

AT A GLANCE

Continuous Controls Monitoring (CCM): City Staff Overtime, Absenteeism, and Other Payroll Related Expenses

WHY THIS REPORT MATTERS

From 2011 to 2016, the Auditor General's Office completed a series of Continuous Controls Monitoring (CCM) projects using data analysis and reviewing overtime, absenteeism, kilometrage, telecommunication, and accounts payable, identifying \$20 million in savings and resulting in noticeable improvements across the City.

The Auditor General included a CCM project in her 2026 Work Plan to support ongoing monitoring of controls for payroll-related expenses.

This report provides the results of the data analysis and highlights the City divisions with the highest levels in the areas examined.

BY THE NUMBERS

- **\$134.2 million** in city-wide **overtime costs** in 2025, a **22.7%** increase since 2023
- **77.5%** of City-wide overtime costs in 2025 were concentrated in the top five divisions by overtime costs
- **362 employees** earned **more than 50% or \$50K** of their salary in overtime in 2025, up **92.6%** since 2023
- **\$131.9 million** in **short-term sick leave costs** in 2025, up **20.8%** since 2023
- **57.7%** of City-wide sick leave costs in 2025 were concentrated in the top five divisions by sick leave cost.
- **998 employees** **exceeded 500 sick leave hours** in 2025, up **23.4%** from 2023
- **\$10.3 million** in standby pay in 2025, up **30%** from 2023. **\$1.6 million** in callback costs in 2025, up **81.2%** since 2023.
- **\$1.74 million** in kilometrage reimbursements in 2025, up **22.3%** since 2023

HOW RECOMMENDATIONS WILL BENEFIT THE CITY

Implementing the four recommendations in this report will help management strengthen internal controls for payroll-related expenses, including the City's Attendance Management Program, and may also result in overall savings to the City.

WHAT WE FOUND

Our review found that all selected payroll-related expenses, including overtime and sick leave, increased from 2023 to 2025. This highlights the need for a focused review of overtime and sick leave drivers, along with division-level monitoring of the areas with the largest and fastest-growing costs.

We asked management to review the results from our data analysis, and their comments are provided in the appendices of the report with highlights below.

A. Staff Overtime and Standby Usage

Overtime is often needed for emergency services like fire and paramedics to maintain adequate staffing and Council-directed service levels. Toronto Fire Services had the highest overtime cost in 2025; however, that cost declined moderately since 2023. Seniors Services & Long-Term Care overtime costs increased to \$22.5M in 2025, a 102.7% increase from 2023, due to staffing shortages, with overtime often used to cover absences and higher vacancy rates.

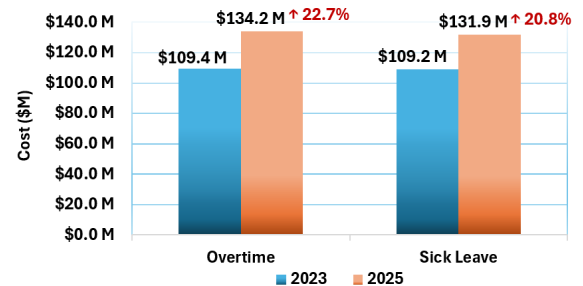
B. Sick, Bereavement, and Ill-Dependent Leaves

Overall absences, including sick leave costs, increased across the City. Sick time was highest in divisions providing 24/7 services in high stress areas. Toronto Fire Services remained the highest-cost division, while Parks & Recreation and Toronto Shelter and Support Services had significant cost increases of 33% and 44%, respectively.

C. Need for Strengthening Controls Over Payroll Processes and Attendance Management

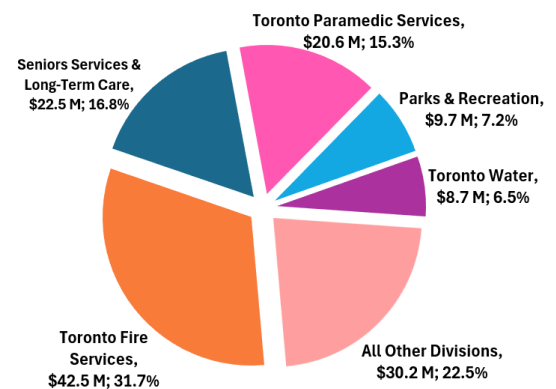
In 2001, the City implemented the Attendance Management Program to monitor and address employee absenteeism. In 2025, City-wide average absenteeism was 9.48 days per employee, 18.5% above the City's eight-day standard. Our review identified opportunities to update and strengthen the program's effectiveness by improving oversight, centralizing tracking, and revisiting the City's and divisional standards to better align with current needs.

Overtime and Sick Leave Costs, 2023 vs. 2025



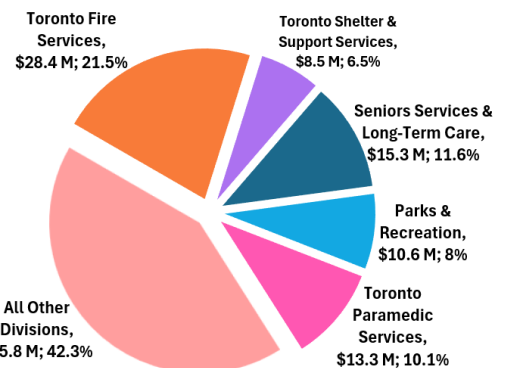
Note: Percentage labels show the change in cost from 2023 to 2025.

2025 Overtime Cost



Note: Total overtime cost for the City in 2025 was \$134.2 million.

2025 Sick Leave Cost



Note: Total sick leave cost for the City in 2025 was \$131.9 million and includes ill-dependent leave.