KPMG

INTERNAL AUDIT SERVICES

Department of Justice

Internal Audit – Absence Management

July 2010

ADVISORY

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Because of the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to internal audit operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to the effectiveness of the greater internal control structure. An internal audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the Department of Justice's management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the Department of Justice.

This report has been prepared as outlined in the Scope Section (Appendix 1). The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently, no opinion or conclusions intended to convey assurance have been expressed.

The internal audit findings expressed in this report have been formed on the above basis.

Third party reliance

This report is solely for the purpose set out in Appendix 1 ("Scope" section) of this report and for the Department of Justice's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

This internal audit report has been prepared at the request of the Department of Justice's Internal Audit and Risk Management Committee ('Audit Committee') or its delegate in connection with our engagement to perform internal audit services as detailed in the engagement contract, dated 19 February 2010. Other than our responsibility to the Audit Committee and Management of the Department of Justice, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the Department of Justice's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

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Introduction

Summary of objective and scope

An internal audit of the Department of Justice's (the Department) absence management processes was performed in March 2010. This internal audit was identified in the Department's 2009/10 Internal Audit Plan, as approved by the Internal Audit and Risk Management Committee (Audit Committee) in February 2010.

The overall objective of this internal audit project was to consider the controls over absence management within the Department and benchmark the processes, policies and performance (personal leave data) against other state jurisdictions in the Justice/Correctional Services Sector.

The specific objectives, scope and approach of the internal audit, as detailed in Appendix 1 to this report, has been agreed and approved by the Director Finance with input from other relevant Departmental Management.

Structure of this report

This report includes the following sections:

- Executive summary, which provides an assessment of performance and a brief overview of the findings and recommendations and the implications of these to the Department.
- Section 1: Background, which provides an overview of personal leave trends across the Department and also the benchmark comparisons in respect to leave trends for other national state-owned Justice/Correctional Services Sector participants.
- Section 2: Summary of findings, which provides a summary of the key findings noted in the conduct of this project.
- Section 3: Commentary and analysis – policy framework design and application, which provides a summary of our observations in respect to the current policy framework applied to personal leave and compliance with this across the Department and within Prison Services, including discussion on areas of potential areas for improvement.
- Section 4: Benchmarking of the Department's policies, which provides an overview of our findings in respect to comparing the Department's personal leave policies and procedures against other relevant national state-owned Justice/Correctional Services Sector participants.
- Appendices: Supporting Appendices providing more detailed information as considered necessary to be read in conjunction with the report.

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Executive Summary

The initial statistics obtained as part of this project on personal leave taken indicate that there appears to be an unusually high level of personal leave taken within the Prison Services Output Group. Over 48% of the total personal leave taken for the Department (between 2007 and 2009) was taken by Prison Services. Furthermore, Prison Services comprise 99% of the total Department's overtime for the same two year period, with 40% of this overtime being due to replacement of staff on personal leave. This level of personal leave is extremely costly for the Department and unsustainable, particularly in an environment of close monitoring of State expenditure. The potential abuse of staff entitlements was recently identified as a key risk in the Department's recently conducted strategic risk profile. As a result of this, Prison Services became the main focus for this internal audit project, however we note that the findings from this report should be considered for broader application across the Department.

A key part of this project was to also benchmark Tasmanian personal leave statistics with that of other state correctional services jurisdictions. Generally it was found that Tasmania:

- had a higher level of sick leave compared to the other states that provided information with an average of 118.79 hours per FTE per annum, which was 12.2% higher than the next highest state at 105.92 hours.
- had a level of overtime per FTE per annum (212.25 hours) broadly similar to XXX (220.95 hours) but much higher than XXX (117.23 hours).

Having regard to the project objectives, the following is also noted from those procedures undertaken as part of this project:

Appropriateness of and compliance with the current policy framework

Whilst there were some strengths identified in the Department's current policy framework for absence management (which was only recently revised for Prison Services in September 2009), there were a number of opportunities for improving the strength of this framework and compliance with the framework to help the Department meet its objectives around absence management.

In general, our discussions with staff from Prison Services acknowledged that there is an issue with excessive taking of personal leave and a view from staff that this was currently being abused by some prison staff. This issue appears to be culturally embedded as acceptable to staff which is contributed by historical practice, isolated acceptance by management over time and a lack of confidence in being protected under the available 'whistleblowing' avenues available.

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Whilst a number of comments from staff confirmed the issues, these were in a lot of cases unable to be physically verified either as a result of insufficient audit trails to prove the allegations or the time required to further investigate these matters. Notwithstanding this, there is sufficient evidence to suggest that the Department should investigate further some of these matters raised, and these are reflected in our recommendations in the balance of this report.

In summary, the improvement opportunities raised in this report included strengthening processes around: Proactive monitoring and acting on unusual personal leave trends; Receipt/use of medical certificates; Clarity of policies; Rostering practices; and Support resources.

Benchmarking of Department's policies

The process of comparing the Department's absence management policies to other government justice sector participants, indicated that the Department are broadly in alignment with the practices of other industry participants, with some areas of inconsistency noted. These areas of inconsistency include:

- Number of sick leave days entitlements and sick leave accumulation – generally other states have a fixed number of days for each year of service that accumulates, whereas in Tasmania it is a set amount that refreshes every three years and does not accumulate. Generally the amount per year of service is higher in Tasmania compared to that offered by other states each year. For example an employee with six years service in Tasmania has the ability to use up to 152 days of sick leave (or an average of 25 days per year of service), whereas other states vary from an allowance of 12-18 days per year of service. Naturally, Tasmania has the potential upside of unused balances being refreshed each three years, however the other risk with this is that staff have a mentality of 'use it or lose it' which is undesirable in terms of cost management. In raising this matter, it is acknowledged that the sick leave days entitlement is an award based entitlement that is broadly outside the control of the Department.
- Overtime rates – Tasmania pay double time for all overtime whereas other states offer a lower rate (1.5 times) up to three hours with XXX offering 2.5 times over three hours.

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Section 1: Background

1.1 Introduction

Prior to considering and discussing the appropriateness of the Department's policies and procedures in respect to personal leave, it is important to firstly gain an understanding of the trends in personal leave taken across the different Output Groups within the Department as well as comparing these trends to other national state-owned Justice/Correctional Services Sector participants. Accordingly, this section outlines relevant background information obtained in this regard that were relevant in determining the approach for the balance of this Internal Audit Project.

1.2 Approach

This background information was obtained through:

- Summary and review of the Department's personal leave and overtime raw data for the period 1 July 2007 to 3 July 2009.
- Obtaining other key personal leave data from other State justice jurisdictions.

1.3 Department personal leave and overtime trends

Personal leave

In order to obtain an understanding of whether personal leave (included sick leave and carers but excludes recreation leave) was a systemic issue across the Department or just in particular areas, data was obtained on the personal leave taken between 1 July 2007 and 3 July 2009. Personal leave includes sick leave and carers leave.

The data collected was obtained from the Department's HR Systems and showed that over this two year period, 147,751 hours of personal leave was taken across 1,068 full time equivalent (FTE) staff, an average of 138.4 hours per FTE or 69.2 hours per annum.

A split of this data by organisation level, showed that:

- 48% of the personal leave taken was from Tasmania Prison Service, whilst the FTE's only comprised 27.9% of the total Department FTE's
- 16% of the personal leave taken was from Administration of Justice, however the FTE's comprise 20.4% of the total Department FTE's
- 36% of the personal leave taken was from other areas, with the FTE's from these areas comprising 51.3% of the total Department FTE's.

This data is summarised in the table 1A below, with the full data provided in Appendix 4.

