Office of the
Auditor General
City of Ottawa







REVIEW OF OVERTIME

SEPTEMBER 2026

Office of the Auditor General City of Ottawa

Table of Contents

Introduction 1

Background/Context 1

Review Objective and Scope 3

Conclusion 4

Review Observations and Recommendations – OC Transpo 6

Appendix 1 – About the Review 24

Appendix 2 – Rating Scale for Review Findings 26

Nathalie Gougeon, CPA, CA, CIA, CRMA, B. Comm
Auditor General

IIA Global Quality Certified — Globally Recognized for Internal Audit Excellence

Introduction

As a result of several Fraud and Waste Hotline reports over the years, the Office of the Auditor General (OAG) conducted a review of overtime at the City of Ottawa (or "the City").

Background/Context

The City has an *Overtime Policy* (or "the Policy"), the purpose of which is to promote the responsible management of overtime expenditures. As outlined in the Policy, "overtime may be authorized when management is satisfied that the work or service is necessary and that overtime is the most appropriate and/or cost-effective means for providing the service".

Overtime is time worked by an employee in excess of the standard daily or weekly hours of work and for which the employee may be entitled to compensation pursuant to the provisions of the relevant collective agreement. It is the responsibility of departments to manage overtime in a way that ensures its use is kept to a minimum, is in alignment with the requirements outlined in the collective agreements, and that the cost is justified, all while meeting operational requirements.

The City incurred $61.7M of overtime in 2024 and $70.3M in 2025[1]. **Figure 1 and Figure 2** provide a breakdown of overtime across departments in 2024 and 2025.

[1] These numbers are based on data provided by Finance and Corporate Services and have not been verified for accuracy or completeness. Note that the City Manager's Office overtime includes Legal Services and Public Information and Media Relations.

Figure 1 – Overtime across the City in 2024

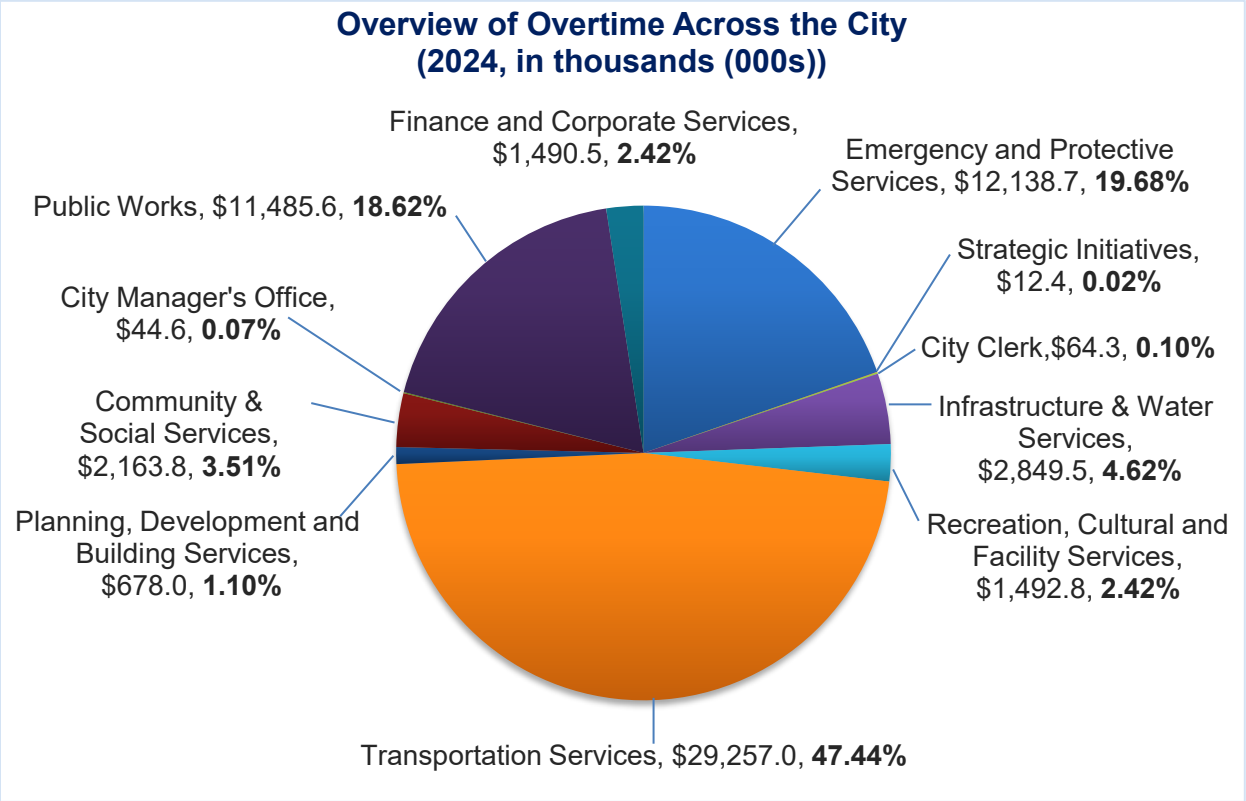
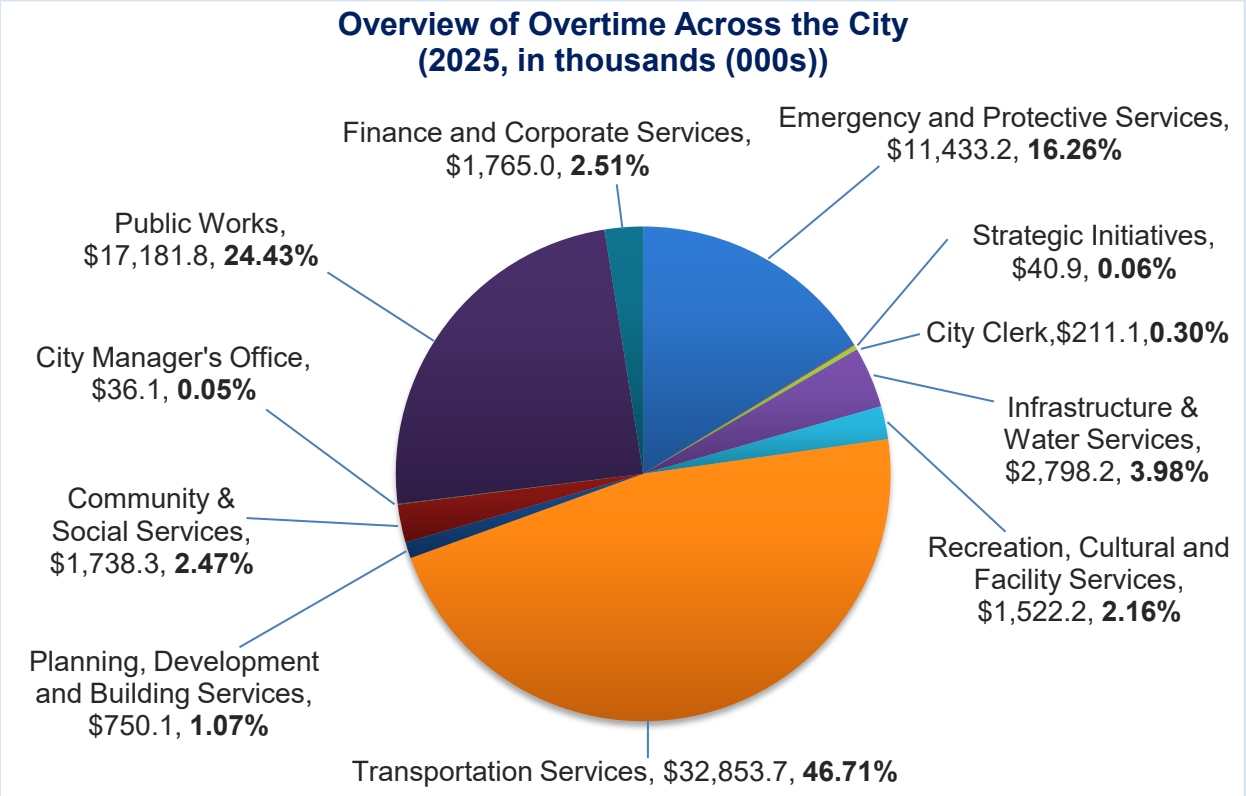


