



Office of the Auditor General / Bureau du vérificateur général
AUDIT OF THE MANAGEMENT OF VACANT POSITIONS
2011
VÉRIFICATION DE LA GESTION DES POSTES VACANTS

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EXECUTIVE SUMMARY

Introduction

The Audit of the Management of Vacant Positions at the City of Ottawa was included in the 2011 Audit Plan of the Office of the Auditor General (OAG), approved by City Council on April 13, 2011.

Background

Compensation is the single largest piece of the City's operating budget. In 2010, the City's actual compensation expenditure (salaries, wages and benefits excluding overtime) was \$1.2 billion. During budget deliberation, Council adopted \$1.3 billion for 2011. This represents 49% of the City's planned 2011 net expenditures. Council has expressed concerns regarding the management of vacant positions on numerous occasions in the past.

The City of Ottawa manages positions in terms of full time equivalents or "FTEs". An FTE position is equivalent to one person working full time for one year. Two or more part time positions may be combined to total one FTE. "It represents the number of staffing hours approved by Council for that department to deliver its programs & services. One FTE represents 1,820 hours (52 weeks x 35 hours). This does not equate to the number of staff employed by the department as part-time staff work less than 1,820 hours in a year."¹

Excluding Ottawa Police Services and Ottawa Public Library, Ottawa City Council adopted budgeted full time equivalents totalling 12,781² for 2011. This represents an increase of 343 FTEs over 2010.

Positions created outside the annual budget process, are deemed to be unbudgeted; at the City, these are commonly referred to as "temporary". Unbudgeted positions are funded using vacancies of budgeted positions, as well as from capital budgets and external one-time funding from other levels of government. Based on the analysis done at the time of the audit, as at June 30, 2011, the City had an additional 1,065 unbudgeted FTE positions of which 684 were filled. Although we did examine the interrelationship between vacancies and unbudgeted positions, the audit did not include a review of all unbudgeted positions and the rationale for creating them. Appendix A presents the full list of all unbudgeted positions in the four operational areas selected for this audit.

¹ 2005 Operating and Capital Budget - Budget Overview, pg. xviii. Refer to Table 3 for other types of FTEs.

² 2011 Operating and Capital Budget: Tax supported adopted 08-03-11; Rate supported adopted 13-04-11.

In March 2010, Council passed Motion 82/27 which stated:

WHEREAS the City of Ottawa Organizational Chart is produced from the HR databases (SAP-HR) and is refreshed on a daily basis, meaning the chart is always up-to-date as a result of the Request for Personnel Action (RPA) and Organizational and Positional Change Approval (OPCA) process; and

WHEREAS the City Managers have a wide array of SAP-HR reporting available to them, specifically, the Position Incumbent Report, which provides information on the status of positions (whether they are permanent, temporary, casual, vacant, filled on a temporary or acting basis), as well as identifies the owners and holders, their union affiliation and pay grade; and

WHEREAS Full Time Equivalents (FTE) are used for budgetary purposes to quantify the number of FTE positions approved by Council and one FTE may equal the following hours per year: 1,820 (35 hours/week), 1,950 (37.5 hours/week), 2,080 (40 hours/week) or 2184 (42 hours/week), depending on the collective agreement associated with the work. The FTE count is used to quantify annualized hours for positions to provide for a standard, universally accepted means of comparability and is the accepted basis for comparison with other organizations and municipalities; and

WHEREAS positions are created from FTEs based on operational requirements to deliver services. Positions are categorized as full-time, part-time, salary, wage, casual and student and are based on the type of staff required to the work; and

WHEREAS temporary positions are established to meet short-term operational needs, and they are funded from multiple sources, including one-time funding, capital projects, federal or provincial funding, or gapping from vacant positions; and

WHEREAS a true vacancy is defined as a position not having an owner and not filled by anyone placed temporarily or acting in the position and no staffing action against them. This excludes seasonal and summer student positions and a position shown as open until a permanent staffing action is completed within SAP and varies from one position to another. Information on how long a position is vacant can be generated from SAP and is reviewed quarterly by management. Options and strategies for positions that lay vacant for extended periods of time are reviewed by the departments on a regular basis in order to meet service delivery requirements; and

WHEREAS acting or temporary assignments are governed by the various Collective Agreements and the lengths of term vary from six to eighteen months;

THEREFORE BE IT RESOLVED that if a position in the City remains open (vacant) for a period of two years from the date that it last had an Owner that the position be declared as surplus to the Corporation's needs and that the budget allocation and FTE(s) associated with the position be removed from the corresponding departmental budget; and

BE IT FURTHER RESOLVED that should there be a substantive reason that the position remain open that a staff report be brought before the appropriate Standing Committee for their consideration with a reason why the position is still needed and with a plan that will ensure that the position is filled.