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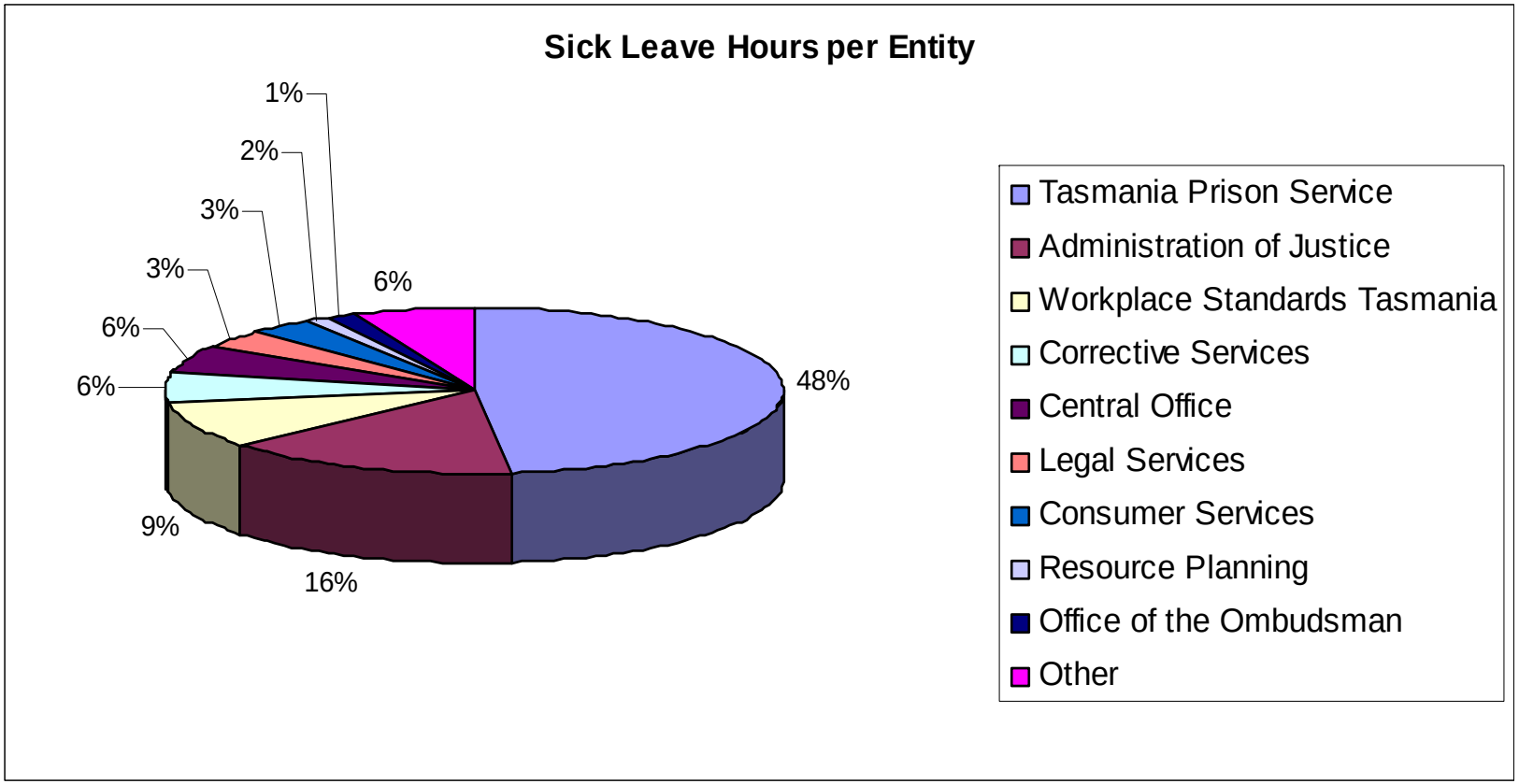
Table 1A – Summary of personal leave hours per entity



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Overtime

In order to obtain an understanding of whether personal leave correlated with overtime taken in each area, data was obtained on the overtime taken between 1 July 2007 and 3 July 2009 (the same period that the personal leave was measured). The total overtime cost to the Department was $7.24m.

A split of this data by organisation level, showed that:

- 99% of the overtime was from Tasmania Prison Service or $7.2m. This however, is not unusual given that the Prison is a 24 hour/7 day operation that requires a minimum level of staff to be fully operational.
- The total overtime taken by the Tasmania Prison Service comprised 126,441 hours compared to 70,798 personal leave hours
- Other data showed that the reasons for overtime comprised 40% personal leave replacement, 24% post not covered and 14% absence due to workers compensation.

Accordingly, this data indicates a high level of correlation between the personal leave taken and overtime requirements for the Tasmania Prison Service. In raising this observation, it is acknowledged that the Tasmania Prison Service are required to meet minimum staffing levels to man the prisons and have no option to not replace a staff member taking personal leave. Notwithstanding this, the data illustrates the impact the personal leave is having on the Tasmania Prison Service and highlights the importance of addressing one of the drivers for the overtime, being the personal leave. This is further supported by data obtained on the reasons for personal leave, as set out in Table 1 C below, that shows that 40% of total overtime is as a result of replacing staff on personal leave. Refer also to appendix 7 for the full data on reasons for overtime. This data is summarised in the table 1A below, with the full data provided in Appendix 4.

NOTE: The data was unable at the time of our visit to be split between uniform staff and non-uniform staff. It is recommended that the Department interrogate the available date to obtain this split to see whether any further trends are identified.

Table 1B – Summary of overtime hours per entity

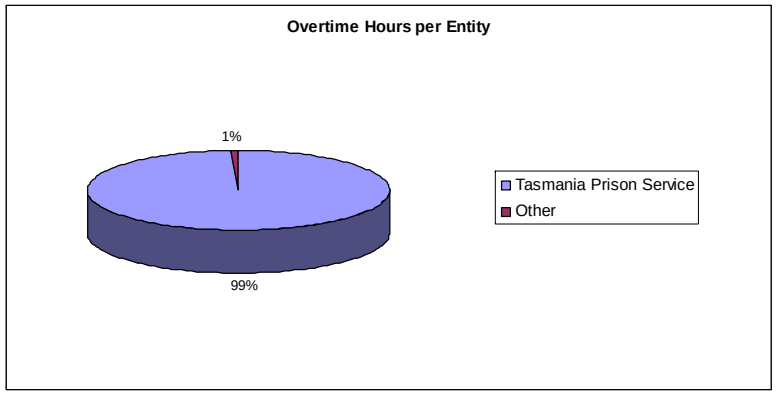

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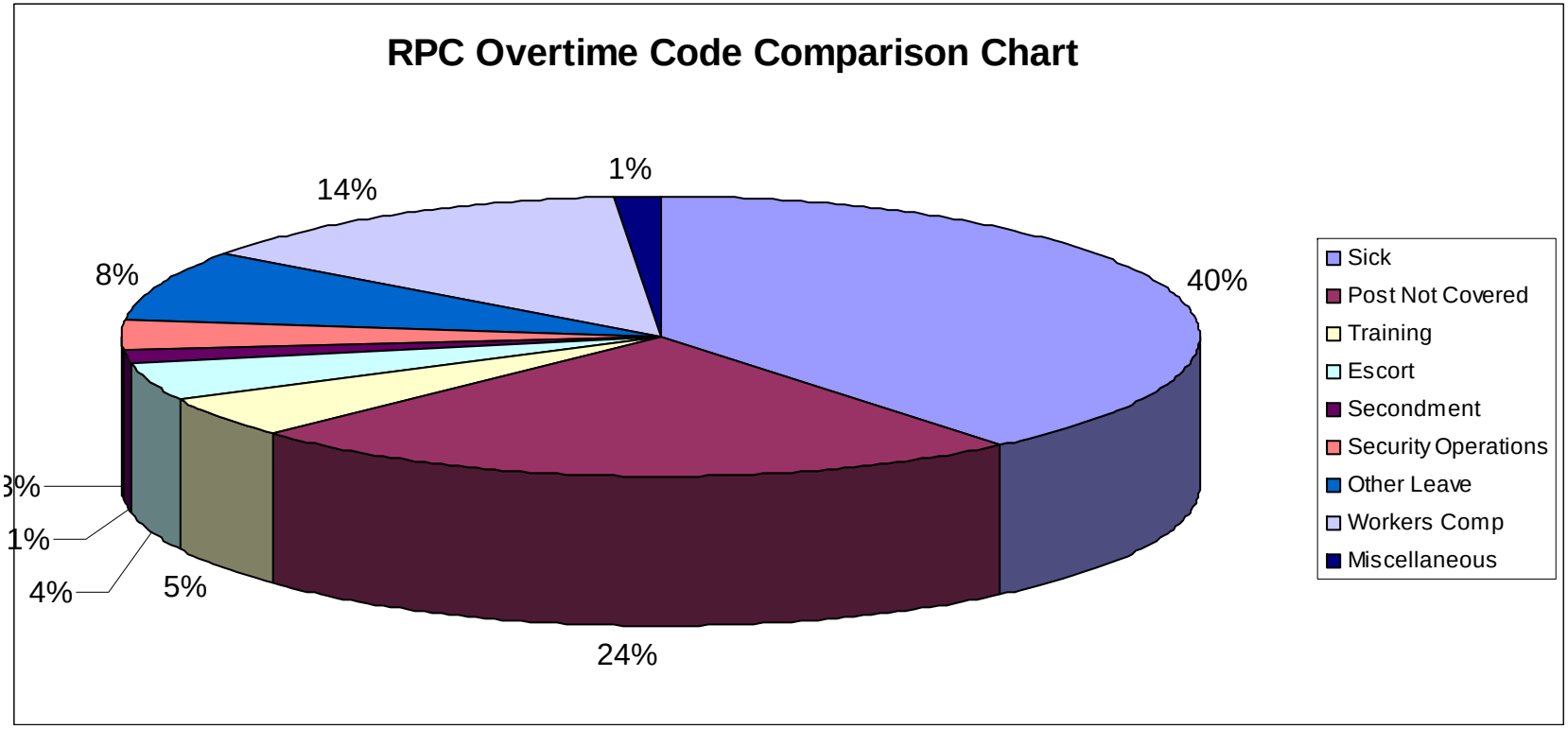
Table 1C – Summary of reasons for overtime



