



Divisional Clerks: A Proposed Action Plan for Clerical Services Group

Date: May 29, 2019
To: Audit & Risk Management Committee
From: Deputy Chief Executive Officer

Summary

During the February 27, 2019 Toronto Transit Commission (TTC) Board meeting, the Audit, Risk and Compliance Department presented the findings of its Internal Audit Report: Divisional Clerk Resource Management (2018 Flexible Work Plan Update). The report identified risks and control gaps in the oversight of divisional clerks and resourcing issues which contribute to the risk of inefficiencies and unnecessary clerical overtime. The Board adopted a motion that staff report back to the May 29, 2019 Audit & Risk Management Committee meeting on the Management Action Plan (MAP) to address the internal audit observations and identified risk and control gaps.

Management acknowledges that improvements to controls in the administration and monitoring of overtime and resource management within the Clerical Services Group can be made to reduce the risks outlined in the audit report. This report includes management's formal action plan which describe the key steps management will take or has taken at the time of reporting to address the audit findings.

Recommendations

1. It is recommended that the TTC Audit and Risk Management Committee receive this report for information.

Financial Summary

For each of 2017 and 2018, total clerical overtime expenditure across all modes has trended very close to the annual budgeted amount of \$1.5M, which represents 15% of the base labour cost for the clerical group. Increasing management oversight for the approval of overtime as well optimizing opportunities to streamline processes, is intended to lead to a reduction in clerical overtime expenditures.

The Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity/Accessibility Matters

Ensuring divisions are staffed with the requisite clerical support indirectly helps with safeguarding scheduled services including services that may adversely impact equity groups (e.g. shuttle services and ensuring that Wheel-Trans services are available at the end of shuttle routes).

The clerical services group will adhere to applicable policies to ensure that hiring decisions for the new clerks are made equitably.

Decision History

The Internal Audit Report: Divisional Clerk Resource Management (2018 Flexible Work Plan Update) was presented to the Audit & Risk Management Committee on February 26, 2019.

[Internal Audit Report - Divisional Clerk Resource Management \(2018 Flexible Work Plan Update\) \(ARMC Report\)](#)

Based on the observations in the audit report and on discussions between management and the Audit, Risk and Compliance Department, Executive Management acknowledged gaps in the management of divisional clerks and resourcing issues and committed to preparing a MAP to address the identified risk/control gaps which would then be presented at a future Audit & Risk Management Committee meeting for information.

The report was subsequently forwarded to the TTC Board for information on February 27, 2019.

[Internal Audit Report - Divisional Clerk Resource Management \(2018 Flexible Work Plan Update\) \(Board Report\)](#)

At its meeting of February 27, 2019 the Board approved a member motion for staff to report back to the May 29, 2019 Audit & Risk Management Committee meeting on the MAP.

[Decision - Internal Audit Report - Divisional Clerk Resource Management \(2018 Flexible Work Plan Update\).](#)

This report contains the MAP that outlines the key steps management is committed to taking, or has taken at the time of reporting, to address the audit observations identified by the Audit, Risk and Compliance Department in its report.

Issue Background

In its report, the Audit, Risk and Compliance Department reviewed divisional clerk resource management to assess the practices and processes for controlling and monitoring clerical overtime, recognizing that divisional clerks incur relatively high levels of overtime, i.e., approximately \$1.5M per year in 2017 and 2018. Gaps in the oversight of divisional clerks and resourcing issues were identified which contributed to the risk of inefficiencies and unnecessary clerical overtime.

Management recognizes that inadequate controls in the administration and monitoring of overtime as it relates to the clerical workforce can lead to inefficiencies and has provided a MAP to address the following audit observations as identified in the audit report:

1. Increased managerial oversight of clerical resources is required to better monitor overtime and decrease risk of inefficiencies and abuse.
2. Restrictive collective agreement requirements limit Management's ability to efficiently govern its clerical workforce and establish an effective staffing model.
3. A change in budget and overtime philosophies from historical usage to actual requirements will decrease overtime costs.
4. Conducting comprehensive job analyses for all clerical positions and mapping results against future requirements under VISION, SAP and PRESTO will prepare Management for maximizing efficiencies through proactive resource management.

Comments

Management has taken or will take the following key steps to address the risks and control gaps outlined in the Internal Audit Report - Divisional Clerk Resource Management (2018 Flexible Work Plan Update):

- Enhance management oversight – The clerical management group has budgeted for growth, adding four managerial positions in 2018 for a current total of eight. With a larger group, management is now positioned to provide stronger oversight and support to the clerical employees.
- Address Collective Bargaining Agreement (CBA) language - Management will continue to explore opportunities under the current CBA and other union agreements to find efficiencies and establish an ideal workforce model for the Clerical Services Group. Amalgamated Transit Union (ATU), Local 113 has indicated a willingness to discuss any concerns with the TTC.

- Strengthen controls in the monitoring and administration of overtime – Clerical Services will explore a number of controls to improve how overtime is monitored and administered including: a dashboard to track and record overtime assignments outside the Home Division; data analytic reports to identify overtime expenditures as well as other exception activities; and criteria for distinguishing between critical versus non-critical work to avoid posting unnecessary overtime.
- Increase focus on assessing the impacts of new technologies - Service Delivery Group intends to explore all options for integration of the numerous technological advancements (like the upgrade of CAD/AVL VISION software, the Clerical Module, DOSS/Trapeze, Document Management Systems, and SAP) into its clerical business model, through consultation with dedicated departmental Business Process Experts. This initiative began in 2017, with onboarding of the two resources to create links between technologies and current work practices. Once completely integrated, the new technology will help to streamline and maximize efficiency of various divisional functions like vehicle assignments, scheduling, and payroll.