Figure 2 – Overtime across the City in 2025



Reasons for Overtime

Overtime can occur due to different operational requirements and challenges. These include, but are not limited to:

- Continuation of an active job staff are working on (i.e., this is planned work that is taking longer);
- Work that has public safety risks or impacts that need to be addressed in a time sensitive manner;
- After-hours response to emergencies (dealt with by on call staff);
- Coverage of sick or vacation leave; and,
- Addressing short term, temporary or seasonal operational requirements (e.g., winter operations related to roads) as this is more efficient than hiring additional full-time staff.

Additionally, management has indicated that the amount of overtime incurred by different operating departments over the years is a direct result of not being able to fill vacancies/staff shortages and a backlog of work. As a result, there is a reliance on overtime, by both staff and management, to manage operations.

Review Objective and Scope

The objective of this review was to assess the City's overtime policies and processes. More specifically, the review assessed whether overtime is:

- Being administered in compliance with applicable regulations and collective agreements;
- Being utilized only when operationally required and represents value for money; and,
- Actively being monitored to understand impacts on employees and support planning.

The review covered overtime worked during the period from January 1, 2024 to December 31, 2025. Based on a risk assessment (not specifically based on dollar value) of the overtime incurred across the City, we selected specific branches for inclusion in the scope of the review as outlined in **Table 1**.

Table 1 – City Branches by Department Included in Scope for the Review

Branches in Scope	Value of Overtime Within Scope Period	Coverage Against City Overtime Within Scope Period
Transit Services Department • Bus and Para Transit Operations Branch • Transit Fleet Maintenance Branch • Rail Operations Branch	$44,414,524	36%
Public Works Department • Roads Operations	$18,720,691	15%
Infrastructure & Water Services Department • Water Distribution Branch	$3,381,143	3%

A sample of individual overtime transactions were selected for testing within each of the selected branches.

Readers are cautioned about the important distinction between a review and an audit. Audits are designed to provide a high level of assurance over their findings and will typically feature rigorous testing and analysis. While this review was conducted in a systematic and professional manner, the extent of activities undertaken by the OAG was relatively narrow compared to an audit.

Refer to Appendix 1 for additional details on the objective, criteria, and approach to the review.

Conclusion

Managing overtime is important for financial stewardship, operational efficiency and effective management of human resources. Utilizing overtime effectively and efficiently requires a balance between meeting service delivery demands, maintaining appropriate staffing levels, and the ability to respond to unplanned events.

Occasional overtime can help meet short-term demands and is more cost efficient in situations where there is unpredictability or seasonality to the work. However, reliance on overtime as the mechanism to manage staff shortages and regular operations is not

sustainable in the long run. It often leads to higher costs, burnout, reduced productivity, quality issues, and increased employee turnover.

Our review noted that the more significant issues related to overtime were found in OC Transpo and as a result, the findings in this report are focused on the Transit Services Department. The review found that overtime has become a significant and ongoing part of OC Transpo's operations, largely due to persistent staffing shortages and the challenges of maintaining an aging fleet.

The review noted opportunities to improve and increase the effectiveness of processes that support the administration of overtime. These include improving documentation to support the rationale for overtime and how it was awarded (i.e. based on seniority), as well as implementing processes and leveraging system functionalities to proactively identify and manage Hours of Service violations.

The review identified that there is significant reliance on manual processes, especially within Transit Fleet Maintenance, which limits efficiency, increases the risk of error, and makes monitoring difficult. Greater use of technology and system functionality would help improve decision-making, reduce administrative burden, and strengthen controls.

We also identified areas for management to consider as they continue to review and improve processes to efficiently manage overtime and demonstrate value for money. This includes assessing and automating the booking approach across all OC Transpo service areas and improving the use of technology to minimize manual processes.

The review identified opportunities for improvement related to Roads Operations and Water Distribution, which included strengthening documentation related to how overtime was awarded/offered (i.e. based on seniority) and the rationale for the overtime. These findings were reported in a management letter, which was provided directly to management.

Each finding in this report has been assigned a rating that prioritizes the associated remediation. Rating definitions are provided in Appendix 2.