Scope and Objectives

The audit scope focused on vacant and unoccupied budgeted positions within City departments, excluding Ottawa Public library and Ottawa Police Service. The distinction between “vacant” and “unoccupied” positions is central to the current approach to managing FTEs at the City and will be fully discussed as part of the audit observations.

Four specific areas were selected for more detailed analysis. These areas included the Paramedic Service, Building Code Services, Parks, Recreation and Cultural Services and Drinking Water Services.

Key audit objectives were to:

Audit Objective 1: Assess if the City of Ottawa has a framework to deal with vacant positions.

Audit Objective 2: Assess the extent of vacant positions, the citywide vacancy rate, and the reasons positions are vacant.

Audit Objective 3: Assess the impact of vacant positions on the City's operations.

The data captured within SAP can be reported in various ways depending on the report used. For the Audit of the Management of Vacant Positions, our objective was to capture all vacancies regardless of the restrictions and limitations imposed by Motion 82/27. In our view, and as is stated in the report, these limitations have the effect of ignoring important vacancy and FTE management scenarios which Council should be aware of. To that end, the conscious decision was made to extract the data using the SAP FTE Summary Report (zrxhr240_sum).

In keeping with this objective, we reviewed all positions (including seasonal, summer student, part-time, unoccupied, etc.) to identify any positions vacant for greater than 24 months. We maintain that any position, regardless of the restrictions imposed by Motion 82/27, where no staffing action has occurred in the previous two years, should be reviewed by management and reported to Council for a decision on the necessity of retaining them.

Management is of the opinion that the restrictions imposed by Motion 82/27 must be taken into consideration when auditing vacant positions, in particular, the exclusion of seasonal/summer students or other part-time positions within the organization, as the Motion was intended to recognize the reality of ongoing daily operations.

Summary of Key Findings

1. Using the definition of a “true” vacancy as described in Motion 82/27, the audit identified 24 positions equivalent to 21 FTEs that, as of June 30, 2011, have been vacant for greater than 24 months. Based on an average annual salary (including benefits) of \$85,400³, this represents a potential savings of \$1.8 million.
2. Management has not complied with the requirements of Motion 82/27 as these positions have not been either deleted or reported to the appropriate standing committee for consideration of the rationale for retaining them.
3. Our objective for this audit was to identify all vacancies regardless of the restrictions and limitations imposed by Motion 82/27. In our view, these limitations have the effect of ignoring important vacancy and FTE management scenarios which Council should be aware of.
4. “Unoccupied” positions is the term we have used for those that are not filled but are the substantive positions of City employees currently placed elsewhere. Under the definition of a “true” vacancy, as outlined in Motion 82/27, these positions would never be considered vacant regardless of the length of time they have been unoccupied.
5. The audit identified 239 positions, equivalent to 123 FTEs, that had been vacant or unoccupied greater than 24 months. The cost of these positions is approximately \$10.5 million. However, this should not be considered a potential savings as many of these positions are currently funding other positions which may be required for legitimate operational needs.
6. It can be interpreted that the creation of unbudgeted positions complies with the Organizational Unit and Position Management Delegated Authority Policy. However, it is unclear if all Council members are in agreement with this practice. The Clerk’s Office indicated that Council approval was not required for this policy.
7. The audit identified that, as at June 30, 2011, there were 1,065 unbudgeted FTEs, of which 684 were filled. No distinctions were made for seasonal or summer student positions in arriving at these totals. The cost of the filled unbudgeted positions is approximately \$58.4 million.

³ The approved 2010 budget included a total Salaries, Wages and Benefits budget of \$1.26 billion (page xxi) and 14,759 total FTEs (page 1) which yields an average annual salary level of \$85,400.

