



CITY OF WILMINGTON

Sick Leave

Internal Audit Review

September 22, 2020

City Auditor's Office

Terence J. Williams
City Auditor
(302) 576-2165

Highlights

Why We Did This Audit

The Internal Audit Department (IA) performed a scheduled audit of the City's Sick Use Policy. The audit was in accordance with the 2020 Internal Audit Plan.

Methodology

The objectives were met by interviewing management and staff, reviewing existing policies/procedures for sick leave and union contracts, as well as performing detailed analysis on randomly selected City employees' sick time usage and conducting a risk analysis for sick time.

Audit Review Committee:

Ronald Pinkett, Chair

Ciro Adams
Marchelle Basnight
Angelique Dennis
Bud Freel
Tanya Washington

Objective and Scope

Internal Audit (IA) conducted a Performance Audit of the City's Sick Use Policy. The audit objective was to assess the overall efficiency and effectiveness of the City's Human Resources (HR) Sick Use Policy. In addition, to reviewing a sample of employees' sick time usage to ascertain if sick usage was in compliance with the sick use policy. The scope of the audit includes examining sick usage activity during the period of September 1, 2019 to December 31, 2019. IA believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We conducted our audit in accordance with Generally Accepted Government Auditing Standards ("GAGAS"). These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The City provides paid combined leave (sick and family leave) to its ¹regular employees as a benefit. Per the City Code paid combined leave shall be earned by all regular employees from the commencement of regular employment but may not be used or paid until an employee has completed three months of continuous regular employment. Eligible employees shall earn paid combined leave at the rate of one day for each calendar month of continuous service, provided that the employee has worked and/or been on paid vacation and/or combined leave for at least 13 working days of the month. The leave shall be credited on the 13th working day of each month and may be accumulated up to a maximum of 240 days.

Employees may use paid combined leave when ill, injured, or to keep a doctor's or dentist's appointment. Employees may also use sick leave to care for an immediate and/or dependent or to take a spouse or domestic partner for medical treatment.

Effective September 01, 2019 the City implemented a new policy known as Policy 208.1-Tardiness and Attendance. This policy was created to promote the efficient operation of the departments of the City to minimize tardiness, unapproved and unscheduled absences while acting as a mechanism to hold employees accountable for not adhering to sick leave policies.

September 2020 (Project# 18-10)

¹ City Code Sec. 40-6 Definitions

IA randomly selected 10% of regular employees to conduct a detailed analysis of sick time usage. Each of the randomly selected employees were first evaluated to determine if any sick time was taken during the time period of September 1, 2019 through December 31, 2019; excluding employees on FMLA and any other applicable leaves. Employees were tested on seven evaluating sick abuse points specified in the HR 208.1-Tardiness and Attendance Policy. Below are the seven evaluating points:

- Repeatedly on any one specific day(s) of the week and/or occurring over an extended period of time in a reoccurring pattern. This may take the form of, but is certainly not limited to absences that repeatedly occur after the accrual of additional sick time;
- Following overtime worked;
- Before or after a holiday, pay day, or weekend
- In such a way to maintain zero/near zero leave balances, or failure to accumulate
- Scheduled during peak work periods or for undesirable temporary or permanent shifts/assignment;
- An absence for which leave has previously been denied; and
- Involving peculiar and/or increasingly improbable excuses

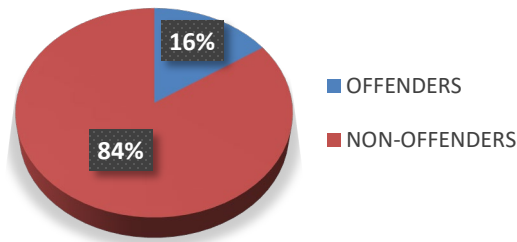
Key Statistics

Types of Sick Abuse Occurrences During Q2FY20	# of occurrences
Repeatedly on any one specific day(s) of the week and/or occurring over an extended period of time in a reoccurring pattern.	1
Following overtime worked	3
Before or after a holiday, pay day, or weekend	8
In such a way to maintain zero/near zero leave balances, or failure to accumulate	3
Scheduled during peak work periods or for undesirable temporary or permanent shifts/assignment	0
An absence for which leave has previously been denied	0
Involving peculiar and/or increasingly improbable excuses	4
Total	16

**Data was derived from KRONOS. The population consisted of 103 regular employees out of 1,025 (10%) that were randomly selected for detailed testing. Sixteen percent of the tested employees had sick abuse occurrences.*

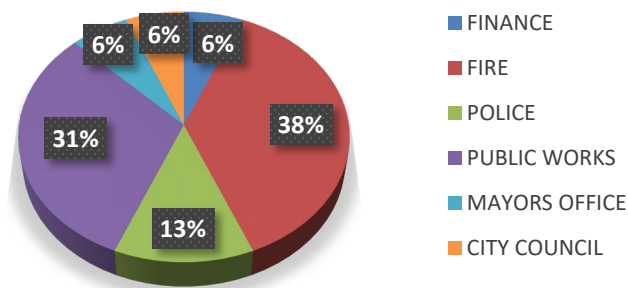
Graph 1: Identified Sick Abuse Employees (103 Randomly Selected)