Value of Review: This review identified opportunities to strengthen the management, oversight, and monitoring of overtime within the City. Implementing the recommendations will support improved accountability, regulatory and collective agreement compliance, operational efficiency, and value for money in the use of public funds.

Review Observations and Recommendations – OC Transpo

Background on Transit Services

The City's Transit Services Department provides public transit services under the name OC Transpo. Below is a summary of each of the in-scope service areas/branches:

- Bus and Para Transit Operations Branch (herein referred to as Bus Operations) is responsible for managing all aspects of the day-to-day delivery of OC Transpo's non-rail transit services, including bus rapid transit and Para Transpo. Currently, there are over 1,500 Bus Operators.
- Transit Fleet Maintenance Branch (herein referred to as Maintenance) is responsible for overseeing the maintenance and upkeep of a fleet over 730 buses and 80 Para Transpo minibuses.
- Rail Operations Branch (herein referred to as Rail Operations) is responsible for the day-to-day operation and oversight of the maintenance related to the O-Train lines.

OC Transpo staff are represented by several bargaining units in a number of different trade unions. These include:

- Amalgamated Transit Union (ATU) 279 (e.g. bus and rail operators, dispatchers, mechanics, garage attendants);
- Canadian Union of Public Employees (CUPE) 5500 (e.g. maintenance supervisors, service supervisors, etc.);
- ATU 1760 (e.g. booking officers, time administrators, etc.)

Overview of Overtime in OC Transpo

Within the context of OC Transpo, overtime can be scheduled or unscheduled.

- Scheduled overtime – Overtime shifts can be booked at the quarterly operator bookings if they are known at the time, but also throughout the year as overtime is required, whereby Operators are notified of the overtime shifts that are available and they then sign up for the shift. Scheduled overtime is managed by different groups in OC Transpo, depending on the area.
- Unscheduled overtime – this can happen in instances where:
  - an employee's shift is extended and notice of the overtime is provided during the current shift (e.g., a bus route needs to be extended. etc.);
  - staff call in sick the day before or of; and,

  - there are last-minute operational requirements/changes.
- Employees being on-call can also generate overtime.

Transit Services uses the following systems to support time administration and reporting:

- SAP – used City-wide for payroll operations (processed by the City's Payroll, Pension and Benefits services).
- HASTUS – the system used to plan, schedule, and track all public transit operations for Bus and Rail Operators. HASTUS feeds into SAP, however manual intervention is required from OC Transpo Time Administrators.
- FleetFocus M5 maintenance system (M5) – used by Maintenance to track preventative maintenance schedules and work orders. M5 does not feed into SAP. Time Administrators manually enter pay entries and other items related to Maintenance into SAP. Maintenance primarily uses paper-based tools to support time administration and reporting as HASTUS has not yet been adopted.

Current Operating Environment

It is important to acknowledge that there are several factors that are contributing to the use and reliance on overtime, by both management and staff, to deliver services to residents. These include, but are not limited to:

- Industry wide mechanic shortage. Management indicated that due to challenges in recruiting/retaining staff, the area is currently short 57 licensed staff;
- Staff shortages in bus and rail operators;
- Requirements related to maintaining the aging fleet;
- The introduction of new regulatory requirements with the opening of O-Train Lines 2 and 4, which requires a longer lead time for training; and,
- Ongoing testing and commissioning of the extension of Line 1.

Figures 3 to 5 below provide a breakdown of overtime budgets vs. actuals, including variance from budget, incurred from 2021 to 2025[2] within Bus and Para Transit Operations, Transit Fleet Maintenance, and Rail Operations respectively.

[2] These numbers are based on data provided by Finance and Corporate Services and have not been verified for accuracy or completeness.

Figure 3 – Bus and Para Transit Operations Branch Overtime Budget vs Actuals from 2021 to 2025 (in dollars)

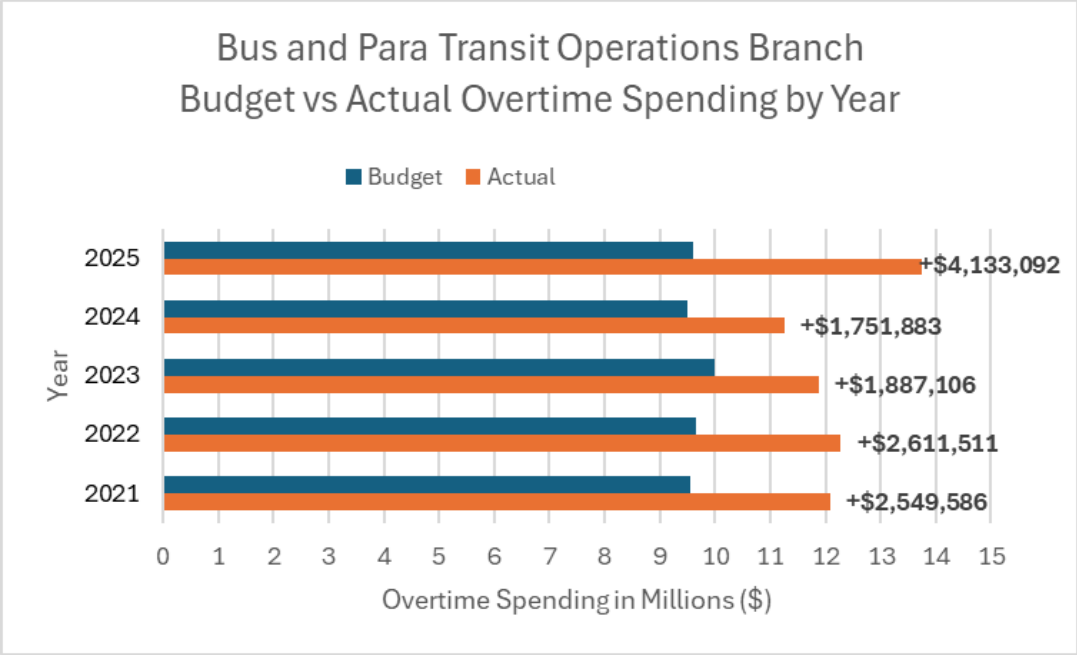


Figure 4 – Transit Fleet Maintenance Branch Overtime Budget vs Actuals from 2021 to 2025 (in dollars)