8. These unbudgeted positions are created by management outside of the annual budget process and are commonly referred to as “temporary”. As such, none of these positions has been approved by Council. Unbudgeted positions are funded using the budgets associated with unoccupied or vacant positions, as well as from capital budgets and external one-time funding from other levels of government.
9. Management is seeking flexibility in how their departments/branches meet their responsibilities and objectives by creating unbudgeted positions. However, this approach has the result that Council is unaware of the true level of staffing at the City as the staffing levels and compensation figures contained in budget submissions do not represent an accurate depiction of current operations.

Recommendations and Management Responses

Overall Management Response

Management acknowledges the benefits of this audit and has undertaken steps to enhance reporting with the objective of further augmenting transparency. To this end, commencing with the 2013 Budget process, temporary positions will be included in the annual FTE Analysis Report. The information is based on a point in time and captures the number of temporary FTEs by department and funding source. It should be noted that employee headcount continues to be reported in the FTE Analysis Report, which includes employees occupying temporary positions as well as budgeted positions. As such, Council would be aware of the level of staffing at the City.

Recommendation 1

That the City ensure all positions which have been vacant (as defined by Motion 82/27) for greater than 24 months be reported to Council as required by Motion 82/27.

Management Response

Management agrees with this recommendation.

Management has implemented a process to ensure that any positions, as defined by Motion 82/27, which have been vacant for greater than 24 months and continue to be required, are reported to Council. Staff will report back to Council on a quarterly basis with updates on positions vacant greater than 24 months.

As of June 30, 2012, only two FTEs fall under the category of having been vacant for greater than 24 months, both of which Council has approved. These positions were reported to, and received by, the Environment Committee (January 31, 2012) and City Council (February 22, 2012) via report ACS2012-ICS-ESD-0002. Accordingly, there are no further potential savings associated with these positions.

Recommendation 2

That any seasonal/summer or other part-time positions which are vacant for greater than 24 months be reported to Council.

Management Response

Management disagrees with this recommendation.

Management is of the opinion that the restrictions imposed by Motion 82/27 must be taken into consideration when reporting on vacant positions. The exclusion of seasonal/summer students or other part-time positions within the organization was intended to recognize the reality of ongoing daily operations. A number of seasonal positions, due to their nature, are often vacant for extended periods of time.

Furthermore, management believes the definition of “vacant” for these types of positions needs to recognize that a position may not have a holder and thus will appear to be vacant but may have hours charged against it.

Operational managers must retain the delegated authority to manage their compensation envelope and maintain the flexibility to utilize seasonal and other part-time positions in order to deliver approved programs. Taking away this flexibility may result in service interruptions and/or reductions while having to go through an approval process that will be time-consuming for Council and staff. The City’s Organizational Unit and Position Management Delegated Authority Policy provide the necessary delegated authority to allow managers to run their operation and respond to changing needs within their budget envelope.

Options and strategies for positions that are vacant for extended periods of time are reviewed by the departments on a regular basis in order to meet service delivery requirements. The City will ensure that seasonal and summer student positions are included in management’s quarterly vacancy review.

Recommendation 3

That Parks, Recreation and Cultural Services realign its job and position numbers and the associated budgets to appropriately reflect operational activities.

Management Response

Management agrees with this recommendation.

Parks, Recreation and Cultural Services (PRCS), to the extent possible, maintains its job, position numbers and associated budgets aligned to appropriately reflect operational activities. An established relationship exists between budget, compensation payment, employee management and program planning.

PRCS currently budgets for part-time compensation based on planned program participation levels. Adjustments are made as required, however, the services,

activities, programs and events are not static. Therefore, management has the delegated authority to manage within funding envelopes and is not restricted on a position by position basis. This flexibility and authority is required to allow the department to be responsive to client needs. Programming adjustments are made on a continual basis to ensure that programs and services respond to the public's demand in a timely manner and that facilities are programmed to optimize their use in a cost efficient and effective way.

No further action is required.

Recommendation 4

That the City seek Council approval for any unbudgeted temporary position that has been in place for greater than 24 months.

Management Response

Management disagrees with this recommendation.

Unbudgeted temporary positions are funded from a variety of sources, such as federal programs, provincial programs, capital projects, revenue and gapping. It is necessary for operational managers to retain the delegated authority to maintain the flexibility to create temporary unbudgeted positions as required to respond to emergency situations, conduct special projects and manage peak workload periods. These positions are only active as long as the appropriate funding source is available to fund the temporary position.

