



Management Responses to Auditor General's March 2025 Report on Non-Union Workforce Planning and Management

Date: April 16, 2025

To: TTC Board

From: Deputy Chief Executive Officer

Summary

This report is in response to the Audit and Risk Management Committee's direction to seek the Board's endorsement of the timeline for management's response(s) to the Auditor General's March 2025 report on Non-Union Workforce Planning and Management.

At its meeting on March 24, 2025, the Audit and Risk Management Committee received a report and presentation from the City's Auditor General. The Auditor General made seven recommendations requiring action by TTC management. All of the recommendations were discussed with the Auditor General and her staff and agreed upon. The Management Response is appended to the Auditor General's report as Appendix 1 (commencing on p. 57) and includes anticipated timelines for completing each of the recommendations. A copy is appended to this report as Attachment 1.

The recommended timeline balances the priority of each recommendation against available resources.

Recommendations

It is recommended that the TTC Board:

1. Endorse the targets set out for Management Responses to the Auditor General's report on Non-Union Workforce Planning and Management as set out in Attachments 1 (Management Responses) and Attachment 2 (Summary Timeline).

Financial Summary

Financial implications are being managed within existing budgets for 2025. Any activities requiring additional resourcing or funding will be part of budget considerations presented to the Board, if/as necessary, in 2026 or later years.

The Executive Director – Finance, has reviewed this report and concurs with the financial summary information.

Equity/Accessibility Matters

The equitable application of many recommendations concerning succession planning, retirement, investigations and employee engagement is paramount to maintaining and improving upon our organizational culture.

Inclusive leadership training has been a priority for organizational learning in 2024 and 2025. Conscious applications of the principles and ideals of diversity, equity and inclusion will apply to all responses.

Decision History

At its meeting on March 24, 2025, the TTC Audit and Risk Management Committee considered the Auditor General's Report on Non-Union Workforce Planning and Management and received multiple presentations. TTC management responses to the recommendations were included as Appendix 1 to the Auditor General's Report.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.TTA1.1>

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Attachments

Attachment 1 – Appendix 1 to the Auditor General's March 2025 Report on Non-Union Workforce Planning and Management (Management Responses)

Attachment 2 – Summary Timeline for Management Responses (excerpted from Management's presentation to Audit and Risk Management Committee)

Appendix 1: Management's Response to the Auditor General's Report Entitled: Audit of the Toronto Transit Commission's Non-Union Workforce Planning and Management

Recommendation 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.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: We can commit to conducting a review and materially advancing HR KPIs and metrics with reporting to the executive team by Q4 2025. This later date provides time for completion of our employee engagement survey and coordination with the metrics we will update through it. These will be reported to the TTC Board (HR Committee) in 2026.

Recommendation 2: The Board request the Chief Executive Officer, Toronto Transit Commission, to develop and implement a corporate-wide succession planning program.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: Some key elements of succession planning have been initiated such as leadership training and development opportunities with external stakeholders (Rotman, APTA, UpSkill, etc.) and internal programs (LEAD, Leadership Advantage, LinkedIn memberships and tuition support). Work is currently underway to map out development programs for aspirational leaders at lower levels within the TTC. Subsequent to the audit, succession planning activities have been initiated for the senior management levels, specifically levels 14-16 (Heads, Executive Directors, and Chiefs) to examine retirement eligibility/planning, target feeder positions and current employees identified as potential successors. Long-term temporary staffing situations (3 months or longer) were recently examined for levels 12-16 to ensure that permanent staffing solutions are established to improve workforce stabilization. The new Corporate Plan strongly supports the development of a more robust process to support effective succession planning however resources are not currently in place to operationalize this. Current upskilling and reskilling within the People and Culture Group, anticipated organizational structure changes, and future investments for resources and systems to help collect and manage the data associated with effective succession planning, will be explored. Elements including leadership commitment; updated or new policy frameworks; workforce assessments including skills gap analysis, talent inventories and demographic analyses; critical role identification; performance management and pay for performance; diversity, equity and inclusion (DEI) goals; stakeholder engagement; and finally, ongoing communication, are all envisioned to be part of TTC's succession planning framework, with various elements in place sooner than others, depending on resource availability. A People Strategy is in the early stages of development (a vendor was recently secured to assist with this work) and will help to set the stage for how succession planning can unfold during the life of our corporate plan. We anticipate various elements of this recommendation to be either fully or partially implemented starting immediately (i.e., using pilots with targeted levels, organizational groups or job families) however full-cycle implementation is not likely to be in place until Q1 2028.