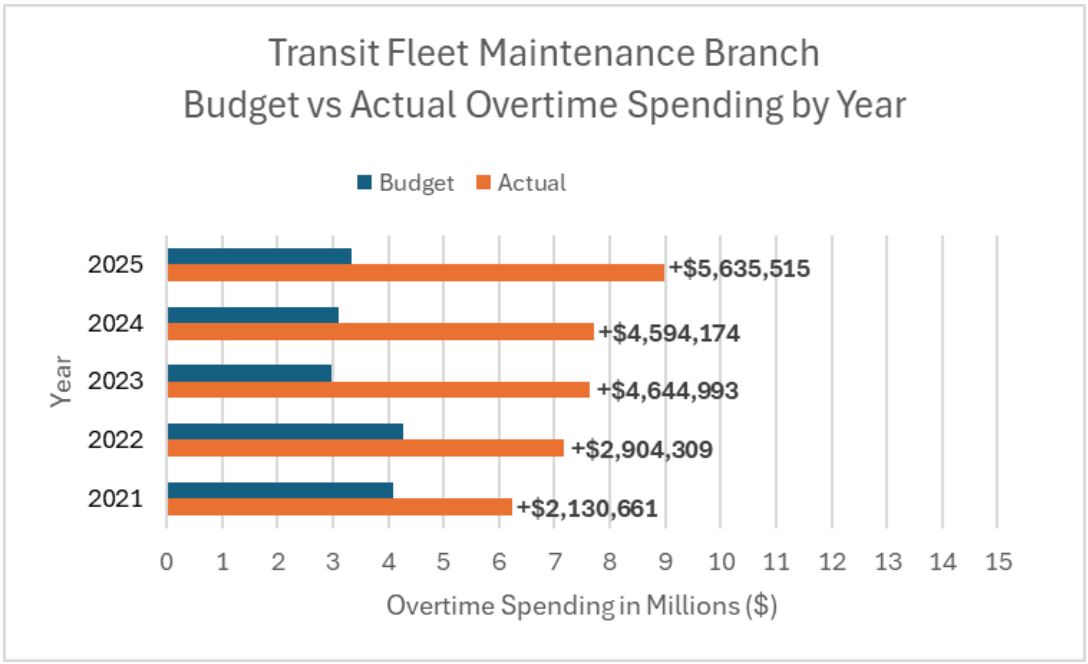
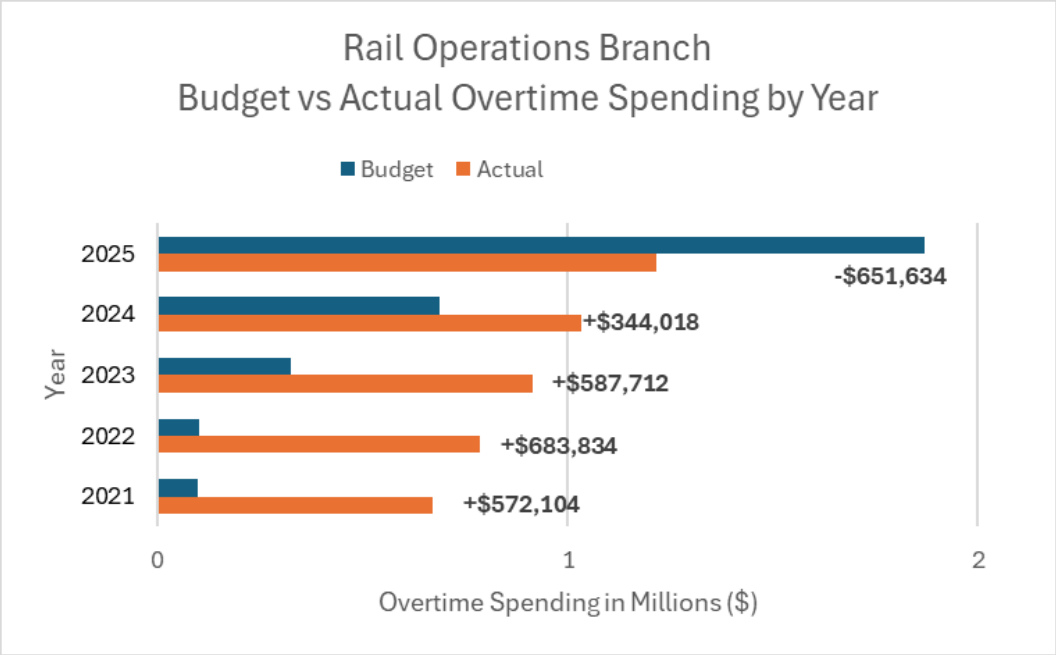


Figure 5 – Rail Operations Branch Overtime Budget vs Actuals (in dollars)



1. Rationale and Offering of Overtime

Priority Rating: Moderate

There are several reasons why overtime can be incurred within OC Transpo based on operational requirements. As outlined in ATU 279 Collective Agreement, "overtime work deemed necessary to maintain City efficiency will be booked on a **seniority basis** provided the work does not require a specific classification for work detailed".

We reviewed a sample of overtime transactions to assess whether:

- Overtime was based on an operational requirement,
- That the rationale for the overtime was documented, and
- Overtime was offered to staff based on the required qualifications and in alignment with the applicable collective agreement (e.g. seniority).

From available documentation, we could not consistently identify the rationale for the overtime hours or how it was offered (i.e. seniority). Specifically, our sample testing resulted in the following:

- Bus Operations
    - In 25% of our sample, there was no evidence to demonstrate overtime was offered based on seniority.

- Rail Operations
    - In 20% of our sample, there was limited evidence to demonstrate the rationale for the overtime.
- Fleet Maintenance
    - In 11% of our sample, there was no evidence to demonstrate the rationale for the overtime.
    - In 42% of our sample, there was no documentation or justification to demonstrate overtime was offered based on seniority.

We understand that there is no formal requirement to document the assignment of overtime by seniority. Additionally, Management indicated that although overtime is normally allocated on the basis of seniority, in some instances it is not feasible for the most senior employee signed up for the shift to incur the overtime. From interviews conducted it was noted that the current process for offering overtime, while embedded in the ATU 279 Collective Agreement, has caused operational challenges, including recruitment and retention issues. Furthermore, it is not perceived as a fair and equitable approach.