Council is aware of programs/projects that are funded through provincial or federal governments, capital and revenue through the City's budgeting and reporting processes.

To provide further transparency, commencing with the 2013 Budget process, the City will also report the number of all temporary FTEs regardless of their duration, including the funding source of all filled temporary positions. This will be provided in the annual FTE Analysis Report, which is a supplemental document to the Draft Operating Budget.

Recommendation 5

That all positions, regardless of type, that have remained unoccupied for greater than 24 months be considered vacant and reported to Council.

Management Response

Management agrees with this recommendation.

As indicated in the management response to Recommendation 1, staff will report back to Council on a quarterly basis with updates on positions vacant greater than 24 months.

The 123 FTEs identified as being either vacant or unoccupied for greater than 24 months are outside of the scope of the Council-approved motion or, in other cases, are waiting for their substantive owner to return. As a result, the \$10.5 million identified in the audit report should not be considered as a potential savings.

Recommendation 6

That the City seek confirmation from Council that it is in agreement with management's authority to create unbudgeted positions under the terms of the Organizational Unit and Position Management Delegated Authority Policy or whether doing so creates a position outside existing corporate compensation budget and/or total FTE count and as such requires Council approval under the Policy.

Management Response

Management agrees with this recommendation.

As outlined in Recommendation 4, unbudgeted temporary positions are funded from a variety of sources, such as federal programs, provincial programs, capital projects, revenue and gapping. The City works within its Council approved budget envelope to fund these positions. It is necessary for operational managers to retain the delegated authority to maintain the flexibility to create temporary unbudgeted positions as required to respond to emergency situations, conduct special projects and manage peak workload periods. These positions are only active as long as the appropriate funding source is available to fund the temporary position, and are assigned expiration dates.

Commencing with the 2013 Budget process, the City will also report temporary FTEs in the annual FTE Analysis Report which is a supplemental document to the Draft Operating Budget.

Recommendation 7

That the City review the practice of applying the vacancy allowance provision to front line positions where staffing is mandatory.

Management Response

Management agrees with this recommendation.

This practice has already been addressed by calculating the 3% vacancy provision at a portfolio level. The Deputy City Managers have authority to realign their portfolio vacancy allocation to individual departments or branches to meet financial and operational requirements. No further action is required.

Potential Savings

In our view, savings will result from the elimination of long term vacant FTE positions. As presented in Table 1, and using the definition of a true vacancy as described in Motion 82/27, 24 positions, equivalent to 21 FTEs vacant greater than 24 months, were identified. Under the provisions of the Motion, these positions could be deleted and the funding for them removed from departmental budgets. Based on an average annual salary (including benefits) of \$85,400⁴, this represents a potential savings of \$1.8 million.

However, the audit identified 123 FTEs that have been either vacant or unoccupied for greater than 24 months. The cost of these positions is approximately \$10.5 million. However, this should not be considered a potential savings as many of these positions are currently funding other positions which may be required for legitimate operational needs.

As compensation is the single largest piece of the City's operating budget, greater control over budgeting for FTE positions and rationalizing unbudgeted positions is required.

Conclusion

Under the terms of Motion 82/27 and using its definition of a "true" vacancy, the audit identified 24 positions, equivalent to 21 FTEs that have been vacant for greater than 24 months as of June 30, 2011. At the time of this audit, these positions had not yet been declared as surplus to the Corporation's needs so that the budget allocation and FTE(s) associated with the position could be removed from the corresponding departmental budget. Nor had these positions been brought before the appropriate Standing Committee for their consideration; of any substantive reason that the positions remain open. As such, at the time of the audit, management had not yet complied with Council's direction.

The definition of a "true" vacancy ignores unoccupied positions; those positions which are not filled but are the substantive position of an existing employee currently placed elsewhere. Unoccupied positions are never considered vacant regardless of the length of time they have not been filled. The audit identified 239 positions that have been vacant and unoccupied for greater than 24 months, equivalent to 123 FTEs. Any position that has remained unoccupied for greater than 24 months should be considered vacant and reported to Council.

