



## **Time Recording in the Federal Administration**

### **A horizontal audit of the Compilation and Analysis of Assignable Hours**

#### **Key facts**

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Time recording can differentiate between working hours and assignable hours. The representative assessment at hand concerns itself primarily with the recording of assignable time ("For which purposes and tasks is the employees' time applied within a defined period?"). An essential precondition for the recording of assignable time is the recording of working hours ("What is the total number of hours worked within a given period of time?").

Depending upon the organisational unit, the monitoring of assignable hours can serve varying purposes. It forms a basis for planning and for cost and performance charging, as well as being a necessary tool for the management and self organisation of the employees. Further uses are in customer invoicing and in accounting to parliament and the general public.

#### **Hypothesis of suboptimal use**

The perceived need for the attached representative assessment by the Swiss Federal Audit Office (SFAO) arose from the educated guess (hypothesis) that the current compilation and use of assignable time data are less than optimal. The assessment determines how time recording within the Federal Administration functions and what costs it generates. Thereby various problems and their solutions are classified and examples of best practice identified. The desirability of a nationwide coordination of the content or categorisation of assignable time recording for the purposes of making the collected data available for interdepartmental comparison or for vertical consolidation at departmental level is discussed.

#### **Almost three from five Federal Administration employees record their assignable time**

Currently all Federal Administration working hours are recorded and almost half of the administrative units, employing 57% of the personnel, record in addition the assignable hours. However the systems differ widely, particularly with reference to the time recording software employed, the exactness and frequency of recording, and with reference to the number and definition of the designated categories.

Assignable time recording is very common in the administrative units with a product orientated business structure, where the collected data are essential for planning, management and invoicing. Administrative units with mainly ministerial duties generally record assignable time much less frequently, or do so in a less sophisticated form. However here also examples of well developed assignable time management are to be found.

#### **18.5 working hours per year and employee**

In the administrative units the recording of assignable time results in annual costs averaging about 18.5 working hours per employee, most units lying in the range of 10 to 30 hours. The main costs in the administrative units arise in the recording and monthly accounting of individual employees (almost 90%), but are relatively low (around 10%) in supervision and auditing. Savings in the cost

of assignable time recording can probably be achieved best by having the administrative units examine specifically the assignable time recording and monthly accounting practices of their own staff.

### **Value depends on how recorded data are applied**

Based on these estimates of required working hours the cost of time recording can be put at some CHF 24 m. The benefit, in contrast, cannot be so clearly quantified, but it does appear that, depending on the administrative unit, the data are put to very varying uses. Administrative units which utilise the data intensively (and accept the corresponding costs) generally consider the cost/value relationship to be good. As a rule, poor cost/value relationships are found where the expensively recorded data are seldom evaluated and applied. Often little use is made of the recorded assignable hours for planning, management and/or accounting to parliament and the general public.

The more detailed analysis of particular administrative units shows that, because of a lack of clear instructions on categories and on exactitude and frequency of time recording, the informative value of compiled data on assignable time, even within a single administrative unit, is often very limited. Because of this problem and because, depending upon the administrative unit, even the basic categories are differently defined, comparisons between many of the administrative units are not presently possible.

### **Divergent views on the need for interdepartmental analyses**

When considering the desirability of coordinating time recording throughout the administrative units the following points should be considered:

- If all the larger administrative units had introduced assignable time recording in at least some rudimentary form, then a nationwide analyses would be possible and interdepartmental uses would follow.
- Many service specialists in the administrative units have expressed a requirement for interdepartmental comparisons and see in this a crucial argument for the national coordination of the categories of assignable hours. From this they would expect a reduction in the cost of data compilation and analysis. All in all, two thirds of the administrative units of the first and second levels of the Federal Administration favour a standardisation of categories.
- The departments primarily responsible for the initiation and implementation of such a process of time recording and category standardisation (Federal Finance Administration FFA and Federal Department of Human Resources FDHR) see no need for a central interdepartmental analysis of assignable time data. They do indeed recognise that the general introduction of assignable time recording and the coordination of its content could improve transparency and resource management, but they consider the resulting benefits would be marginal.

### **No recommendation on the coordination of content/categories**

The SFAO is aware that a system of time recording in the administrative units with mainly ministerial functions can be made useful only if the senior managers are convinced of its value, engage themselves fully in its conception and inform their employees accordingly. A system dictated from above to a doubting management would be in danger of resulting in useless bureaucracy.

For this reason the SFAO refrains from making a recommendation on a nationwide coordination project, and restricts the conclusions of the representative assessment to suggestions addressed to the individual administrative units, so that they may optimise the assignable time recording within their own organisations. In this sense an Audit Letter addressed to all federal administrative units will be formulated.

**Original text in German**