Without clear expectations related to documentation of the rationale for overtime and how it was offered, the City cannot demonstrate compliance with the requirements of the applicable collective agreements. Additionally, it can make it challenging for management to monitor and identify trends for proper resolution.

RECOMMENDATION 1 – ESTABLISH AND COMMUNICATE CLEAR EXPECTATIONS FOR DOCUMENTATION RELATED TO RATIONALE AND OFFERING OF OVERTIME

The General Manager, Transit Services Department should establish and communicate requirements for documenting:

- the rationale for overtime; and,
- that overtime shifts are being offered based on seniority.

Additionally, consideration should be made to introducing improved tools for tracking shifts being offered.

MANAGEMENT RESPONSE 1

Management agrees with the recommendation.

The City administers overtime in accordance with the ATU 279 Collective Agreement, including its seniority provisions, and these actions will strengthen documentation of

that compliance. Staff will:

- issue a written documentation standard specifying that the direct supervisor or the unit's supporting delegate record the rationale for each overtime instance and confirmation that the shift was offered by seniority, and where it is recorded. Estimated completion by Q2 2027;
- implement overtime coding in HASTUS for Bus and Rail Operations so that overtime entries, capture point, and offering basis are recorded and reportable; and,
- enable the equivalent documentation in Fleet Maintenance through the HASTUS implementation described in Recommendation 10.

Estimated completion by Q4 2027.

RECOMMENDATION 2: REVIEW APPROACH TO OFFERING OVERTIME

As part of future ATU 279 Collective Agreement iterations, the General Manager, Transit Services Department should review the approach for offering overtime so that it is fair and equitable.

MANAGEMENT RESPONSE 2

Management agrees with the recommendation.

The City administers overtime in accordance with the ATU 279 Collective Agreement, including its seniority provisions. As part of preparations for the next round of collective bargaining, staff will assess the feasibility of adjustments to the overtime offering approach and will consider options intended to support fairness and equity, subject to the negotiation process. Any changes to the approach would be determined through collective bargaining with ATU 279. Estimated completion by Q4 2028.

2. Hours of Service and Collective Bargaining Requirements

Priority Rating: Moderate

As operators of commercial vehicles, OC Transpo requires all Bus and Electric Rail Operators to comply with *Commercial Vehicle Drivers Hours of Service Regulations* (referred to as Hours of Service) and *Commercial Vehicle Operator's Registration (CVOR)* requirements. Hours of Service refers to the rules that limit how long commercial vehicle drivers can drive and remain on duty, while requiring minimum rest and off-duty periods to help prevent fatigue-related incidents and promote road

safety. Hours of Service and CVOR requirements also apply to mechanics and garage attendants in Fleet Maintenance, as they work on the commercial vehicles. Diesel Rail Operators are governed by the maximum work hours and minimum rest requirements outlined in the *Duty and Rest Period Rules for Railway Operating Employees (DRPR),* as mandated by Transport Canada.

The Hours of Service (HoS) regulations contain two basic requirements:

- Daily/shift requirement: where an operator must have 10 hours off-duty in every 24 hours (day) and they cannot drive after 14 hours on-duty in a day/shift
- Cycle requirement: where in a rolling window of seven (7) consecutive days, an employee cannot drive after having been on-duty for a total of 70 hours (referred to as a 7/70 cycle).

The responsibility for managing Hours of Service compliance rests with the employee.

In addition, the ATU 279 Collective Agreement states that “employees who exceed one hundred and thirty (130) hours of work within a bi-weekly pay period are not eligible for further overtime unless there are no other qualified employees available”.

We reviewed the selected overtime transactions to determine if there were any Hours of Service or DRPR violations, and if the 130 hours outlined in the Collective Agreement were being adhered to.

Bus Operations

We did not identify any Hours of Service violations in the sample of overtime transactions reviewed. However, in 50% of our sample, the employees worked more than 130 hours in a bi-weekly period.

It was indicated that when a shift is entered into HASTUS, the system does flag if that shift will cause the Operator to exceed their Hours of Service. However, it falls to the Operator to confirm whether an upcoming booking will in fact be in violation of their Hours of Service.

We did note that the Transit Bookings and Timekeeping Unit has implemented a process whereby Booking Officers review HASTUS to identify any daily driving/rest Hours of Service Violations in a two (2) week period. These are sent to the Section Heads to investigate further and take action if required. However, there is a delay in when this review occurs as this process only happens after the shift has already been worked. While an Operator responsibility, should an Operator exceed their Hours of Service and be involved in a safety related incident, the City may be further liable.

Rail Operations

We noted the following in the sample of Rail Operators overtime transactions reviewed:

- 7% of our sample contained Hours of Service violations (Electric Rail Operators).
- 7% of our sample had employees work more than 130 hours in a bi-weekly period.
- We did not identify any DRPR violations (Diesel Rail Operators).

We understand that similar to the Hours of Service requirements, it is primarily the Diesel Rail Operator's responsibility to track their time to identify if any upcoming work will cause a DRPR violation. Management has the ability to generate reports from HASTUS to help identify if an upcoming shift will cause a violation such that changes can be made in advance. However, the report is manually generated and does not automatically flag issues. The reviewer of the report must be specifically reviewing each employee's time for potential violations in that period.

We do understand, given that this is a federal requirement, there is much attention being paid by Superintendents to avoid violations and through our testing, we noted examples of schedule changes to avoid a DRPR violation. However, it is important to note that if a change to the schedule is made to avoid a DRPR violation, the Operator will still get paid for the time (or overtime) they were intended to work. Therefore, it is critical to avoid such scheduling issues in advance to ensure prudent use of funds.

Overall, without the ability to consistently and proactively identify a potential DRPR violation, such occurrences could occur without knowledge until the violation has occurred, which comes at a cost to the City.

Fleet Maintenance

We noted the following in the sample of Maintenance staff overtime transactions reviewed:

- 23% of our sample contained Hours of Service violations.
- 37% of our sample had employees work more than 130 hours in a bi-weekly period. These ranged from exceeding the requirements from two (2) hours to 44 hours.

Management has indicated that because of the manual nature of time reporting, it is difficult to proactively track and manage compliance with the requirements. It was indicated that in limited cases, management will look for potential violations. However, this review occurs after the fact and is not proactively performed.