Recommendation 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.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: TTC Pension Plan (TTCPP) is a separate legal entity reporting to a jointly administered Board comprised of TTC management and ATU executive members. The convention of employees first (and, in some cases, only) notifying the pension office has become an accepted practice. We will work with the TTCPP to implement updates to policy and practices regarding retirement notification, understanding that working within the existing governance framework will take time (requirement for approvals by both TTCPP and TTC Boards). Co-development with our ATU partners is required for changes to the policy and practices, however we will work to strongly encourage culture change in this area immediately with respect to retirement notification. Estimated timeframe for new notice requirements is dependent upon Board approvals and may require legal updates, therefore Q3 2026. Both culture change and tangible actions related to the initiation of successor hiring will start much sooner, estimate being Q2 2025.

Recommendation 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.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: An update to the policy is timely and will be completed to address all concerns. The current proportion of rehired pensioners amounts to less than 0.7% of the non-union workforce. While this report attributed pensioner rehiring to (i) a lack of succession planning and (ii) retirement policies, there are equally if not more significant factors contributing to the need to rehire pensioners, such as pension portability into the TTC pension plan and the rapid rise of local competitors for talent in the transit industry in Toronto.

Understanding the need for improved succession planning behind outgoing employees, culture change starting with updated communication and guidance to hiring managers, emphasizing the need for longer notice periods, and the provision of tools and support to plan for backfills will commence immediately.

The policy will be updated by Q4 2025 but will necessarily include exception provisions to ensure safety and operational reliability are not compromised. This inclusion of rehired pensioners as a staffing strategy will be supported by more specific criteria and will be offset by periodic monitoring and accountability reporting as the policy will emphasize the need to recruit and/or advance from within. By Q3 2026, we anticipate the policy being operationalized and having data to review to assess impact.

Recommendation 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.

Management Response: ☒ Agree ☐ Disagree

Comments/Action Plan/Time Frame:

A new framework for employee engagement, including regular surveys (frequency to be determined) is currently in development. This framework will include leadership accountability, consultation with stakeholders (such as unions) to raise awareness of the importance of participation, an understanding of what data will be collected and how it will be used, and privacy considerations. Estimated date of completion is Q1 2026.

A template for exit interviews will be developed and made accessible to management staff. Departing employees will be given the option to complete the interview in person, virtually, or through written submission. We will strongly encourage its receipt as a pre-condition for completion of the departure process. Estimated date of completion is Q1 2026.

Recommendation 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.

Management Response: ☒ Agree ☐ Disagree

Comments/Action Plan/Time Frame:

These challenges are currently being addressed through regular triaging of cases among the primary investigative units. Some of these investigative areas were recently realigned internally following guidance provided by industry/ legal /academic experts and/or the Toronto Ombudsman. We agree that communicating the expectations and timelines to affected employees is important and have embarked on process improvements to ensure this is accomplished. Work is currently underway, and we anticipate having a fully-staffed intake team within the Human Rights and Investigations Department by Q4 2025. Other activities including the review of roles and responsibilities for each investigative unit and various internal stakeholders, along with associated communications, will be completed by Q1 2026.

Recommendation 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).**

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: A high-level summary for tracking purposes is being developed by the working group referenced above who convene for the purposes of triaging complaints into the right investigative unit. This can be challenging as there are sometimes overlapping areas of complaint and one unit may be in the best position to lead on behalf of another. Tracking of management complaints will start with those where HR services are engaged as these tend to be the most serious, repetitive or ones that have escalated. De-escalation training has been a priority for the TTC over the past 2-years and should help reduce the frequency and potential escalation of complaints going forward. Through a recent re-organization, priority has been given to reducing the time in which complaints are dealt with while ensuring the parties are kept reasonably well informed. Progress is being made and targets are being set. In addition, a new case management system is currently being explored and subject to funding and compatibility assessment, may be adopted by Q1 2026. This would improve data tracking and reporting by Q3 2026.

Timeline for actions

Recommendation	2025	2026	2027	2028
1.HR KPIs	=====X	=====X		
2.Succession planning	=====	=====	=====	==X
3. Retirement process	=====	=====X		
4. Rehired pensioner	=====X	=====X		
5. Employee engagement	=====	==X		
6.Clarify & communicate investigative roles	=====X	==X		
7. Investigation tracking	=====	==X=====X		