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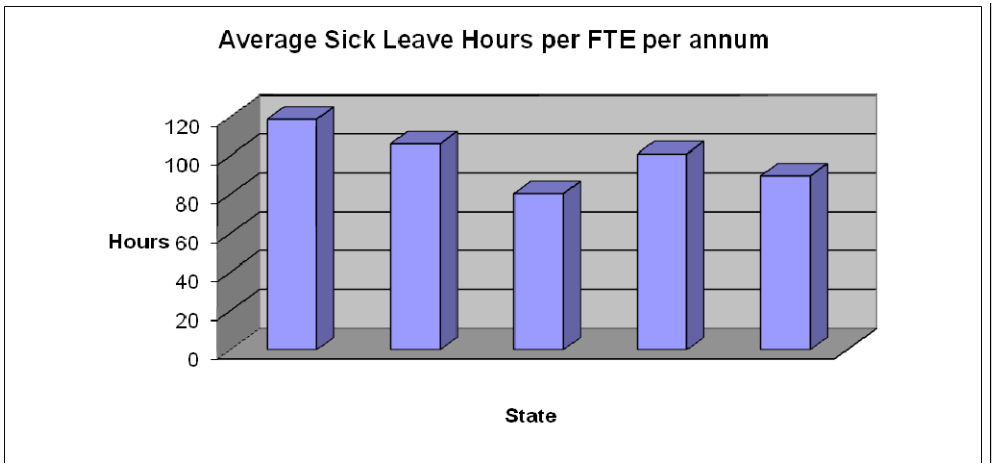
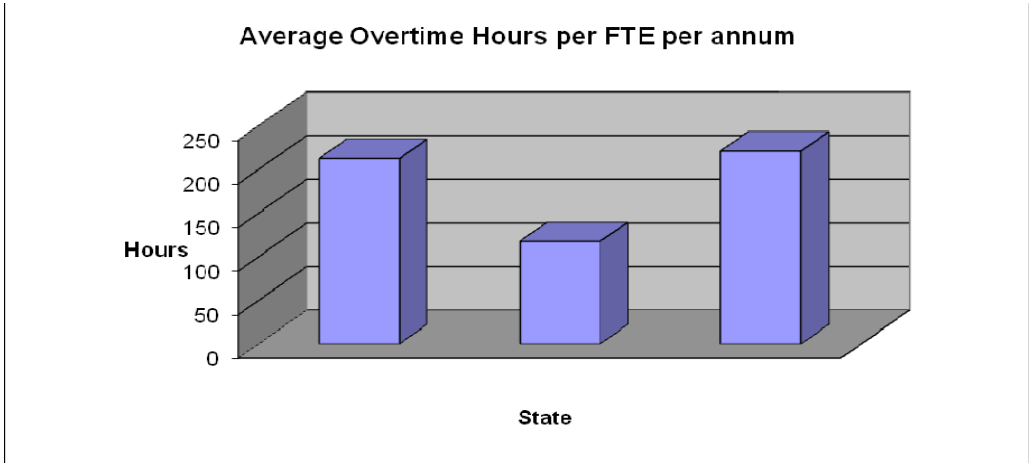
1.4 National personal leave trends

In order to assess whether the personal leave trends within the Department were different or similar to other states, data was obtained on the personal leave from other state justice jurisdictions. Generally, the data available indicated that:

- Tasmania had a higher level of sick leave compared to the other states that provided information with an average of 118.79 hours per FTE per annum, which was 12.2% higher than the next highest state at 105.92 hours.
- Tasmania had a level of overtime per FTE per annum (212.25 hours) broadly similar to XXX (220.95 hours) but much higher than XXX (117.23 hours).

Table 1D below illustrates the findings of available information from other state jurisdictions in prison/correctional services. In presenting this data, we note that we have not sought to verify the accuracy of this data. The full data is provided in Appendix 7.





1.5 Impact of leave trends on this Internal Audit project

It was resolved that given the diverse nature and size of the Department and the available internal audit resources for this project, that the project could not provide coverage over the whole of Department. Accordingly, having regard to the data shown above, it was resolved that the focus of this project would be on consideration of policies, procedures and benchmarking in respect of Tasmania Prison Service, rather than a whole of Department focus. Naturally, the findings arising from the focus on the Tasmania Prison Service can be assessed for relevance for the whole of Department and as necessary improvement opportunities noted can be applied throughout the Department. The broader application however needs to have regard to the nature of the operations, and acknowledge the differences between the Tasmanian Prison Service and the other Output Groups.

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Section 2: Summary of findings

Assessment of performance

Having regard to those issues raised in this report and the general conduct of the engagement, we have provided an overall assessment in terms of the significance of findings and management responses.

This is designed to provide some overall feedback in relation to the internal audit visit and importantly the resulting findings are not to be read as an evaluation of the internal controls of the Department. Further explanation of these two categories and how they have been assessed, is provided in Appendix 2 of this report.

In relation to each category, we have exercised judgement in determining our overall rating, and have applied a five tier rating scale where 5 = Optimal, 4 = Good, 3 = Average, 2 = Needs Improvement and 1 = Unsatisfactory.

Our assessment for the Absence Management engagement is as follows:

Category	Assessment
Significance of findings	2
Management responses	4

We make the following comments in respect to the ratings:

- The significance of findings has been rated as needing improvement. Six issues have been identified, four of which have a major rating, one as moderate and one as low. In arriving at this rating, it is acknowledged that Department Management have acknowledged that there is a problem and have already revised the policies at Prison Services to address the problem and tried to engage the staff and Unions on this matter.

- Management responses have been rated as Good. It is appreciated that some of the recommendations will take some time and face some challenges where the impact will impact staff and hence introduce some Union involvement in Tasmania Prison Service. Other comments appropriately address the risks highlighted by the findings and management have accepted the risk identified on a few occasions.

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Summary of internal audit findings and recommendations

The following is a summary of the key findings from this project that have been noted from the detailed considerations in sections 3, 4 and 5 of this report. The findings included in this report are presented on an exception basis, however sections 3,4 and 5 provide more detailed commentary on the policies and procedures applied within the Department. Detailed commentary in respect to each matter identified is also presented in the body of the report (sections 3, 4 and 5).

The findings identified during the course of this internal audit have been prioritised in accordance with the assessed risk exposure. The basis for these ratings are detailed in Appendix 3 to this report. The intention of these assessments is to assist the Department in prioritising internal audit findings, based on the effect that the control weakness identified or non-compliance issue may have on the process objectives.

Prior to determining whether or not the recommendations included in our report should be implemented, we appreciate that consideration will need to be given to cost / benefit issues. This task should be performed by the Department.

These findings and recommendations were discussed with Management responsible for the operations of the processes subject to consideration.