Relying on an individual employee to confirm they are compliant with the Hours of Service and Collective Agreement rules increases the risk to the City that shifts/overtime are accepted by employees that will lead to violations. Not being able to proactively track overtime hours limits management's ability to reassign work when approaching the threshold, to avoid being in violation. Additionally, excessive overtime impacts the quality of work of an employee and can cause health and safety concerns. Furthermore, it can come at additional financial costs to the City.

RECOMMENDATION 3 – ESTABLISH PROACTIVE MEASURES TO IDENTIFY HOURS OF SERVICE VIOLATIONS (BUS AND RAIL OPERATIONS)

Leveraging existing reporting features and additional functionalities within HASTUS, the General Manager, Transit Services Department should establish more formal proactive measures to identify potential Hours of Service and Collective Agreement overtime violations before awarding an overtime shift within bus and rail operations.

MANAGEMENT RESPONSE 3

Management agrees with the recommendation.

The City is committed to awarding overtime in compliance with Hours of Service and Collective Agreement limits, which identifies potential violations ahead of the shift. Bus Operations already flag Hours of Service issues within HASTUS. Staff will:

- confirm the automation method, HASTUS or, where HASTUS cannot deliver it, alternative technology;
- configure the Rail Operations rules into the selected system so that a potential violation is flagged before an overtime shift is awarded.

Estimated completion by Q4 2027.

RECOMMENDATION 4 – ESTABLISH A PROCESS TO IDENTIFY HOURS OF SERVICE VIOLATIONS (FLEET MAINTENANCE)

Pending the implementation of HASTUS, the General Manager, Transit Services Department should establish a process in Transit Fleet Maintenance whereby Supervisors verify if an Hours of Service and/or Collective Agreement overtime violation could result from granting an overtime shift to an employee.

Once implemented, recommendation #3 should also be applied for Transit Fleet Maintenance.

MANAGEMENT RESPONSE 4

Management agrees with the recommendation.

Pending HASTUS in Fleet Maintenance, staff will implement an interim supervisory control with an estimated completion by Q4 2026: before granting an overtime shift, the direct supervisor or delegate verifies that it will not cause an Hours of Service or Collective Agreement violation, with the verification documented. Once Fleet Maintenance is in HASTUS, the proactive measures under Recommendation 3 will replace the interim control.

Estimated completion by Q4 2027.

RECOMMENDATION 5 – EMBED DUTY AND REST PERIOD RULES INTO HASTUS (RAIL OPERATORS)

As part of the ongoing transition to leverage more functionality within HASTUS, the General Manager, Transit Services Department should consider embedding requirements related to Duty and Rest Period Rules (DRPR) such that scheduling changes that would cause a DRPR violation would be consistently flagged before finalizing that change.

MANAGEMENT RESPONSE 5

Management agrees with the recommendation.

The current DRPR check is manual. Staff will confirm the automation method and embed DRPR rules into the selected technological system so that a scheduling change causing a violation is flagged before it is finalized.

Estimated completion by Q4 2027.

3. Approval and Payment of Overtime

Priority Rating: Moderate

Scheduled/overtime planned in advance is managed through HASTUS for Bus and Rail Operators. Any time deviation, outside of what is planned/scheduled for Operators, is recorded on a manual timesheet by the employee and submitted to a supervisor for verification and approval before manually entering the information into HASTUS. All time keeping and time administration is fully paper-based within Fleet Maintenance, whereby employees fill out and submit a paper timesheet to a supervisor for verification and approval before it is entered into SAP.

From available documentation, we could not consistently see approvals on timesheets from supervisors. We also did note some instances where there was a discrepancy in what an employee worked (as captured in HASTUS or the timesheet) vs what they were paid (per SAP). Specifically, our sample testing resulted in the following:

- Bus Operations
  - 5% of our sample had no evidence of supervisory approval of the timesheet.
- Rail Operations
  - 7% of our sample contained a discrepancy between the hours paid per SAP and the actual hours worked that day (i.e. the employee was overpaid).
- Fleet Maintenance
  - 26% of our sample had no evidence of supervisory approval.
  - 68% of our sample contained what appeared to be a Supervisor initial on the timesheet, however it could not be determined who this approval was from. We understand that a new process has been introduced such that Supervisors must include their names and the last 3 digits of their employee as part of their timesheet approval.
  - 5% of our sample contained a discrepancy between the hours paid per SAP and the hours worked per M5.

Insufficient evidence of approval of overtime does not enable the City to demonstrate that the overtime paid was justified and appropriate.

RECOMMENDATION 6 – CONSISTENT APPROVALS OF TIMESHEETS

The General Manager, Transit Services Department should reinforce with both Supervisors and Time Administrators that all timesheets should be approved by a Supervisor before entering the time into SAP.

MANAGEMENT RESPONSE 6

Management agrees with the recommendation.

Staff will confirm the supervisory position responsible for timesheet approval and issue a directive to Supervisors and Time Administrators that no timesheet is entered into SAP without documented supervisory approval.

Estimated completion by Q4 2026.

RECOMMENDATION 7 – SYSTEM BASED APPROVALS FOR OVERTIME

As part of the continuing planned implementation of Fleet Maintenance into HASTUS, the General Manager, Transit Services Department should include system-based approvals for overtime worked.

MANAGEMENT RESPONSE 7

Management agrees with the recommendation.

System-based approval of overtime worked will be built into the Fleet Maintenance HASTUS implementation, so that overtime is approved in-system before payment.

Estimated completion by Q4 2027.

4. Monitoring and Reporting of Overtime

Priority Rating: Moderate

The Overtime Policy states that departmental managers are responsible for "monitoring overtime usage and implementing changes to work practice which can reduce overtime". The review found that there is currently limited monitoring of overtime being conducted across the various services areas in OC Transpo.

Within Bus Operations and Fleet Maintenance, we did not see evidence of formal or ongoing monitoring activities. As mentioned earlier, overtime is currently being used by Management as the mitigation to the existing staff shortages and to cover when employees are not available (i.e. vacation, sick). This is especially the case in Fleet Maintenance, where currently, overtime is being used as a tool to address the backlog of maintenance required for the existing fleet. It was noted that staff are being offered double time until November 2026 for overtime shifts.

