



EXCESS LEAVE

Policy

Effective: 1 July 2015

To be reviewed: January 2018

***To help the public service
spend wisely***

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INTRODUCTION

1. Employees are encouraged to use their annual leave and time off in lieu (TOIL) in the period in which it is earned. However, due to operational priorities, workload pressures and the under resourcing of the OAG, employees are not always able to use their leave and build up excessive balances of annual leave and TOIL. This policy provides guidance on the OAG's arrangements for dealing with significant leave balances. Policies relating to excess leave balances are not included in the policies for the whole of Government outlined in the *Public Service and Management Law (PSML)* and its regulations. With no direction or guidance for how the Chief Officer of an organization is to deal with employees' annual leave and TOIL balances that cannot be used by an employee during the contract period, the Office of the Auditor General has developed its own policy in this regard. The OAG already has policies in place to clarify its responsibilities under the PSML in its own *Human Resources Management Policies and Procedures Manual* (updated in 2010), however, it does not include direction or guidance with regard to this subject.

WHO IS COVERED BY THIS POLICY

2. This policy covers all individuals working at all levels and grades, including senior managers, officers, employees, (collectively referred to as staff in this policy).

THE SCOPE OF THE POLICY

3. All staff are expected to comply with this policy. Breach of this policy will be dealt with under disciplinary procedures within our Human Resources Management Policy and Procedures Manual and, in serious cases, may be treated as gross misconduct leading to summary dismissal.

RESPONSIBILITY FOR IMPLEMENTATION OF THE POLICY

4. The Auditor General has overall responsibility for the effective operation of this policy. Under the Personnel Regulations the Auditor General is considered the appointing officer, unless he delegates this responsibility to another employee within the Office.
5. The Administrative and Finance Manager, reporting to the Deputy Auditor General, is responsible for operating the systems that ensure compliance with the Personnel Regulations and this policy when a payout to an employee arises.

POLICY

6. In cases where employees build up significant annual leave and/or TOIL balances the OAG will consider paying out these balances to support the operational effectiveness of the OAG. The pay out of an individual annual leave and/or TOIL balance will be considered on a case by case basis depending on the specific circumstances of the individual and operational needs of the OAG, balanced against ensuring equity and consistency in the treatment of all staff.

ANNUAL LEAVE

7. **General principles:** The pay out of excessive annual leave for those in continuous employment should not be considered an entitlement, but something that is required to meet the operational needs of the OAG. Where operational needs are not unduly hindered, the OAG will focus on other strategies for the reduction of significant annual leave balances, and the consideration of pay-outs should be considered a last resort.
8. Excessive annual leave balances at the end of a fiscal year or contract period is considered to be anything greater than five days more than an employee's entitlement for the current year. Therefore, annual leave balances at the end of an employee's contract period of between 5 and 30 days annual leave above the entitlement for the current leave year will be considered for payout. Any additional leave balances over the 30 days would continue to be carried forward as leave and other strategies considered for their reduction.
9. Based on operational needs the payout of annual leave balances will be considered for staff on the following occasions:
 - For staff on open ended contracts, the second anniversary of their date of employment with the OAG
 - For staff on fixed term contracts on the date of the renewal of their contract
10. The OAG will consider requests that vary from the general principle on the presentation of a business case that demonstrates the benefit to the OAG of doing so. If accepted, the business case is to be approved by the Auditor General to initiate any payout of annual leave.
11. The Administrative and Finance Manager will calculate the amount to be paid out and ensure the payment is made in accordance with the employee's compensation rate, the Office's *HR Management Policies and Procedures Manual*, and the Personnel Regulations and this policy.

TIME OFF IN LIEU (TOIL)

12. **General principle:** TOIL is to be used in the fiscal period that it was earned. At the end of the fiscal year TOIL amounts for all staff will be reviewed. Amounts to be carried into the next fiscal year are to be approved by the Auditor General.
13. In exceptional circumstances the Auditor General may consider reimbursement for TOIL not utilized in the current year. For the reimbursement of TOIL an appropriate business case will need to be prepared that demonstrates the benefit of the OAG doing so. The Auditor General must approve the business case for the reimbursement of TOIL.
14. The Administrative and Finance Manager will calculate the amount to be reimbursed and ensure the payment is made in accordance with the employee's compensation rate, the Office's *HR Management Policies and Procedures Manual*, the Personnel Regulations and this policy.

PAYOUT ON LEAVING THE OAG

15. In accordance with the Government's Personnel Regulations, the OAG will pay out all outstanding annual leave and TOIL when an employee leaves the OAG.