Ref #	Description of internal audit findings and recommendations	Finding Classification
3.1	**Monitoring of excessive personal leave**: The current approach to identify staff members that need closer monitoring, or require further investigation into their personal leave taken was considered to be not sufficiently systematic or robust. We recommend that the Department consider: • designing appropriate reporting for relevant managers to review personal leave taken in the period (rolling two year period). • HR following up managers on a periodic basis, those staff with excessive and prolonged personal leave taken to ensure the relevant manager has taken or planned to take appropriate action.	**Major**
3.2	**Medical certificates:** We noted that The Department's policies on use of medical certificates could be strengthened. We recommend that the Department consider updating their policy to include a requirement : • That is consistent with current practice that provides for medical certificates to be provided within one week of the staff member returning to work after a period of personal leave that requires a medical certificate. Further that the Department consider applying earlier, other sanctions where non-compliance continues such as withholding pay or ability to work overtime. • For staff subject to the sick leave to consult with Doctors approved by the Department (the cost of which is met by the Department), specifically after situations of excessive or prolonged periods of personal leave taken.	**Moderate**

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Ref #	Description of internal audit findings and recommendations	Finding Classification
3.3	**Proactive monitoring and management of leave:** There were a number of improvement opportunities noted in respect to the processes for proactively monitoring and managing personal leave. We recommend that the Department consider: • Requiring their managers to consult with staff after a pre-determined period of extended personal leave (say > 5 days) to discuss their health, fitness and readiness for normal duties and other areas as deemed relevant. This consultation should be documented and retained on the staff's personnel file as record of the consultation. • Implementing a process where staff taking carers leave must consult with a Manager at the time of the leave to ensure the correct interpretation is made. • Include more detailed guidance on common triggers around excessive leave that would ordinarily require more formal proceedings to be executed by line management. • Implementing a detective control within HR that seeks to identify non-compliance with the policy for working of overtime after a period of recent personal leave taken. • Continue proactive meetings between HR and the other prison areas to discuss personal leave issues and strategies to address. Also that the focus of these meetings focus on a broader cross-section of offenders for unusual leave patterns rather than the top ten. • Requiring staff calling in to advise they are taking personal leave to speak directly to their supervisor and manager to validate the correct leave type and to ensure leave patterns are monitored in real time. • Investigating the cost/benefits of an activated calling system to handle staff replacements and personal leave communication, similar to that implemented in XXX.	**Major**
3.4	**Understanding and clarity of policies**: We noted inconsistencies in the understanding of staff in respect to whether or not (as well as the preferred format) leave forms are required to be submitted to HR for employee absences. We recommend that the Department consider providing further education and awareness on the policies and guidelines on the requirement for and format of leave forms to be completed.	**Minor**
3.5	**Rostering practices:** We noted a number of issues regarding the current rostering practices including short periods of work between rostered days off and allegations of favouritism for allocation of overtime. We support the Department's engagement of a specialist to review the current rostering systems. Further, we recommend that the Department consider: • Investigating further staff's concerns over favouritism for allocation of overtime. • Segregating the overtime allocation to a staff member independent of the day-to-day prison operating functions.	**Major**

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Ref #	Description of internal audit findings and recommendations	Finding Classification
3.6	**Support resources:** We noted issues in regards to current access to counselling, delays in processing of sick leave by HR and an unwillingness to 'whistleblow' due to a perception of not receiving adequate protection. We recommend that the Department consider: • Increasing communication and awareness of the employee assistance program and the benefits it offers, including the availability of female counsellors. • Consider looking at alternative ways to processing leave on a timely basis, including as a matter of priority, real time processing by Prison Management through an extension of the proposed Employee Self Service (ESS). • Increasing communication and awareness of the whistleblower protection processes to all staff.	**Major**

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Section 3: Commentary and analysis – policy framework design and application

3.1 Introduction

As outlined above in section1 'Background', the focus of this project was narrowed down to Tasmania Prison Service due to the data obtained between 2007 and 2009. Accordingly, this section provides commentary and analysis of the current policy framework applied at the Tasmania Prison Service Output Group in respect to absence management. This section also provides commentary and analysis over compliance with this current policy framework.

3.2 Approach

This phase of the project was conducted through:

- Discussions with managerial staff from the maximum security prison, medium security prison, Hobart reception prison, Ron Barwick minimum security prison and Mary Hutchins women's prison at the Risdon Prison complex.
- Consideration of the Tasmania Prison Service's documented Absence management guidelines.
- Consideration of the Tasmanian Department of Justice's personal leave policy.
- Consideration of the Personal Leave policy within the State Service's Award for State Government employees.
- Compliance testing of employees required to submit doctors certificates to determine if personal leave paid had been substantiated.
- Compliance testing of employees with high sick leave balances to determine if management plans had been implemented.

The sections below outline our observations and also areas for improvement.

3.3 The Department's Policy Framework

The current framework for absence management within the Department is contained within a range of different policies and other areas including the Department of Justice Personal Leave Policy and the Personal Leave policy within the State Service's Award for State Government employees. In addition to this, the Tasmania Prison Service (TPS) also has documented Absence Management guidelines. The TPS guidelines were recently reviewed and updated which took effect from September 2009. This review and update was primarily as a result of the Department's concern over levels of personal leave being taken within TPS.

Having considered the existing framework within the Department and more specifically TPS, there were a number of strengths and improvement opportunities noted and these are outlined below.

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Strengths

- Policies are in place and are subject to regular review on an annual basis.
- The current policy document provides structured guidance on the required steps in dealing with staff with excessive personal leave.
- Informal discussions incorporated into the policy as a first step assist in providing either a timely solution to systemic personal leave or identifying potential underlying issues to why the sick leave was taken in order to formulate a strategy for addressing and supporting the employee over time.
- Doctors certificates are required for personal leave with certain characteristics.
- Human Resources have been able to capture a high level of sick leave through the implementation of the daily book.
- Staff counsellors are available to managerial staff as required.

Improvement opportunities

- A systemic approach is not currently in place at Tasmania Prison Service to identify staff members that need closer monitoring, or require further investigation into their personal leave taken. **Improvement opportunity 3.1**
- Staff are not currently required to provide a medical certificate where personal leave has the effect of extending a period of existing leave, eg, where personal leave follows or precedes a period of annual leave, a weekend, a public holiday or rostered days off. This however is part of the staff Award and is therefore not controllable by the Department.
- The current policy does not provide sufficient guidance on the timeframe required for an employee to submit a medical certificate and managements responsibility in policing this deadline. **Improvement opportunity 3.2**
- The current policy does not require staff to consult with a Department approved Doctor. **Improvement opportunity 3.2**
- Staff returning from a period of leave are not currently required to be consulted by the employee's manager to ensure they are fit for work and to seek to identify potential underlying issues that will impact on the employees attendance at work in the future. **Improvement opportunity 3.3**
- The policy framework does not currently include any reward systems for staff who consistently have higher attendance records. Financial rewards are however not possible under current State employment legislation.
- The current absence management guidelines do not provide sufficient guidance on when formal proceedings need to be implemented for an employee. **Improvement opportunity 3.3**

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3.4 Application of the Department's Policy Framework

During this Internal Audit project, a number of observations were noted through discussions with staff at TPS and other specific compliance testing in respect to the application of the current framework for absence management within TPS. Having considered this, there were a number of strengths and improvement opportunities noted and these are outlined below.

Strengths

- All staff interviewed were knowledgeable about the Absence management guidance available and had felt that it had been helpful in addressing this issue. Further, these staff were broadly noted as being actively implementing the strategies recommended.
- Managerial staff were aware of the availability of the staff counsellor and that the counsellors may be used to help address staff taking inappropriate personal leave.
- Prison management have developed good relations with HR staff who have provided advice and support when requested.
- HR have taken an active involvement in monitoring staff taking high levels of sick leave by attending weekly meetings with prison managers.
- There have been several employees who have taken high levels of personal leave and that have been exposed to the new systems and processes (per the revised policy) which has included individual management plans being developed. We understand that this has generally had a positive impact by reducing sick leave hours for those specific offenders where a plan has been introduced

Improvement opportunities

- Managers do not appear to be routinely obtaining reasons for why staff have taken personal leave in order to identify and act on potentially greater underlying issues. **Improvement opportunity 3.3**
- Staff who are required to provide a medical certificate due to personal leave taken are not currently being followed up by management. **Improvement opportunity 3.2**
- Current procedures for staff taking carers leave (ie advice by phone call or after leave is taken), do not allow Managers to proactively ensure staff are appropriately applying the guidelines for carers leave and accordingly are not incorporated into existing policies. **Improvement opportunity 3.3**
- It was identified that there were inconsistencies in the understanding of staff in respect to whether or not (as well as the preferred format) leave forms are required to be submitted to HR for employee absences. **Improvement opportunity 3.4**
- There is currently no monitoring of rosters to prevent a staff member from working an overtime shift after a period of personal leave, without first working a rostered shift. **Improvement opportunity 3.3**
- Rosters are currently structured so that staff often have a short periods of working (ie two days) in between rostered days off, which increases the attractiveness and risk of staff taking the rostered days as personal leave to ensure an extended period off work. The Department have however engaged a maths specialist to look at improving the current rostering systems. **Improvement opportunity 3.5**

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- Weekly meetings between HR and prison management to identify and address specific staff taking inappropriate leave are currently only restricted to the Maximum, Medium and Operation divisions at the Risdon Prison, rather than encompassing all prison divisions. Further, current meetings focus on the top ten key offenders, rather than a broader cross-section of staff with unusual personal leave patterns. **Improvement opportunity 3.3**

3.5 Other observations on the Department's Policy Framework and application

The following other observations were made through our discussions with staff at TPS. In noting these observations, we have not sought to verify the accuracy of these comments, however we feel that these are still relevant to this Internal Audit project.