Management indicated that operating at a full staffing complement would prompt closer monitoring of overtime, but given the current volume of overtime and how embedded overtime is in the regular day to day operations, monitoring of overtime is ad hoc and based on specific individual concerns.

Within Rail Operations, there is currently informal monitoring being performed regarding overtime. Trends are reviewed in planning for upcoming quarterly bookings to move shifts around to mitigate where they tend to be short staffed or to avoid DRPR violations. Additionally, we understand that there are formal tracking and monitoring mechanisms of overtime performed to support the LRT East-West extension as this is covered as part of a contractual arrangement.

Management indicated that while current systems can generate reports to support monitoring, better tools or system enhancements are required to support detailed and proactive monitoring.

Without proactive monitoring, management cannot identify trends or issues that are resulting from the overtime being incurred.

Furthermore, as indicated in **Figures 3 to 5** above, management has not only been relying on overtime, they are continuing, year-after-year, to inadequately budget for overtime across these three branches. While we understand there are many factors complicating the budgeting process, there appears to be a lack of necessary changes to reflect the operating realities. This impacts overall budget transparency and management's ability to effectively plan with its existing resources.

RECOMMENDATION 8 – ESTABLISH A PROCESS FOR MONITORING OF OVERTIME

Leveraging available system tools (or potential system enhancements), the General Manager, Transit Services should establish a proactive and holistic approach to monitoring overtime to identify trends, and support resource and scheduling related decisions.

MANAGEMENT RESPONSE 8

Management agrees with the recommendation.

Staff will submit an organizational structure change request, pending HR approval, that would establish a workforce management function within Transit Bus Operations and Maintenance responsible for monitoring overtime proactively. This structure will define monitoring requirements and overtime measures, with external support, and produce a recurring overtime monitoring report identifying trends by branch to support resource and scheduling decisions. If and once approved, each branch within Transit Bus Operations and Maintenance will have a unit that will absorb the workforce management functions.

Estimated completion by Q1 2027.

5. Other

The review also noted additional findings outside of the sample of overtime transactions reviewed that are summarized below.

5.1 Manual Processes, Tools and Technology

Priority Rating: High

The review found that there are several manual processes and tools used within OC Transpo to support time reporting and administration. The reliance on manual processes varies across the service areas, with Fleet Maintenance being the least automated or digitized.

Bus and Rail Operations

Bus and Rail operations are fully integrated within HASTUS where a majority of time administration and reporting activities are automated. There is still use of paper timesheets (for time outside of what is planned/scheduled for Operators) and manual intervention by the Transit Bookings and Timekeeping Unit in both HASTUS and SAP given the various requirements and nuances outlined in the Collective Agreement.

There is currently a team of 12 Time Administrators who review/verify timesheets and enter the details into the system for adjustment of pay, including overtime.

Fleet Maintenance

As indicated earlier, the time administration and reporting processes in Maintenance is primarily manual, with paper-based documents (e.g., sign-up sheets and timesheets) and manual entries into SAP. We understand that management intends to leverage HASTUS to automate processes, but this is yet to be implemented.

Several challenges were noted due to reliance on paper/manual processes and limited ability to leverage existing systems (e.g. M5). These include, but are not limited to the following:

- As noted earlier, due to the manual nature of tracking of time worked, it is difficult to manage Hours of Service requirements and to ensure overall compliance. Management and the Transit Bookings and Timekeeping Unit have been limited in their ability to identify any potential conflicts before overtime or additional work is awarded.
- We learned that it is acceptable for staff to sign up for the same shift of overtime at multiple garages. There is no visibility across garages because the process is manual. As a result, an individual can end up being awarded the overtime shift in

multiple garages and will not be able to attend one of them. This causes further scheduling complications.

- There is inconsistent use of M5 to track unapplied time (i.e. time worked by an employee that is not directly related to a work order such as administration time, time to pick up or waiting for parts, etc.) which could be helpful in managing workloads, supervising staff to ensure efficient use of resources, and potentially limiting the need for overtime in some cases.

Overall, reliance on manual timesheets and verification processes can lead to inefficiencies and errors. It can also make it challenging to identify potential instances of time fraud/time theft as there is no ability to leverage a system to generate reports and investigate anomalies. Furthermore, it can result in significant additional costs to the City.

RECOMMENDATION 9 – EMBED TIMESHEET PROCESS INTO HASTUS (BUS AND RAIL OPERATIONS)

As part of the ongoing transition to leverage more functionality within HASTUS, the General Manager, Transit Services Department should consider embedding the timesheet process into the system to avoid the potential for errors, inefficiencies and time theft associated with the manual timesheet process.

MANAGEMENT RESPONSE 9

Management agrees with the recommendation.

Staff will assess embedding the timesheet process into HASTUS, or an alternative technology, if necessary, to reduce errors, inefficiencies, and time theft risk from manual timesheets.

Estimated completion by Q4 2027.

RECOMMENDATION 10 – EXPEDITE IMPLEMENTATION OF HASTUS FOR MAINTENANCE

The General Manager, Transit Services Department should expedite the implementation of HASTUS within Transit Fleet Maintenance to support time administration and time reporting.

MANAGEMENT RESPONSE 10

Management agrees with the recommendation.

HASTUS implementation in Fleet Maintenance is underway. Staff will coordinate the training and delivery of HASTUS to Fleet Maintenance staff as well as confirm the technical implementation schedule of the system.

Estimated completion by Q4 2027.

RECOMMENDATION 11 – LEVERAGE UNAPPLIED TIME IN M5

The General Manager, Transit Services Department should consider more consistent, proactive use of 'unapplied time' in M5 to track the work not managed through work-orders to ensure effective use of resources.

MANAGEMENT RESPONSE 11

Management agrees with the recommendation.

M5 records maintenance activity primarily through work orders, and unapplied time captures labour that falls outside that structure. Staff will issue direction to Fleet Maintenance supervisors on the consistent use of unapplied time codes in M5 so that work not managed through work orders is recorded against defined categories. Staff will:

- define standard unapplied time categories in M5 and the circumstances requiring their use;
- incorporate unapplied time reporting into the overtime and workforce monitoring described in Recommendation 8, so that recorded hours inform resource and scheduling decisions.

Estimated completion by Q1 2027.