In seeking flexibility in how their departments/branches meet their responsibilities and objectives, management has adopted the practice of using the budgets associated with long-term vacant and unoccupied positions (under the provisions of the Organizational Unit and Position Management Delegated Authority Policy)

⁴ The approved 2010 budget included a total Salaries, Wages and Benefits budget of \$1.26 billion (page xxi) and 14,759 total FTEs (page 1) which yields an average annual salary level of \$85,400.

to create and fund unbudgeted FTE positions. This has the effect of creating positions that have not been approved by Council. Council is therefore unaware of the true level of staffing at the City as the staffing levels contained in budget submissions do not represent the actual amount of FTEs. The audit identified 684 unbudgeted FTEs representing approximately \$58.4 million. In our opinion, Council approval should be obtained for any unbudgeted temporary position that has been in place for greater than 24 months.

Finally, it can be interpreted that the creation of unbudgeted positions complies with the Organizational Unit and Position Management Delegated Authority Policy. Since the effect of this Policy is to allow the creation of unbudgeted and unapproved positions, it should be confirmed that Council is in agreement with this practice or whether doing so has the effect of creating a position outside existing corporate compensation budget and/or total FTE count and as such requires Council approval under the Policy.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

RÉSUMÉ

Introduction

La vérification de la gestion des postes vacants de la Ville d'Ottawa était prévue dans le plan de vérification de 2011 du bureau du vérificateur général, approuvé par le Conseil municipal le 13 avril 2011.

Contexte

La rémunération est le plus important poste individuel du budget de fonctionnement de la Ville. En 2010, les dépenses réelles au titre de la rémunération de la Ville (salaires, honoraires et avantages sociaux, à l'exclusion des heures supplémentaires) s'élevaient à 1,2 milliard de dollars. Pendant les délibérations budgétaires, le Conseil a adopté un montant de 1,3 milliard de dollars à ce titre pour 2011. Ce montant représente 49 % des dépenses nettes prévues par la Ville en 2011. À plusieurs reprises, le Conseil a exprimé certaines préoccupations à l'égard de la gestion des postes vacants.

La Ville d'Ottawa gère les postes en termes d'équivalent temps plein ou « ÉTP ». Un poste ÉTP correspond à une personne qui travaille à temps plein pendant une année complète. Il est possible de combiner deux ou plusieurs postes à temps partiel pour totaliser un ÉTP. « Les ÉTP représentent le nombre d'heures de travail du personnel approuvées par le Conseil pour qu'un service puisse assurer l'exécution de ses programmes et la prestation de ses services. Un ÉTP représente 1 820 heures (52 semaines x 35 heures). Cette valeur n'équivaut pas au nombre d'employés dans le Service, puisque les employés à temps partiel travaillent moins de 1 820 heures par année. »¹

À l'exclusion du Service de police d'Ottawa et de la Bibliothèque publique d'Ottawa, le Conseil de la Ville d'Ottawa a prévu 12 871 équivalents temps plein², chiffre qui a été adopté au budget de 2011. Il s'agit d'une augmentation de 343 ÉTP par rapport à 2010.

Les postes créés en dehors du processus annuel d'élaboration du budget sont considérés comme non prévus dans le budget et, à la Ville, on les appelle souvent postes « temporaires ». Les postes non prévus au budget sont financés à même les fonds affectés aux postes prévus au budget qui sont vacants, ainsi qu'au moyen des budgets d'immobilisations et de financement unique externe provenant d'autres paliers de gouvernement. Selon l'analyse effectuée au moment de la vérification, soit au 30 juin 2011, la Ville comptait 1 065 postes ÉTP non prévus au budget dont 684 étaient pourvus. Bien que nous ayons examiné l'interrelation qui existe entre les

¹ Budget de fonctionnement et d'immobilisations de 2005 – Aperçu du budget, p. xviii. Consulter le tableau 3 pour d'autres types d'ÉTP.

² Budget de fonctionnement et d'immobilisations de 2011 : Partie soutenue par les taxes, adoptée le 08-03-2011; soutenue par les tarifs adoptée le 13-04-2011.

postes vacants et les postes non prévus au budget, la vérification ne comprenait pas l'examen de tous les postes non prévus au budget et des motifs appuyant leur création. L'annexe A présente la liste complète de tous les postes non prévus au budget dans les quatre secteurs opérationnels choisis pour la vérification.