- Managerial staff were generally aware of and accepted that an issue currently exists with the amount of personal leave taken and possible abuse of the leave entitlements.
- We were advised of instances where staff members seeking an overtime shift were given priority due to their personal relationship with the supervising officer. We noted that there were currently insufficient controls to prevent this event from occurring or the maintenance of a clear and transparent audit trail on the selection of staff to replace those on personal leave. **Improvement opportunity 3.5**
- We were advised that a number of the higher personal leave takers were receiving medical certificates from the same doctor. It was further alleged that a particular Doctor was well known for issuing Doctor's certificates easily and perhaps inappropriately. **Improvement opportunity 3.2**
- Several staff noted that they do not feel comfortable consulting with the current Department of Justice counsellor. Furthermore, staff were not aware that they have access to a female counsellor under the Employee Assistance Program (EAP) and that some female staff would prefer to confide in and consult with a female counsellor. **Improvement opportunity 3.6**
- At the time of our visit it was noted that Human Resources (within the Department of Justice) are currently behind in processing of sick leave with outstanding leave processing dating back as far as six months old. On further investigation, it was noted that this delay was primarily due to insufficient resources to effectively process the Prison's sick leave on a timely basis as well as HR awaiting outstanding items such as leave forms or medical certificates. **Improvement opportunity 3.6**
- Staff are currently able to ring through to the Prison master controller, rather than their direct supervisor or manager when advising that they will not be present at work due to personal leave. This restricts the ability of management to appropriately check the validity of the leave type taken at the time it is advised and also restricts the direct supervisors ability to keep abreast of absences on a real-time basis. **Improvement opportunity 3.6**
- It was noted that whilst people were aware of the whistleblower protection mechanisms within the Department, a number of staff noted that they would not feel comfortable in using it due to their opinion that they will not receive adequate protection. This was a result of staff confusing the whistleblower policy with the grievance process. **Improvement opportunity 3.6**
- Discussions with Management noted that some analysis has already been performed on leave patterns. As a result of this analysis, we understand that there have been several examples of leave patters that look highly unusual. For example, review of the Department's analysis noted one employee had a total of 3 months off work which comprised annual leave, sick leave and rostered days off. Further, there were many other examples of where sick leave was adjacent to rostered days off. Whilst we haven't sought to verify or re-perform this analysis, this anecdotal evidence supports the findings of this project report which highlights an issue with use of personal leave at Prison Services. **Improvement opportunity 3.1**

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3.6 Improvement opportunities

Ref #	Issue	Recommendation and Management comment	Rating of finding
3.1	**Monitoring of excessive personal leave** The current approach at Tasmania Prison Service to identify staff members that need closer monitoring, or require further investigation into their personal leave taken is not systematic or robust. Further, there were a number of examples noted from a Departmental review that indicate further investigation of leave practices at Prison Services is warranted. The absence of a robust monitoring process increases the risk of not identifying and rectifying staff with inappropriate use of personal leave and also the ability to appropriately counsel and support staff who are appropriately taking extended personal leave.	*Recommendation:* We recommend that the Department consider: 1 Designing an appropriate report from the HR system which is sent on a periodic (say quarterly) basis to relevant managers, that shows personal leave taken in the period (say rolling two year period). This report should be reviewed by the manager and appropriately notated as to action currently being taken or that is to be taken. This review should be evidenced by signature and date and retained as evidence of the control operating. 2 HR on a periodic basis, following up managers regarding staff with excessive and prolonged personal leave taken to ensure the relevant manager has taken or planned to take appropriate action. *Management Comment:* Agree with both recommendations but suggest the report to be available on the web reporting portal. Documentation to be retained on the Departmental personnel file and disposed of in accordance with relevant Disposal Schedules. *Responsible Officer:* Director HR *Action completion target date:* Implemented by December 2010 with ongoing execution of new procedures.	**Major**

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Ref #	Issue	Recommendation and Management comment	Rating of finding
3.2	**Medical certificates** The Department's policies on use of medical certificates could be strengthened as it currently does not: • Provide sufficient guidance on the timeframe required for an employee to submit a medical certificate and managements responsibility in policing this deadline. • Require staff to consult with a Department approved Doctor. It is also noted that staff are not currently required to provide a medical certificate where personal leave has the effect of extending a period of existing leave. In noting this however, we acknowledge that the requirement for the provision of a medical certificate is specified by the Staff Award and any change to this requirement is broadly outside the control of the Department.	*Recommendation:* We recommend that the Department consider updating their policy to include a requirement: 1 That is consistent with current practice that provides for medical certificates to be provided within one week of the staff member returning to work after a period of personal leave that requires a medical certificate. Further that the Department consider applying earlier, other sanctions where non-compliance continues such as withholding pay or ability to work overtime. 2 For staff subject to the sick leave to consult with Doctors approved by the Department (the cost of which is met by the Department), specifically after situations of excessive or prolonged periods of personal leave taken. *Management Comment:* Both recommendations will require extensive consultation with unions and agreement may not be forthcoming. Previous experience when this has been raised with staff and unions is that such changes would be strenuously resisted and result in significant industrial action. A similar response can be expected this time. *Responsible Officer:* Joint Director of Prisons and Director HR *Action completion target date:* Subject to the negotiation process	**Moderate**

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Ref #	Issue	Recommendation and Management comment	Rating of finding
3.3	**Proactive monitoring and management of leave** The Department's current practices and policies do not: • Include the manager consulting with staff returning from a period of leave to ensure they are fit for work and to seek to identify potential underlying issues that will impact on the employees attendance at work in the future and their (and others) health and safety within the workplace. • Include any reward systems for staff who consistently have higher attendance records, however, note that financial rewards are not currently catered for under State employment related legislation. • Require employees to provide leave forms to allow for a more accurate capture and monitoring of the reasons for personal leave. • Allow Managers to assess whether staff are correctly interpreting the carers leave policy at time the staff member advise of the carers leave being taken. • Provide sufficient guidance on when formal proceedings need to be implemented for an employee. • Incorporate monitoring of rosters to prevent a staff member from working an overtime shift after a period of personal leave, without first working a rostered shift (as required by the policy). Furthermore, it was noted that: • Weekly meetings between HR and prison management to identify and address specific staff taking inappropriate leave are currently only restricted to the Medium Security, Maximum Security and Operations at the Risdon complex,	*Recommendation:* We recommend that the Department consider: 1 Requiring their managers to consult with staff after a pre-determined period of extended personal leave (say > 5 days) to discuss their health, fitness and readiness for normal duties and other areas as deemed relevant. This consultation should be documented and retained on the staff's personnel file as record of the consultation. 2 Implementing a process where staff taking carers leave must consult with a Manager at the time of the leave to ensure the correct interpretation is made. 3 Include more detailed guidance on common triggers around excessive leave that would ordinarily require more formal proceedings to be executed by line management. 4 Implementing a detective control within HR that seeks to identify non-compliance with the policy for working of overtime after a period of recent personal leave taken. 5 Continuing proactive meetings between HR and the other prison areas to discuss personal leave issues and strategies to address. Also that the focus of these meetings focus on a broader cross-section of offenders for unusual leave patterns rather than the top ten. 6 Requiring staff calling in to advise they are taking personal leave to speak directly to their supervisor and manager to validate the correct leave type and to ensure leave patterns are monitored in real time. 7 Investigating the cost/benefits of an activated calling system to handle staff replacements and personal leave communication, similar to that implemented in NSW.	**Major**

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Ref #	Issue	Recommendation and Management comment	Rating of finding
	rather than encompassing all prison divisions. Further, current meetings focus on the top ten key offenders, rather than a broader cross-section of staff with unusual personal leave patterns. • Staff are currently able to ring through to the Prison master controller, rather than their direct supervisor or manager when advising that they will not be present at work due to personal leave. This restricts the ability of management to appropriately check the validity of the leave type taken at the time it is advised and also restricts the direct supervisors ability to keep abreast of absences on a real-time basis.	*Management Comment:* (1) agreed. (2) the information is on the intranet already, further information and guidance will be provided in the newsletter "Key Points". (3) we will review the TPS Absence Management Guidelines to ensure sufficient detail is present but note that not every scenario can or should be described. (4), (5) and (7) The resource costs to implement these recommendations will be substantial and need to be considered further. (6) is agreed and we will investigate further mechanisms for establishing such a process but note that it is not enforceable and the application of sanctions would result in significant industrial action. *Responsible Officer:* Director HR and Director of Prisons singly and jointly as required *Action completion target date:* Subject to resourcing arrangements.	

