staff keep record of their own TOIL leave.
• TOIL is manually input onto CORE when application approved.
• 144 staff members applied for 783 toil leave requests.
• Over 2,843 hours of toil leave was applied for in 2018.
• A reason was included on 112 of the 783 toil leave approvals, only 48 narratives were inputted.
	• Possible inconsistency in application/approval of TOIL leave in the absence of a policy.
	• Potential abuse of time and attendance system.
	• Lack of backup data undermines approval process.
		• Policy on TOIL should be prepared and adopted to include:
		    ○ Definition of TOIL
		    ○ Application Process
		    ○ Approval Process
		    ○ Recording of TOIL balances.
		
		• Approved TOIL balances should be recorded on CORE system.
			• HR manager to adopt TOIL policy and circulate to all staff.
			
			• Staff keep their own record of TOIL. Line managers approval is required for HR to update core with TOIL. HR currently enter a narrative when entering all TOIL approved.

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Finding	Implication	Recommendation	Management Action Plan
Clocking Locations • Over 1000 clockings in six month period by staff in locations other than their base. • Some area office staff with over 30 clockings each in Co. Hall/Johns Green/Mach Yard. • Internal audit accepts that these could be related to business practices or work patterns.	• Potential abuse of time and attendance system.	• Supervisors should be issued with a monthly report when their staff have regularly clocked at a location other than their work base. • Supervisors should confirm if they are satisfied that the clocking locations were requirements in line with the duties for each of the employees.	• Need to document agreed arrangements regarding clocking locations. • Suite of HR data analytics reports to be made available so clock exceptions report can be carried out.
Missed Clockings • Internal Audit requested a report from HR Dept. on staff missed clockings. HR Dept. confirmed that report is not available on current version of CORE system. System is to be updated later in year and report will be available on updated version.	• Lack of supervision. • Potential abuse of time and attendance system.	• HR Dept. should request the CORE system providers to supply a suite of reports required to monitor time and attendance including Missed Clockings. • Supervisors should be issued with a monthly exception report when staff have a significant number of missed clockings. Reasons for infringements should be requested.	• Suite of HR data analytics reports to be made available so clock exceptions report can be carried out.

Finding	Implication	Recommendation	Management Action Plan
Negative Flexi Balances • There are 25 employees with over 50 hours flexi negative. Many of these staff have retired or left the council but remain on CORE. There are also exiting staff with excessive flexi negative hours. These hours are rolling from month to month. • Higher grade staff are not included in the councils flexi	• Lack of clarity. • Misrepresentation of data on CORE system.	• An exercise should be carried out to remove staff from the CORE time and attendance system that are no longer in employees of Kilkenny County Council. • Similarly, staff who are not required to clock should be removed from the system. • CORE system should be updated when staff exit the organization.	• HR are currently removing staff that have left and staff not on flexi time. • 4 weekly report done on staff with opening and closing negatives, appropriate action taken i.e. annual leave deducted if required.
Unexplained Absences • 218 employees had accumulated 17,790 unexplained absences. However approximately only 86 are currently in the employment of KCC, the remainder being made up of retired staff, gateway and temp contracts. • Some staff such as temporary firefighters are included on CORE. They do not clock in/out on CORE so accumulate unexplained absences every day.			• BI reports should be refined to active staff. • HR to remove staff who do not clock from maintain clockings on core.

Finding	Implication	Recommendation	Management Action Plan
Monthly Flexi Reports • Monthly flexi reports are issued to supervisors which include staff clocking, flexi balances and core infringements. • Supervisors sign these reports to confirm that they are satisfied with the data. • However, reports are not being returned by all supervisors. In some months less than 50% of forms are returned. • In some months in 2018, due to staff resources, there were no monthly flexi reports issued to supervisors.	• Lack of management and supervision. • Potential abuse of time and attendance system.	• Supervisors should be reminded that it is their responsibility to manage their staff time and attendance. • A time and attendance report should be included on the agenda of the Management Team Meeting on a quarterly basis. This should include information on the monthly reports unreturned by supervisors.	• This is currently at approx. 30% not returned. • Head of HR to inform all line managers of their obligations to check reports, ensure all clocking issues are resolved and return signed report to HR on a timely basis.