En mars 2010, le Conseil a adopté la motion 82/27 qui stipulait :

ATTENDU QUE l'organigramme de la Ville d'Ottawa est produit à partir de la base de données des ressources humaines (SAP-RH) et est mis à jour quotidiennement, ce qui signifie qu'il reflète toujours la situation actuelle grâce au processus de demande de mesure d'administration du personnel et à celui d'approbation de changement d'unité ou de poste;

ATTENDU QUE les gestionnaires de la Ville disposent d'un large éventail de rapports grâce au système SAP-RH, notamment le rapport sur le titulaire de poste, qui fournit des renseignements sur l'état du poste (permanent, temporaire, occasionnel, vacant, occupé provisoirement ou de façon intérimaire), l'employé qui l'occupe, le service dont il relève, son affiliation à un syndicat et son échelle salariale;

ATTENDU QUE les équivalents temps plein (ÉTP) sont utilisés dans le processus budgétaire pour quantifier les ÉTP approuvés par le Conseil, et qu'un ÉTP peut correspondre aux nombres d'heures suivants par année, selon la convention collective associée à la catégorie d'emploi : 1 820 heures (35 heures par semaine), 1 950 heures (37,5 heures par semaine), 2 080 heures (40 heures par semaine) ou 2 184 heures (42 heures par semaine). On utilise le dénombrement des ÉTP pour quantifier le nombre d'heures travaillées par année pour différents postes et ainsi établir un point de comparaison normalisé et universel avec les données d'autres organisations et municipalités;

ATTENDU QUE les postes sont créés à partir des ÉTP en fonction des exigences opérationnelles relatives à la prestation des services, qu'il y a des postes à temps plein, à temps partiel, à salaire, à taux horaire, occasionnels et pour étudiants, le choix de la catégorie étant basé sur le type d'employé requis pour le poste en question;

ATTENDU QUE des postes temporaires sont créés pour répondre à des besoins opérationnels à court terme, et que ces postes sont financés à partir de sources multiples telles que le financement ponctuel, les fonds pour projets d'immobilisations, le financement provenant du gouvernement fédéral ou provincial ou les fonds associés à des postes vacants;

ATTENDU QU'un poste vacant consiste en un poste sans titulaire, non occupé par un employé temporaire ou intérimaire et pour lequel aucune mesure de dotation n'a été prise. Cette définition exclut les postes saisonniers et les emplois d'été pour

étudiants, de même qu'un poste affiché comme ouvert, lorsqu'une mesure de dotation permanente, qui varie selon le poste, n'est pas encore terminée et enregistrée dans le système SAP. Il est possible de vérifier dans le système SAP la date depuis laquelle un poste est vacant, et cette information est examinée par les gestionnaires chaque trimestre. Les services examinent régulièrement les options et les stratégies possibles en ce qui concerne les postes qui demeurent vacants pour une longue période de temps, afin de répondre aux besoins en matière de prestation de service;

ATTENDU QUE les postes temporaires ou intérimaires sont régis par différentes conventions collectives, qui sont en vigueur pour une durée variant de 6 à 18 mois;

PAR CONSÉQUENT, IL EST RÉSOLU QU'un poste qui demeure ouvert (vacant) pour une période de deux ans suivant la dernière date à laquelle il a été occupé sera déclaré excédentaire aux besoins de la Ville, et que les allocations budgétaires et les ÉTP associés à ce poste seront retirés du budget du service correspondant;

IL EST EN OUTRE RÉSOLU QUE, si un poste doit être gardé ouvert pour une raison importante, il fera l'objet d'un rapport du personnel, présenté au comité permanent approprié aux fins d'examen, faisant état des raisons pour lesquelles ce poste est nécessaire et accompagné d'un plan visant à le pourvoir.

Portée et objectifs

La vérification s'est concentrée essentiellement aux postes vacants et non occupés prévus au budget dans les services municipaux, à l'exclusion de la Bibliothèque publique d'Ottawa et du Service de police d'Ottawa. La distinction entre postes « vacants » et « non occupés » est essentielle dans le cadre de la démarche actuelle de gestion des ÉTP à la Ville et sera abordée de manière plus exhaustive dans les observations de la vérification.

Quatre secteurs précis ont été choisis pour faire une analyse plus détaillée. Il s'agit du Service paramédic, des Services du code du bâtiment, du Service des parcs, des loisirs et de la culture et du Service de gestion de l'eau potable.