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Ref #	Issue	Recommendation and Management comment	Rating of finding
3.4	**Understanding and clarity of policies** In respect to the staff's understanding of and clarity in the existing policies, we noted inconsistencies in the understanding of staff in respect to whether or not (as well as the preferred format) leave forms are required to be submitted to HR for employee absences. We understand that the current process does not require a leave form for uniform staff and instead the phone record advising of sick leave is instead used as the record for the leave.	*Recommendation:* We recommend that the Department consider providing further education and awareness on the policies and guidelines on the requirement for and format of leave forms to be completed. *Management Comment:* Considered a matter of education and awareness, some supplementary advice to staff and managers will be provided as needed. *Responsible Officer:* Director HR *Action completion target date:* September 2010	**Minor**

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Ref #	Issue	Recommendation and Management comment	Rating of finding
3.5	**Rostering practices** Whilst acknowledging and appreciating the difficulty in rostering for an operation that runs 24 hours a day, we noted that: • Rosters are currently structured so that staff often have short periods of working (ie two days) in between rostered days off, which increases the attractiveness and risk of staff taking the rostered days as personal leave to ensure an extended period off work. In raising this issue we acknowledge the difficulty in rostering due to the 24/7 nature of the Prison operations, however, note that the Department have recently engaged a maths specialist from the University of Tasmania to review this matter and formulate a better system. This review is expected to be completed by September 2010. • Staff members felt that overtime shifts were often allocated based on the personal relationship with the supervising officer rather than other priority or merit. In raising this, we also note that there are that there are currently insufficient controls to prevent this event from occurring or the maintenance of a clear and transparent audit trail on the selection of staff to replace those on personal leave.	*Recommendation:* We support the Department's engagement of a specialist to review the current rostering systems. Further, we recommend that the Department consider: 1 Investigating further staff's concerns over favouritism for allocation of overtime. 2 Segregating the overtime allocation to a staff member independent of the day-to-day prison operating functions. *Management Comment:* (1) Compliance Unit will undertake such a review. (2) Not agreed to at this time because of the resource cost associated with such a process. In particular it would need to be staffed 24 hours a day 7 days a week indicating a minimum staffing level of 5.0 FTE. *Responsible Officer:* (1) Director of Prisons *Action completion target date:* (1) December 2010	**Major**

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Ref #	Issue	Recommendation and Management comment	Rating of finding
3.6	**Support resources** We noted that: • Several staff indicated that they do not feel comfortable consulting with the current Department of Justice counsellor. Furthermore, we were advised that staff do not currently have access to a female counsellor and that some female staff would prefer to confide in and consult with a female counsellor. On further investigation we noted that access to a female counsellor is available through the employee assistance program. • At the time of our visit it was noted that Human Resources (within the Department of Justice) are currently behind in processing of sick leave due to insufficient resources. • Whilst people were aware of the whistleblower protection mechanisms within the Department, a number of staff confused this with the 'grievance process'. For example a number noted that they would not feel comfortable in using the whistleblower process due to their understanding that they will not receive adequate protection, particularly, given that the person making the complaint was identified to the person whom the complaint is made against. This is consistent with the grievance process, however, is not true in regards to the whistleblower process available to staff on suspicion of fraud and corruption.	*Recommendation:* We recommend that the Department consider: 1 Increasing communication and awareness of the employee assistance program and the benefits it offers, including the availability of female counsellors. 2 Consider looking at alternative ways to processing leave on a timely basis, including as a matter of priority, real time processing by Prison Management through an extension of the proposed Employee Self Service (ESS). 3 Increasing communication and awareness of the whistleblower protection processes to all staff. *Management Comment:* (1) Agreed (2) Agreed (3) This is a role for the Integrity Commission. *Responsible Officer:* (1) and (2) Director HR *Action completion target date:* (1) September 2010 (2) June 2011	**Major**

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Section 4: Benchmarking Department's absence management policy framework

4.1 Introduction

Having now considered the Department's policy framework and compliance for absence management in sections 3 and 4, this section provides commentary and analysis of the current approach applied by the Department compared to other industry participants.

4.2 Approach

This phase of the project was conducted through the request and review of policies and personal leave statistics from other state public sector justice jurisdictions.

In conducting research, particular regard was given to the following elements of absence management:

- Personal leave trends per FTE
- Personal leave entitlements including sick leave and carers leave
- Requirements for medical certificates
- Sanctions and actions in place to manage unusual personal leave trends.

4.3 Alignment of Department's approach to absence management with other market participants

Set out in Appendix 6 is a table outlining the comparisons of the Department to other market participants for the key areas considered around absence management. This analysis indicates that the Department are broadly in alignment with the practices of other industry participants, with some areas of inconsistency noted. These areas of inconsistency have been incorporated into the recommendations in section 3 above and include:

- Number of sick leave days entitlements and sick leave accumulation – generally other states have a fixed number of days for each year of service that accumulates, whereas in Tasmania it is a set amount that refreshes every three years and does not accumulate. Generally the amount per year of service is higher in Tasmania compared to that offered by other states each year. For example an employee with six years service in Tasmania has the ability to use up to 152 days of sick leave (or an average of 25 days per year of service), whereas other states vary from an allowance of 12-18 days per year of service. Naturally, Tasmania has the potential upside of unused balances being refreshed each three years, however the other risk with this is that staff have a mentality of 'use it or lose it' which is undesirable in terms of cost management.
- Overtime rates – Tasmania pay double time for all overtime whereas other states offer a lower rate (1.5 times) up to three hours with XXX offering 2.5 times over three hours.

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Appendix 1 – Objective, scope and approach

Objectives

The overall objective of the internal audit is to consider the effectiveness of key controls as identified with Management and compliance with current policies and procedures relating to absence management processes, and to identify any improvement opportunities.

The internal audit is to document the processes and controls that address the objective of effective management of absences within the Department, including:

- Adequacy of policies and procedures (including State Service specific requirements) in comparison to better practice and where available other state justice and corrections departments.
- Communication and awareness of policies.
- Processes to lodge, record and authorise absences.
- Monitoring, reporting and action taken in response to identification and management of inappropriate absences.

Proposed Approach

The internal audit of the absence management is to be performed using the following approach:

- An initial background data gathering process to be completed by Assistant Director Workplace Relations which would provide data and documented details of relevant key procedures, policies and controls. In addition, we would seek to discuss with management any existing monitoring undertaken over sick leave and have regard to this in targeting our focus and testing for this project.
- Preliminary analysis of whole of Department data relating to absences including history of sick leave balances over the last two years, in order to identify any specific areas with unusually high absences as a percentage of the total employees of that area. Where available, these rates of absences will be compared to other state and private justice and corrections organisations.
- Based on the findings of the data analysis, interviews will be held with key Departmental staff in order to document our understanding of the systems and processes in place in order to identify any control weaknesses and make recommendations for improvement.

  Particular regard will be given to whole of department controls and processes as well as specific area controls and processes for any areas where there is a relatively high incidence of absences from the background data collection phase.

  In addition, where available, regard will be give to the Department's policies and processes compared to other state Justice departments.
- Undertaking limited detailed testing to assess compliance with the relevant policies and procedures and making recommendations for improvement where non-compliance is noted. Particular focus will be given to compliance with controls and processes for any areas where there is a relatively high incidence of absences from the background data collection phase.
- If relevant, undertake some detailed analysis of leave patterns of individual staff where specific areas are noted as having unusually high absences as a percentage of the total employees of that area.

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Additional scope considerations

- In undertaking this engagement, we would note that we have relied upon the information and explanations provided to us by the officers interviewed. While we have undertaken some procedures to validate the accuracy of this information it is not always practical or efficient to independently verify all assertions made and our findings should be interpreted with this in mind. Nonetheless, on the basis of the information available we have no reason to question the validity of such assertions.

- Because of the inherent limitations of any internal control structure it is possible that errors or irregularities may occur and not be detected. An internal audit is not designed to detect all weaknesses in control procedures as the tests performed are on a sample basis. As such, except to the extent of sample testing performed, it is not possible to express an opinion on the effectiveness of the internal control structure.

- Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

- This report has been prepared at the request of the Audit Committee in connection with our engagement to perform internal audit services for the Department. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party, other than to the Audit Committee and Management of the Department in respect to this report.

