



**QUEENSLAND FIRE AND RESCUE -
SENIOR OFFICERS UNION OF EMPLOYEES**

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NEWSLETTER

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Leave audits

The QFRS is currently undertaking an audit of leave balances of Senior Officers and this is causing concern and many questions from members. The following is a compilation of frequent questions and answers that may be useful to members.

It is a goal of the SOU to keep Newsletters to one or two pages in length, at most. However, this topic is confusing and often misunderstood and this Newsletter is unavoidably longer than usual.

Why do we need an audit?

The Certified Agreement 2006 (CA 2006) had a provision that altered the working week upon which salary and leave balances are calculated. This was the change from a 40-hour working week to a 38-hour working week. Whilst the leave entitlements do not change, the hours accrued to provide the required leave have changed. This change affects sick leave, annual leave and long service leave.

Whilst the provisions of the CA 2006 commenced on 1 July 2006, this agreement was not certified before the QIRC until 8 November 2006. During this period of time leave accrued and accessed was based on the rates applicable prior to 1 July 2006. That is, they were based on a 40-hour working week, not a 38-hour working week. In addition, following 8 November 2006 Shared Services Agency (SSA) required a period of time to adjust their systems and processes to cater for all the provisions of the CA 2006, including applying the new accrual and access rates for leave.

How does this affect my leave balances?

For explanatory purposes it is easier to provide an example based on annual leave. All Senior Officers are entitled to five weeks annual leave per annum (except the Senior Operations Coordinators – who are entitled to rotating leave provisions from 1 July 2006). Prior to 1 July 2006 accruing five weeks annual leave required 200 hours to be credited to an individual's annual leave balance. When this leave was accessed, the same amount (200 hours) was debited from the individual's annual leave balance.

After 1 July 2006 only 190 hours of annual leave is required to be accrued to reflect the entitlement of five weeks annual leave. Similarly, when a Senior Officer accesses five weeks annual leave, this requires 190 hours to be debited from the individual's annual leave balance.

Therefore, leave accrued and accessed by Senior Officers during the period between 1 July 2006 and when SSA had its systems and processes adjusted would be incorrect. Therefore the leave balances for all Senior Officers were incorrect, with the amount of the variances depending upon the amount of

leave accessed by Senior Officers during this period. This was especially the case for Senior Operations Coordinators who had leave accrued at the lower rate for an extended period of time.

Is there any impact on leave balances that were in place on 1 July 2006?

Leave balances that were in place at close of business on 30 June 2006 were carried over to 1 July 2006 without any change. In relation to these leave balances, the change from a 40-hour working week to a 38-hour working week provided an unintended benefit to all Senior Officers. The degree of benefit will differ, depending upon the level of individual's leave balances that were in place on 1 July 2006.

The best way to explain this is through a simple example. If at the close of business on 30 June 2006 a Senior Officer had an annual leave balance of 200 hours (being the amount accrued for one year's annual leave entitlement) and took five weeks leave commencing on 1 July 2006, the leave debited would be 190 hours.

Effectively, in this example, the Senior Officer benefits by having a further 10 hours annual leave in the annual leave balance, even though the five weeks leave has been accessed. A similar calculation can be applied to both sick leave and long service leave balances for each Senior Officer's leave balances. However, the application of this principle can only be correct when an audit is conducted to ensure the correct rate of accrual and access is applied.

Why is my long service leave balance being adjusted down when I have not accessed any long service leave?

The entitlement to 13 weeks long service leave has not changed. However, from 1 July 2006 the rate of accrual (in hours) to achieve this leave entitlement did change. Therefore, for a period of approximately 8 months, long service leave accruals (like all other forms of leave entitlements) was based on a 40-hour working week when it should have been based on a 38-hour working week. For most Senior Officers this adjustment would have led to a reduction of approximately 3-4 hours from their long service leave balances.

It is important to remember that adjustments occurring for this reason have not led to a reduction in the time off when accessing long service leave. For example, if a Senior Officer had 13 weeks long service leave owing as of close of business on 30 June 2006 (being 520 hours) this balance of hours would now entitle this officer to 13.68 weeks long service leave, as fewer hours are accessed to take 13 weeks leave. However, from 1 July 2006 long service leave will be accrued at the rate of 494 hours every 10 years. This is not a reduction in the entitlement of 13 weeks long service leave as, under a 38-hour working week, 494 hours equates to 13 weeks long service leave. Hence, it is the different accrual rate that has led to a small reduction in leave balances.

I don't agree with the outcomes of the audit. What can I do?

The audit team has been applying a principle of adjusting balances when there is irrefutable evidence to support the adjustment (increase or decrease). However, the audit team also will not adjust balances unless the evidence available to this team supports an adjustment. Until evidence is complete, the leave balance in question for individual Senior Officers will remain as is.

The letters sent to Senior Officers that contain the adjusted leave balances are sent so these amounts can be either verified or, if not satisfied, dispute the findings. If a Senior Officer does not agree with the outcome of the audit, the SOU urges that Senior Officer to contact the audit team to discuss the disputed item(s). The audit team is applying a rigorous approach and is sympathetic to queries. It is requested that members who contact this team to enquire about the details or to dispute the findings do so with an objective and balanced approach. The SOU supports members making genuine enquiries but requires that this is conducted with respect for all. The same is expected of the audit team.

I should be able to rely on my leave balances on my pay slip – clearly I can't

Many members are dissatisfied with how their leave balances are incorrect, have lost confidence in the management of their leave and have doubts on leave balances as displayed on pay slips. Other

than adjustments that have been made as a result of the application of the CA 2006, the SOU agrees and is not satisfied with continuous flawed models for managing leave balances.

This dissatisfaction is borne out of the audit that shows the flaws in the processes and administration applied over an extended period of time have been incorrect and this is evident in the audit results. Accordingly, the SOU has written to the QFRS stating that members are dissatisfied with the governance and administration of leave balances and the SOU has requested a review of the associated processes and administration so, in the future, members can be confident in the balances as provided on pay slips.

Why do we need to go back before 1 July 2006?

The audit has identified a number of errors in leave balances. Some of these have been in favour of individuals, some have not. Not surprisingly, where an adjustment is made in the favour of an individual Senior Officer, the officer(s) concerned are happy and do not provide objections. Conversely, where the adjustment is not in favour of individual Senior Officer(s), objections are common.

In addition, based on a belief that a benefit would be forthcoming, some Senior Officers requested that the leave balances prior to 1 July 2006 were audited to ensure the correct rates of accrual and access were applied. Other reasons for this are evident. See below.

It is unfair to only audit the leave balances of Senior Officers. Is this audit going to be applied to others?

The CA 2006 provided a catalyst to undertake an audit of the leave balances of Senior Officers. However, an audit of leave balances of all DES employees is forthcoming and is currently being organised. In relation to this impending whole-of-DES audit, the SOU has corresponded with the QFRS regarding the processes that may be implemented during this whole-of-DES audit.

This correspondence has requested that if this DES audit applies a materiality component that results in minor discrepancies being found to be immaterial and the formal balances adjusted in the employees favour, then these rules are to be retrospectively applied to Senior Officers and leave balances adjusted accordingly (i.e. in the favour of members).



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