Les principaux objectifs de la vérification étaient :

Objectif 1 : Déterminer si la Ville d'Ottawa s'est dotée d'un cadre pour traiter la question des postes vacants.

Objectif 2 : Évaluer l'étendue des postes vacants, le taux de vacance de postes dans la Ville et les raisons pour lesquelles les postes sont vacants.

Objectif 3 : Évaluer l'incidence des postes vacants sur les opérations municipales.

Les données saisies dans SAP peuvent être transmises de manières différentes selon le rapport utilisé. Pour la vérification de la gestion des postes vacants, notre objectif était de recenser tous les postes vacants sans égard aux restrictions et aux limites imposées en vertu de la motion 82/27. À notre avis, et comme il est stipulé dans le rapport, ces limites font que d'importants postes vacants et scénarios de gestion des ÉTP sont totalement ignorés, alors que le Conseil devrait en être avisé. À cette fin, nous avons pris la décision délibérée d'extraire les données au moyen du rapport sommaire des ÉTP dans SAP (zrxhr240_sum).

Dans cette optique, nous avons examiné tous les postes (y compris les postes saisonniers et les emplois d'été pour étudiants, les emplois à temps partiel et les postes non occupés, etc.) pour repérer tous les postes vacants depuis plus de 24 mois. Nous affirmons que tout poste, sans égard aux restrictions imposées par la motion 82/27, pour lequel aucune mesure de dotation n'a été prise au cours des deux dernières années, devrait faire l'objet d'un examen par la direction, dont les résultats seront présentés au Conseil pour qu'une décision soit prise quant à la nécessité de conserver ce poste.

La direction est d'avis que les restrictions imposées par la motion 82/27 doivent être prises en considération pour la vérification des postes vacants, en particulier, l'exclusion des postes saisonniers et des emplois d'été pour étudiants ou d'autres postes à temps partiel qui existent au sein de l'effectif municipal, car la motion avait pour objectif de reconnaître la réalité des opérations quotidiennes en cours.

Sommaire des constatations clés

1. Se fondant sur la définition d'un poste vacant « réel » décrite dans la motion 82/27, la vérification a recensé 24 postes, équivalant à 21 ÉTP qui, au 30 juin 2011, étaient vacants depuis plus de deux ans. Compte tenu d'un salaire annuel moyen (incluant les avantages sociaux) de 85 400 dollars³, on parle ici d'économies potentielles de 1,8 million de dollars.
2. La direction n'a pas respecté les exigences énoncées dans la motion 82/27, car ces postes n'ont pas été supprimés ni signalés au comité permanent pertinent pour que ce dernier examine les motifs justifiant leur maintien.
3. L'objectif de la présente vérification était de repérer tous les postes vacants sans égard aux restrictions et aux limites imposées par la motion 82/27. À notre avis, ces limites ont pour effet d'ignorer d'importants postes vacants et scénarios de gestion des ÉTP, dont le Conseil devrait être avisé.
4. Postes « non occupés » est le terme que nous avons utilisé pour désigner les postes qui ne sont pas pourvus, mais constituent le poste d'attache d'un

³ Le budget approuvé de 2010 comportait un poste budgétaire pour les salaires, honoraires et avantages sociaux de 1,26 milliard de dollars (page xxi) et prévoyait un total de 14 759 ÉTP (page 1), pour un niveau de salaire annuel moyen de 85 400 \$.

employé de la Ville qui occupe actuellement un autre poste. Selon la définition de poste vacant « réel », énoncée dans la motion 82/27, ces postes ne seraient jamais considérés comme vacants, peu importe la durée pendant laquelle ils sont inoccupés.