A full detailed review of all MAPs is contained in Attachment 1 of this report.

Contact

Susan Selfe, Head – Service Delivery Control
416-393-4208
Susan.Selfe@ttc.ca

Signature

Kirsten Watson
Deputy Chief Executive Officer

Attachments

Attachment 1 - Management Action Plan – Divisional Clerk Resource Management

Attachment 1

Management Action Plan (MAP) – Divisional Clerk Resource Management

Management Action Plan

Enhance Clerical Management Oversight:

The need for increased managerial oversight of clerical resources to monitor overtime and decrease risk of inefficiencies and abuse is being addressed by management as follows:

- i) Hired full budgeted complement of Assistant Managers – Clerical Services total of eight, which allows for greater oversight over the clerical workforce throughout the Divisions.
- ii) Assistant Manager – reinforce the policy for Clerical services to sign off on overtime before they work or are paid in order to improve segregation of duties in the administration of overtime.
- iii) Develop a SharePoint dashboard for Management to track cumulative hours worked outside the Home Division to prevent Employment Standards Act violations.
- iv) To assist in the assignment of overtime, implement a clerical management central directory that identifies each clerk's role, qualifications and training as well as interest in working overtime outside the Home Division.
- v) Day General Clerks to track and tally Overtime Request Forms and produce a weekly summary of overtime hours worked. The summary will be signed off by the Day General Clerk and approved by the Assistant Manager – Clerical Services at the time of payroll review.
- vi) Service Delivery Control will work with IT Services and HRIS for an interim solution of creating a clerical management dashboard to flag clerical workforce exception activities such as vacancies, absences and excessive overtime (before the dashboard feature is made available in future payroll solutions). This can be done to track clerks within and outside of their home division to ensure that overtime is managed and assigned equitably.

Person Accountable: Kirsten Watson, Deputy Chief Executive Officer

Person Responsible: Ntiedo Powell, Manager - Clerical Services Group

Target Completion Date: December 31, 2019; On-going thereafter

Management Action Plan

Address Collective Agreement Limitations

Agreements with the union impacts Management governance of its clerical workforce and ability to establish an effective staffing model. Therefore, Management will continue to identify specific concerns and explore opportunities to facilitate discussions with the union accordingly.

Improve Work Efficiencies

To improve work efficiencies, a change in budget and overtime philosophies from historical usage to actual requirements is being developed as follows:

- i) Determine optimal number of clerks based on job requirements to ensure overtime is only paid to cover absences and additional work created by emergencies, not work that would have constituted a regular shift.
- ii) Conduct an analysis to determine the savings from hiring additional clerks as opposed to paying overtime to cover open shifts.
- iii) Service Delivery Control has already developed criteria for distinguishing between critical and non-critical job requirements to determine which shifts can be cancelled thus avoiding unnecessary overtime. The Day General Clerk consults with the Assistant Manager – Clerical Services on whether an open shift should be filled based on the established criteria.
- iv) Explore the development of weekly, monthly and yearly overtime thresholds/caps as another method of controlling the risk of excessive overtime expenditure.
- v) Change clerical spare shifts to cover for weekends so that access to labour at the regular rate is available on weekends.

Person Accountable: Kirsten Watson, Deputy Chief Executive Officer

Person Responsible: Susan Selfe, Head - Service Delivery Control

Target Completion Date: December 31, 2019

Management Action Plan

Prepare for Technological Innovation

Conducting comprehensive job analyses for all clerical positions and mapping results against future requirements under VISION, SAP and PRESTO will prepare Management for maximizing efficiencies through proactive resource management as follows:

- i) Work to create an ideal workforce model for the Clerical Services Group taking into consideration the impacts of VISION, SAP, and PRESTO on clerical work and engage Employee Relations in contractual opportunities/ barriers to do so.
- ii) Engage IT Services for assistance in addressing the limitations and gaps of its existing functions. The group anticipates strong returns on the technological investments being made.
- iii) Use two existing business process experts to explore opportunities for integration and links between SAP and current work practices.
- iv) Established basic computer and Excel training as prerequisites for clerical positions to prepare clerical workforce to adapt to technological upgrades.
- v) The management team has initiated computer and Excel training as requisites to the Clerical positions, as strong computer literacy is crucial to the roles. The Service Delivery Control Department is also continuously finding new strategies to optimize the performance of the existing workforce. In January 2019, in partnership with Global Knowledge Training, and TTC Employee Development, Service Delivery Control implemented customized clerical computer classes targeting those Clerks identified as most in need of computer training. The course included review of basic Microsoft Excel, Word, and Outlook. Seventy-two (72) Clerks attended and successfully completed the six-week program (over 50% of the clerical workforce). Next steps will include arranging for more advanced computer courses by end of second quarter (June 2019), for those Clerks wishing to upgrade their computer skills further. This will be an ongoing program.

Person Accountable: Kirsten Watson, Deputy Chief Executive Officer

Person Responsible: Susan Selfe, Head - Service Delivery Control

Target Completion Date: Commenced January, 2019 – ongoing until technological changes are fully understood and implemented