5.2 Booking Clerks

Priority Rating: Moderate

As indicated above, the quarterly booking process for Bus Operators is inherently complicated due to the booking approach currently in place. To support Bus and Rail Operators in booking their schedules, OC Transpo has leveraged a group of Bus Operators to act as Booking Clerks.

The “Booking Clerk Guidelines” in the ATU 279 Collective Agreement outlines the rules and procedures that govern the working conditions of employees who are utilized in the position of Booking Clerk.

OC Transpo has a roster of 20-25 Bus Operators assigned as Booking Clerks, whereby shifts are offered to them based on seniority. Booking Clerks are paid a Booking Clerk premium per hour while working the shift (on top of their bus operator wage). A Booking Clerk can work in both their Booking Clerk capacity and bus operator in a given day.

Despite the scheduling process taking place four times per year, we understand from management that they leverage Booking Clerks for approximately 40 to 45 weeks per year to support the booking process. It is challenging, based on the system, to determine how many hours an individual works vs gets paid in their Booking Clerk role. We understand that because of the rules in the Collective Agreement and historical practices, Booking Clerks typically get paid more than they actually worked in a given shift. For example, a Booking Clerk could be scheduled for an 8-hour driving shift and later be offered to take on a Booking Clerk shift instead. As part of their Booking Clerk duties, they may only be required to work for four (4) hours during that shift, but they are paid the full eight (8) hours based on what they were originally scheduled for as a bus operator. Furthermore, significant manual intervention is required by Time Administrators to ensure these Operators are paid correctly in their Booking Clerk role.

We understand that the booking process is complicated and requires a thorough understanding of rules and requirements, consideration of impacts of booking certain shifts, etc. In principle, however, having seasoned Operators performing administrative/clerical tasks may not represent the best value for money for the City and takes Operators away from driving buses, which are needed to support the bus network. This is exceptionally critical at the moment as a result of operator shortages.

RECOMMENDATION 12 – NEGOTIATE CHANGES TO BOOKING APPROACH FOR BUS OPERATORS

As part of the next iteration of the ATU 279 Collective Agreement, the General Manager, Transit Services Department should negotiate changes related to the booking approach and requirements for Bus Operators.

MANAGEMENT RESPONSE 12

Management agrees with the recommendation.

In preparation for the next iteration of the Collective Agreement, staff will review and assess the feasibility of potential changes to the booking approach and will consider these as part of developing the City's bargaining priorities. Any resulting changes would be subject to negotiation with ATU 279.

Estimated completion by Q4 2028.

RECOMMENDATION 13 – PHASE OUT NEED FOR BOOKING CLERKS

Based on changes to booking approach and potential system enhancements, the General Manager, Transit Services Department should phase out the need for Bus Operators being used as Booking Clerks.

MANAGEMENT RESPONSE 13

Management agrees with the recommendation.

This recommendation is linked to the changes contemplated under Recommendation 12. As those changes are considered through the collective bargaining process, staff will assess related opportunities to evolve the booking function. Any future changes would be developed in consultation with ATU 279.

Estimated completion by Q4 2028.

Appendix 1 – About the Review

Review Objective and Criteria

The objective of this review was to assess the City's overtime policies and processes. More specifically, the review assessed whether overtime was:

- Being administered in compliance with applicable regulations and collective agreements
- Being utilized only when operationally required and represented value for money
- Actively being monitored to understand impacts on employees and support planning

Criteria listed below were developed based on the requirements outlined in the City's Overtime Policy and in relevant collective agreements, and based on an assessment of key risks related to overtime.

1. Policies, Procedures, Departmental Guidelines, Agreements	
1.1	Overtime policies, procedures, guidelines, and provisions within collective agreements have been developed.
2. Overtime Rationale, Execution and Compliance	
2.1	Overtime is being utilized only when operationally required and the rationale is documented.
2.2	Overtime is administered in compliance with collective agreements and regulations, policies and guidelines.
2.3	There is a formal process to verify/review and approve overtime, and approvals are documented.
2.4	Manual and/or system controls are in place to ensure overtime is accurately paid.
2.5	There is use of technology, tools and automation in the overtime process.
3. Monitoring and Reporting	
3.1	Monitoring and reporting activities of overtime usage/spending are conducted to support management of resources, planning activities and decision making.

Review Approach and Methodology

Staff performed the following procedures to complete this review:

- Reviewed relevant documents;
- Conducted interviews and walkthroughs with management and staff within the selected scope areas and Payroll;
- Conducted file testing of a sample of overtime transactions;
- Conducted data analysis of SAP and other system reports

The **Fraud and Waste Hotline** is a confidential and anonymous service that allows City of Ottawa employees and members of the general public to report suspected or witnessed cases of fraud, waste or serious wrongdoing 24 hours a day, seven days a week.

www.ottawa.fraudwaste-fraudeabus.ca / **1-866-959-9309**

Appendix 2 – Rating Scale for Review Findings

The following rating definitions were used to assign priority to the findings associated with this review.

Priority Rating	Description
Critical	The finding represents a severe control deficiency, non-compliance or strategic risk/opportunity and requires an immediate remedy. If left uncorrected, this could have a catastrophic impact on the achievement of the City's strategic priorities, its ongoing business operations, including the risk of loss, asset misappropriation, data compromise or interruption, fines and penalties, increased regulatory scrutiny, or reputation damage.
High	The finding represents a significant control deficiency, non-compliance or strategic risk/opportunity and requires prompt attention. If left uncorrected, this could have a significant impact on the achievement of the City's strategic priorities, its ongoing business operations, including the risk of loss, asset misappropriation, data compromise or interruption, fines and penalties, increased regulatory scrutiny, or reputation damage.
Moderate	The finding represents a moderate internal control deficiency, non-compliance or is a risk/opportunity to business operations that should be addressed timely. If left uncorrected, this could have a partial impact on business operations, resulting in loss or misappropriation of organizational assets, compromise of data, fines and penalties, or increased regulatory scrutiny. Typically, these issues should be resolved after any high-priority findings.
Low	The finding should be addressed to meet leading practice or efficiency objectives. Remediation should occur as time and resources permit. While it is not considered to represent a significant or immediate risk, repeated oversights without corrective action or compensating controls could lead to increased exposure or scrutiny.