OVERALL SICK ABUSE



Graph 2: Identified Sick Abuse Employees Per Department by %

SICK TIME ABUSE BY DEPARTMENT



Source: Analysis of regular employee data retrieved from Kronos (time management system)

Analysis Overview

The data shown on the graph indicate that Fire and Public Works combined accounted for 69% of identified sick time abusers. The Fire department had the most abusers; however, further research determined that Public Works had taken the most sick time during one period. The average sick time taken by regular employees was 25.48 hours over a three-month period (based on employees that actually used sick time). Fifty percent of the sick abuse were due to sick time being taken before or after a holiday, pay day, or weekend.

What we found

Key Findings

Following are key issues that resulted in a process/area to be risk rated a three or four. See **Attachment A** for the detail of these and all comments identified during the review.

Risk Ranking:		(See Attachment B for full rating definitions)			
Process / Area	Process / Area Owner	1 Strong Controls	2 Controlled Effectively	3 Controlled - Improvement Required	4 Significant Improvement Required
Record Retention	Charlotte Barnes; Demond Mays				✓
Policy & Procedure	Charlotte Barnes; Tara DiRocco			✓	

Record Retention

1. Lack of controls exists to properly document compliance/noncompliance with sick time usage requirements. No comments exist in Kronos to verify whether sick time taken was scheduled or unscheduled. For example, there was an incident where more than 10 sick days were taken by an employee and there was no record of this being approved FMLA. In addition, no record of disciplinary actions were available in personnel files for city employees identified as abusing sick time usage based on the seven evaluating points listed in the HR Policy 208.1. For instance, time managers were not following protocol for reporting unscheduled sick time, some employees exhausted their sick time resulting in no pay status and no discipline was administered by their managers.

Policy & Procedure

2. Controls need strengthening related to HR Policy 208.1 in order to allow for more adequate tracking and monitoring. Without a tracking mechanism it is difficult to determine whether sick time was scheduled or unscheduled (within 24 hours) in accordance with the discipline protocol outlined in HR Policy 208.1.

Management Responses to Audit Recommendations

Summary of Management Responses

Recommendation #1: HR should revise HR Policy 208.1 and create a new pay code that specifies if sick time is unscheduled. In addition, this could be used as a tool to determine what sick time taken is applicable when administering counseling and promoting corrective action.

Management response & action plan: The employee (Public Works) was off from 11/11/2019 thru 11/27/2019. The Kronos notes state that he was “out of town as a care giver” which indicates that this was scheduled. This is a supervisor/department issue when they allow sick time to be used without referring the employee to HR to inquire about FMLA. Human Resources will remind department heads, managers and supervisors of the requirement that an employee be on approved leave for consecutive absences of nine days or more. While the documents had not yet been included in the respective personnel files, there were 82 discreet disciplinary actions initiated against thirty-two employees across four departments since the inception of this policy in September 2019. The records, were however, promptly entered into a spreadsheet for internal tracking purposes. Going forward, Human Resources will make every effort to ensure documents are filed timely. No pay status is not a sole determinant of abuse or whether disciplinary action is warranted. For example, a short tenured employee (i.e. 1-2 years) eligible for 12 weeks of FMLA will not have accrued sufficient sick leave to cover the leave and as a could be in a no-pay status. In other words, an employee could be on an approved FMLA and part of it could be no pay.

Completion Date: TBD

Recommendation #2: It is best practice for designated time managers to notate each occurrence for future reference. HR Department in collaboration with the software owner and IT department should create system generated alerts for time managers when an employee has exceeded a certain number of consecutive sick days in the timekeeping system. Department heads should also ensure that time managers are adhering to policy and following protocols listed in the HR policy with regards to sick usage. HR Department should create a quick reference guide. specifying different types of leave and purpose of each.

Management response & action plan: Although not required by the policy, Human Resources believes there is value and supports the recommendation that time-keeping editors should include comments in KRONOS for unscheduled absences, as it can assist managers and supervisors with data tracking for disciplinary purposes. Alternatively, time managers could utilize separate codes to differentiate the two. Tracking and monitoring of the tardiness and attendance patterns of employees is a function of the respective managers and supervisors in each department. Currently existing in KRONOS are pay codes for unapproved absences (310 – Sick Unexcused, 311 – Family Sick Unexcused and 315 – Sick No Pay Unexcused). Upon completion of the KRONOS upgrade currently planned for Fall 2020, Human Resources can provide training to managers and supervisors on the appropriate use of the pay codes to facilitate improved monitor and tracking of attendance.

Completion Date: TBD

Audit Team

MaDonna Woodson, Senior Auditor
Tamara Thompson, Audit Manager