- We appreciate that the Department may make this report (and the associated audit work papers) available for the use of the Tasmanian Audit Office (TAO) to assist with the performance of the External Audit. It is acknowledged that the TAO may decide to place reliance on this report (and the associated work papers). Any decision in this regard is made at the sole discretion of the TAO and KPMG undertakes no responsibility for such a decision and provides no warranties in that regard.

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Appendix 2 – Assessment of performance

The following provides a summary of the categories assessed by KPMG and guidance on how this assessment has been arrived at:

Significance of Findings

In this category we have assessed the overall significance of current year findings. Our reports categorise findings in accordance with the business risk assessment framework as set out in Appendix 3 of this report. This judgement is made, together with assessing this category for current year findings, having regard to the following:

- The number of findings reported and the mix (insignificant, minor, moderate, major and critical) of ratings assigned to each issue.
- The nature of findings reported, that is process or policy related issues versus non-compliance issues; and
- The regularity of compliance breaches in light of the sample tested during the current visit.

Management Responses

In this category we have assessed management's initial written responses to the issues raised. This takes into account all findings from the current visit report and considers the following factors:

- Whether management has agreed to undertake appropriate action, either in line with KPMG's recommendations, or a suitable alternative that fully addresses the issues raised.
- Whether the responses were sufficiently detailed to outline the actions to be undertaken.
- Whether the overall tone of the responses is appropriate and suitable for presentation to the audit committee.

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Appendix 3 – Classification of internal audit findings

The following framework for internal audit ratings has been developed for prioritising internal audit findings according to their relative significance depending on their impact on the process. The individual internal audit findings contained in this report have been discussed and rated with Management.

Rating	Examples of business impact
Catastrophic Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	• Potential financial impact on budget of > $5.0m within one year. • Potential impact on performance measures (ROGS) of failing to achieve performance targets by > 50%. • Potential impact on absenteeism or workplace injury by > 100% of State Service average. • The permanent non-achievement of key targets/government policy implementation. • Negative public exposure with dramatic undermining of stakeholder confidence • A disaster/critical event with potential to lead to the collapse of the business. • Injury/incident resulting in multiple fatalities. • Breaches of regulatory, statutory and legislative responsibilities resulting in loss of charter to operate and prison sentences for Officers. • A critical control breach considered systemic across the organisation. • Critical deficiencies in the control environment/policy framework for a key system/area.
Major Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	• Potential financial impact on budget of between $250k - $5.0m within one year. • Potential impact on performance measures (ROGS) of failing to achieve performance targets between 25% and 50%. • Potential impact on absenteeism or workplace injury by between 50% and 100% of State Service average. • Delay in meeting key targets/government policy implementation between 1 year and the term of the government • Negative public exposure through systematic incidents of a significant scale with significant impact on the organisation's or stakeholder reputation. • A critical event which with proper management can be endured. • Breaches of key licence or regulatory/ legal requirements resulting in severe fines and multiple third party claims. • A significant control breach considered systemic across the organisation. • Significant deficiencies in the control environment/policy framework for a key system/area.

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Rating	Examples of business impact
Moderate Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.	• Potential financial impact on budget of between $100k - $250k within one year. • Potential impact on performance measures (ROGS) of failing to achieve performance targets between 10% and 25%. • Potential impact on absenteeism or workplace injury by between 25% and 50% of State Service average. • Delay in meeting key targets/government policy implementation between 6 months and 1 year. • Systematic incidents leading to adverse media coverage. • A significant event which can be managed under normal circumstances. • Breaches of key licence or regulatory/ legal requirements resulting in penalties and/or third party claims. • A significant control/policy breach not considered systemic. • Moderate deficiencies in the control environment/policy framework for a key system/area.
Minor Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	• Potential financial impact on budget of between $50k - $100k within one year. • Potential impact on performance measures (ROGS) of failing to achieve performance targets between 5% and 10%. • Potential impact on absenteeism or workplace injury by between State Service average and 25% above the State Service average. • Delay in meeting key targets/government policy implementation between 1 month and 6 months. • Segmented incidents with no media coverage. • A low level event, the consequences of which can be absorbed but management effort is required to minimise the impact • Act or Code infringements. • A minor control/policy breach not considered systemic. • Minor deficiencies in the control environment/policy framework for a key system/area. • Deficiencies in the control environment/policy framework for a non-key system/area.
Insignificant Issue represents an insignificant control weakness, with little or no impact on the	• Potential financial impact on budget of less than $50k within one year. • Potential impact on performance measures (ROGS) of failing to achieve performance targets between 1% and 5%. • Potential impact on absenteeism or workplace injury less than or equal to the State Service average. • Delay in meeting key targets/government policy implementation of less than 1 month. • Slight/isolated impact on reputation with no media coverage.

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Rating	Examples of business impact
ability to achieve process objectives.	• A low level event, the consequences of which can be absorbed through normal activity. • Minor breaches in regulatory and legislative compliance requirements. • A control/policy breach considered to be insignificant and not considered systemic. • Insignificant deficiencies in the control environment/policy framework for a key system/area, but that still warrant consideration to improve the control framework. • Minor deficiencies in the control environment/policy framework for a non-key system/area.

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Appendix 4 – Department of Justice Tasmania personal leave statistics

Entity (Org Level 3)	Full Tme Equivalents FTE's	Sick leave hrs per Entity	Avge Sick leave hrs per FTE	Sick leave days per FTE (assumes 8 hr day)	Sick leave days per FTE per year (assumes 8 hr day)
Administration of Justice	217.31	23,298.01	107.21	13.40	6.70
Central Office	85.75	8,346.57	97.33	12.17	6.08
Consumer Services	37.21	5,063.22	136.08	17.01	8.50
Corrective Services	59.61	8,561.97	143.64	17.95	8.98
Electoral Commission	10.27	1,328.36	129.30	16.16	8.08
Industrial Relations Services	15.20	1,181.23	77.71	9.71	4.86
Land Use Planning Branch	6.22	755.18	121.46	15.18	7.59
Legal Profession Board of Tasmania	2.00	44.75	22.38	2.80	1.40
Legal Services	63.15	5,075.56	80.38	10.05	5.02
Monetary Penalities Enforcement Service	15.80	1,548.15	97.98	12.25	6.12
Office of the Ombudsman	16.70	2,117.34	126.79	15.85	7.92
Other Services	5.00	455.70	91.14	11.39	5.70
Registration Services	12.00	1,057.81	88.15	11.02	5.51
Resource Management Planning Appeal Trib	6.68	494.70	74.05	9.26	4.63
Resource Planning	34.62	2,239.72	64.70	8.09	4.04
Resource Planning & Development Commiss	16.54	733.69	44.37	5.55	2.77
Review Services	9.38	1,067.92	113.82	14.23	7.11
Sullivans Cove Waterfront Authority	3.40	44.10	12.97	1.62	0.81
Tasmania Prison Service	298.00	70,797.87	237.58	29.70	14.85
WorkCover	14.73	535.80	36.37	4.55	2.27
Workplace Standards Tasmania	138.33	13,004.21	94.01	11.75	5.88
Total	**1,067.89**	**147,751.84**	**138.36**	**17.29**	**8.65**

Time period includes 1/7/07 to 3/7/09

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Appendix 5- Department of Justice Tasmania overtime statistics

Entity (Org Level 3)	Number of staff who have charged overtime	Overtime hrs per Entity	Avge OT hrs per staff number	OT days per FTE (assumes 8 hr day)
Administration of Justice	55	985.40	17.92	2.24
Central Office	5	35.48	7.10	0.89
Consumer Services	2	10.50	5.25	0.66
Corrective Services	3	332.25	110.75	13.84
Electoral Commission	9	373.50	41.50	5.19
Industrial Relations Services	0	-	0.00	0.00
Land Use Planning Branch	0	-	0.00	0.00
Legal Profession Board of Tasmania	0	-	0.00	0.00
Legal Services	6	44.67	7.45	0.93
Monetary Penalities Enforcement Service	3	151.64	50.55	6.32
Office of the Ombudsman	3	52.35	17.45	2.18
Other Services	0	-	0.00	0.00
Registration Services	2	11.00	5.50	0.69
Resource Management Planning Appeal Trib	0	-	0.00	0.00
Resource Planning	0	-	0.00	0.00
Resource Planning & Development Commiss	0	-	0.00	0.00
Review Services	0	-	0.00	0.00
Sullivans Cove Waterfront Authority	0	-	0.00	0.00
Tasmania Prison Service	298	126,441.75	424.30	53.04
WorkCover	0	-	0.00	0.00
Workplace Standards Tasmania	5	18.40	3.68	0.46
Other	312	126701.408	406.09	50.76
Total	**386.00**	**128,438.54**	**332.74**	**41.59**

