

Audit of the Toronto Transit Commission's Non-Union Workforce Planning and Management

Date: March 10, 2025

To: Toronto Transit Commission Audit and Risk Management Committee

From: Auditor General

Wards: All

SUMMARY

The Auditor General's 2024 Work Plan included an audit to assess the Toronto Transit Commission's (TTC's) workforce planning and management processes.

Workforce planning and management, including succession planning, are critical to ensure the TTC's non-union workforce meets its operational requirements to support providing public transit services to the City of Toronto.

In 2024, the TTC had a total average workforce of 16,300 full-time employees, comprised of 12,300 unionized (75 per cent) and 4,000 non-unionized employees (25 per cent).

The scope of this audit was on the TTC's non-union workforce. An audit may be done in the future on the TTC's unionized workforce and is currently included in the backlog listing of the Auditor General's 2025 Work Plan.

Between 2019 and 2023, there were an average of 100 retirements per year. Looking forward, 15 per cent of the TTC's non-union staff will be eligible for retirement by the end of 2025, a number that increases to 21 per cent by the end of 2027. Thus, approximately 1 in 5 non-union employees will be eligible for retirement in just over two years. This trend is consistent with general demographic trends in the Canadian working population.

Furthermore, over the last few years, the TTC has experienced increasing challenges in attracting and retaining non-union talent due to increased labour competition in the transit industry. From January 2019 to December 2023, over 600 non-union employees voluntarily left the TTC (this figure includes resignations and excludes retirements), with the majority resigning between 2022 and 2023.

Our report draws attention to opportunities for the Toronto Transit Commission to improve its workforce planning and management processes, by:

- A. Enhancing Workforce Planning, including Succession Planning, and Monitoring of Human Resource Related Key Performance Indicators
- B. Strengthening the Policy for Rehiring Pensioners
- C. Strengthening Monitoring of Employee Feedback and Engagement
- D. Improving the Process for Managing, Tracking, and Addressing Employee Concerns and Complaints

RECOMMENDATIONS

The Auditor General recommends that:

1. The Board request the Chief Executive Officer, Toronto Transit Commission, to conduct a review of best practices and determine appropriate human resource Key Performance Indicators (KPIs) and metrics, along with definitions and targets, and formalize the process/system to regularly monitor and report on these KPIs to senior management.
2. The Board request the Chief Executive Officer, Toronto Transit Commission, to develop and implement a corporate-wide succession planning program.
3. The Board request the Chief Executive Officer, Toronto Transit Commission (TTC), to strengthen the retirement policy and process and consider incorporating the following:
 - a. a requirement for notice (written, at a minimum) to the employee's supervisor, Department head, and the TTC's People and Culture Group;
 - b. a minimum retirement notification period requirement; and
 - c. timely initiation of successor hiring and knowledge transfer after retirement notice is received.
4. The Board request the Chief Executive Officer, Toronto Transit Commission, to strengthen its rehired pensioner policy by:
 - a. finalizing and obtaining approval of only one rehired pensioner policy and communicating the new policy to the organization;
 - b. including restrictive measures to limit, minimize and/or prevent rehiring pensioners and their length of re-employment;
 - c. including clear guidance as to when open and transparent job competitions are required;

- d. revisiting the need, including cost and benefit, for rehired pensioner pay premiums; and
 - e. incorporating measures and processes for enhanced monitoring and increased accountability requirements from the operating department and their rehired pensioner(s) to achieve the goals they intended to complete during the contracted term initially requested, especially when considering contract extension requests.
5. The Board request the Toronto Transit Commission to regularly collect feedback from employees through engagement surveys and exit interviews and surveys, analyze the results, and take actions to address concerns, especially those that are impacting employee retention.
6. The Board request the Toronto Transit Commission to update current policies and procedures to ensure clear roles and responsibilities for each investigative unit and other involved personnel including management, Employee Relations, and Human Resources, and communicate this information to employees.
7. The Board request the Chief Executive Officer, Toronto Transit Commission, to develop a formalized process for:
- a. tracking complaints referred between investigative units;
 - b. tracking complaints submitted directly to management from employees or referred to management from investigative units; and
 - c. calculating and monitoring timeliness of complaint investigation and resolution (from initial submission to final closure).
8. The Board forward this report to City Council for information through the City's Audit Committee.

FINANCIAL IMPACT

Implementing the recommendations will help improve the TTC's non-union workforce planning and management processes, contributing to a positive impact on employee engagement and retention of its existing workforce. While this audit focused on the TTC's non-union workforce, many of the recommendations can also be applied in managing human resources for the rest of the TTC's workforce.

The resulting financial implications of any anticipated efficiencies and/or resources needed from implementing the recommendations in this report are not determinable at this time.

DECISION HISTORY

The Auditor General's 2024 Work Plan included an audit to assess the TTC's workforce planning and management processes.

<https://www.toronto.ca/legdocs/mmis/2023/au/bgrd/backgroundfile-240792.pdf>

COMMENTS

A high-level summary of the key audit findings is provided in the Audit at a Glance.

The attached audit report provides the TTC Audit and Risk Management Committee and the TTC Board with the detailed audit results and recommendations, together with management's response. Management has agreed to all seven recommendations.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Audit of the Toronto Transit Commission's Non-Union Workforce Planning and Management