Time period includes 1/7/07 to 3/7/09

Reasons for overtime

	sick leave	Post not covered	Training	Escort	Secondment	Security Opperations	Other leave	Workers Compensation	Miscellaneous	Total
Totals	**31111**	**18819**	**3771**	**3457**	**1185**	**2705**	**6452**	**10853**	**1067**	**79419**

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Appendix 6- Absence Management Policy Benchmarking

Set out below is a table outlining the comparisons of the Department to other market participants for the key areas considered around absence management. This analysis indicates that the Department are broadly in alignment with the practices of other industry participants, with some improvement opportunities noted. The sections below outline our observations and also provide an assessment of the Department's practices against other market participants practice where:

- Generally consistent with other market participants
- Some minor/moderate areas of inconsistency with other market participants
- Some significant areas of inconsistency with other market participants

Policy Area	Assessment	Tasmania					
Number of days of consecutive sick leave before a doctors cert' required		3 or more	• 3 or more; or • As advised by management	• 4 or more; or • As advised by management	• 4 or more or • As advised by management	4 or more	3 or more
Number of unsupported sick leave days before a doctors cert' required		5 days of unsupported sick leave	• 5 days of unsupported sick leave; or • Lesser where the employee has been notified of the requirement	N/A – doctors cert only required for breach of consecutive days cap.	Up to 3 per instance to a maximum of 7 per annum	5 days of unsupported sick leave	5 days of unsupported sick leave per year.
Number of sick leave days per year allocated to full-time employees		Non cumulative triennial cycle where balances are refreshed at the start of each 3 yr period. • Yr1 = 22 days • Yr3 = 22 days • Yr5 = 43 bonus days added • Yr6 = 65 days • Yr9= 65 days • Yr10 = 65 bonus days added • Yr 12=129 days • 129 days is then refreshed every 3 years	• 15 days per year, accumulated fortnightly and carried forward. Requires a one year employment term. • Special leave available for employees > 10 years with long term illness (> 3 months)	12 days per year, accumulated weekly and carried forward.	18 days per year accumulated annually and carried forward. (Includes carers leave)	15 days per year, accumulated annually and carried forward.	15.5 days per annum accumulated annually and carried forward Plus 2 days per annum non accumulative.
Number of consecutive sick leave days required to prompt a management review		At managers discretion	3 cumulative unsupported days	At managers discretion	At managers discretion	At managers discretion	Not specified

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Policy Area	Assessment	Tasmania					
Number of sick leave days taken to prompt a management review		At managers discretion	6 days of unsupported sick leave	At managers discretion	At managers discretion	At managers discretion	Not specified
Counselling for unusual sick leave patterns		At managers discretion and includes: • Providing an attendance history report to the employee and meeting with them to discuss any issues and possible solutions. • Implementing rules and restrictions over the employee to access overtime shifts, or shift swap. The employee must be provided with written advice. • Implementing formal procedures by developing an employee specific management plan. The plan may place restrictions on the employee by requiring them to see an independent medical practitioner when taking sick leave.	Categories are defined in policy with different actions required depending on the category. Categories include: • Cat 1 - > 2 cumulative days of unsupported sick leave. Notification letter issued by HR to the employee and supervisor. Interview required which requires counter-signing of letter by both employee and supervisor. • Cat 2 - > 5 cumulative days of unsupported sick leave. Notification letter issued by HR to the employee and manager. Interview/counselling session required within 14 days which requires counter-signing of letter by both employee and supervisor/manager. • Cat 3 – where continued unsupported sick leave taken after Cat 2 counselling. Sanctions can be applied after approval by Committee including: no overtime for specified period; non-recommendation for promotion or transfer; delay of salary increments or dismissal.	At managers discretion and includes: • Discussing concerns with employee • Requiring employee to meet with Managers or HR • Seek permission to gain information from treating doctor	Not specified	Not specified	Not specified
Over time rate (eg 2x normal pay rate) applied to staff replacing staff on personal leave		2 x normal pay rate	Not specified	Not specified	1.5 x normal pay rate for the first 3 hours 2.5 x normal pay rate for every hour after first 3 hours.	Not specified	1.5 x normal pay rate for the first 3 hours 2 x normal pay for every hour after first 3 hours. Different rates apply for weekends and public holidays.
Sick leave accumulation year on year (Yes/No)		No	Yes	Yes	Yes	Yes	Yes
Pay out of unused sick leave at any time (Yes/No)		No	No	No	No	No	No
Nature of illness required to be disclosed to management (Yes/No)	Not assessable	Not specified	Yes – Medical certificates are to advise on the nature of illness.	Not specified	Not specified	Not specified	Not specified

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Policy Area	Assessment	Tasmania					
Doctors certificate required from a DOJ approved doctor (Yes/No)		Yes – If concerned about the diagnosis on a presented medical certificate.	• Yes – If concerned about the diagnosis on a presented medical certificate. • Health assessment can also be enforced where extended sick leave calls into question the employees fitness to carry out the duties of the position. • Medical examination by Govt nominated provided is required where the employees long term absence will continue or likely to continue > 2 months or where the resumption of duty appears unlikely	Yes – If the Manager is satisfied the employee is not performing their duties satisfactorily due to physical illness, then the Manager may require the employee to submit to an examination by one of a panel or practitioners nominated by the Department. If employee refuses then sanctions can apply including suspension with or without pay.	Yes – If concerned about the diagnosis on a presented medical certificate or concerned for the wellbeing of the staff member.	Yes – If employee has taken six weeks of consecutive sick leave.	Yes – If manager has doubt as to the cause of the illness
Number of sick leave days that can be taken before it becomes leave without pay		When sick leave allocation has expired	When sick leave allocation has expired	When sick leave allocation has expired	When personal leave allocation has expired	When sick leave allocation has expired	When sick leave allocation has expired
Rewards offered for high attendance rates (Yes/No)		Not specified	Not specified	Not specified	Not specified	Not specified	Not specified
Rostered days on include short periods (ie 1-3 days) (Yes/No)	Not assessable	Yes	Not specified	Not specified	Not specified	Not specified	Not specified
Carers leave scope		Member of employees immediate family or household.	Not specified	Family member including spouse (defacto or former); Child/Step Child; Parent/In-law; other members of household; grandparent; grandchild; other dependants.	Member of employees immediate family or household	Immediate family which includes: • Spouse (incl former, de-facto or former de-facto) • Child or adult child (incl adopted, step or ex-nuptial) • Parent, grandparent, grandchild, sibling of employee or employee's spouse or de-facto	Member of the officers family or household
Carers leave entitlements		Up to 10 days per annum	Not specified	• Up to 10 days per annum • Additional 10 days per annum if caring for person with disability • May use sick leave entitlement on approval	No specified limits but must not exceed total personal leave entitlements noted above.	• Maximum of 76 hours per annum • Maximum of 2 days per instance • Option to make-up time during ordinary time over maximums	Up to 5 days per annum

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Policy Area	Assessment	Tasmania					
Carers leave – medical certificates		Medical certificate must be supplied that states the illness of the person, and that such illness required the employees care. If not reasonably practical to provide a medical certificate then a statutory declaration will be considered by the employees output manager on a case by case basis.	Must be supplied and statutory declarations not acceptable	At discretion of management	Yes	At discretion of management	At discretion of manager, or when employee has taken two or more consecutive carers leave days.
Other items regarding leave policies		Staff are permitted to swap shifts after appropriate approval is obtained.	Staff are permitted to swap shifts after appropriate approval is obtained	Not specified	Not specified	Not specified	Not specified

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Appendix 7 - Benchmarking of personal leave trends – Prison/Correctional services only

The following table highlights those statistics provided by other state correctional services jurisdictions. The data provided is the average for the two year period up to 30 June 2009 whilst the data from other states is largely a three year average up to 30 June 2009. Note: these statistics have not been subject to any verification.

Statistic	TAS				
Average number of Full Time Equivalent (FTE) staff per annum	298	-	-	2,368	1,791
Average Total Sick Leave Hours per annum	35,399			238,793	160,330
Average Sick Leave Hours per FTE per annum	118.79	105.92	80.32	100.84	89.54
Average Sick Leave $ per FTE per annum	-	-	-	$2,087 Total $4.491m	$2,114 Total $3.786m
Average Total Overtime Hours per annum	63,220	-	-	277,581	395,624
Average Overtime Hours per FTE per annum	212.15	-	-	117.23	220.95
Average Overtime $ per FTE per annum	$12,007 Total $3.578m	-	-	$4,927 Total $11.668m	$8,924 Total $15.984m

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