5. La vérification a recensé 239 postes, équivalant à 123 ÉTP, qui étaient vacants ou non occupés depuis plus de 24 mois. Le coût de ces postes est d'environ 10,5 millions de dollars. Il faut préciser que ce montant ne peut être considéré comme une économie potentielle, car nombre de ces postes servent actuellement à financer d'autres postes qui pourraient être nécessaires pour des besoins opérationnels légitimes.
6. On pourrait considérer la création de postes non prévus au budget comme une manière de se conformer à la politique de délégations des pouvoirs pour la gestion des postes et des unités organisationnelles. Cependant, on ne sait pas clairement si tous les membres du Conseil sont d'accord avec cette pratique. Le Bureau du greffier a indiqué que l'approbation du Conseil n'était pas requise pour cette politique.
7. Au 30 juin 2011, la vérification avait recensé 1 065 ÉTP non prévus au budget, dont 684 étaient pourvus. On ne fait pas de distinction entre les postes saisonniers ou les emplois d'été pour étudiants dans ce total. Le prix pour pourvoir ces postes non prévus au budget est d'environ 58,4 millions de dollars.
8. Ces postes non prévus au budget sont créés par la direction en dehors du processus annuel de budget et sont communément appelés « postes temporaires ». Ainsi, aucun de ces postes n'a été approuvé par le Conseil. Les postes non prévus au budget sont financés à même les fonds affectés aux postes non occupés ou vacants, ainsi qu'au moyen des budgets d'immobilisations et de financement unique externe provenant d'autres paliers de gouvernement.
9. La direction souhaiterait offrir une certaine souplesse pour permettre aux services et aux directions d'assumer leurs responsabilités et d'atteindre leurs objectifs en créant des postes non prévus au budget. Cependant, le résultat d'une telle démarche est que le Conseil n'est pas vraiment au courant du niveau véritable des effectifs à la Ville, car ces niveaux et les chiffres de la rémunération compris dans les soumissions budgétaires ne permettent pas de dresser un portrait fidèle des opérations courantes.

Recommandations et réponses de la direction

Réponse globale de la direction

La direction reconnaît les avantages de cette vérification et a pris des mesures pour améliorer les rapports avec l'objectif de renforcer la transparence. À cette fin, à compter du processus budgétaire de 2013, les postes temporaires seront inclus dans le rapport d'analyse des ETP annuel. L'information est basée sur un

point dans le temps et saisit le nombre d'ETP temporaires par service et par source de financement. Il convient de noter que l'effectif salarié continue à être indiqué dans le Rapport d'analyse des ETP, ce qui comprend les employés qui occupent des postes temporaires ainsi que des postes inscrits au budget. Ainsi, le Conseil serait au courant du niveau de dotation en personnel de la Ville.

Recommandation 1

Que la Ville s'assure que tous les postes qui sont vacants (selon la définition énoncée dans la motion 82/27) depuis plus de 24 mois soient signalés au Conseil, comme l'exige la motion 82/27.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction a mis en œuvre une procédure pour veiller à ce que tous les postes vacants (selon la définition énoncée dans la motion 82/27) depuis plus de 24 mois, qui continuent d'être nécessaires, soient signalés au Conseil. Tous les trimestres, le personnel présentera au Conseil des mises à jour sur les postes qui sont vacants depuis plus de 24 mois.

Au 30 juin 2012, seulement deux ÉTP faisaient partie de cette catégorie (poste vacant depuis plus de 24 mois), les deux ayant été approuvés par le Conseil. Ces postes ont été signalés et le rapport a été déposé au Comité de l'environnement (31 janvier 2012) et au Conseil municipal (22 février 2012) - rapport ACS2012-ICS-ESD-0002. Conséquemment, il n'y a pas d'économies possibles associées à ces postes.

Recommandation 2

Que tous les postes saisonniers, postes d'été d'étudiants ou d'autres postes à temps partiel qui restent vacants pendant plus de 24 mois soient signalés au Conseil.

Réponse de la direction

La direction n'est pas d'accord avec cette recommandation.

La direction est d'avis qu'il faut prendre en compte les restrictions imposées par la motion 82/27 quand des postes vacants sont signalés. L'exclusion des postes d'été d'étudiants, des postes saisonniers ou d'autres postes à temps partiel était prévue afin de présenter plutôt la réalité des activités quotidiennes. En raison de leur nature, plusieurs postes saisonniers sont souvent vacants pendant de longues périodes.

En outre, la direction est d'avis que pour ces postes, la définition de « vacant » devrait préciser qu'un poste peut être sans titulaire et donc sembler vacant, mais que des heures de travail y sont quand même associées et facturées.

Les gestionnaires opérationnels doivent conserver les pouvoirs qui leur sont délégués pour gérer leur enveloppe de rémunération et conserver la flexibilité nécessaire pour utiliser des travailleurs saisonniers et d'autres postes à temps partiel pour l'exécution des programmes approuvés. Si cette flexibilité était perdue, il y aurait des risques d'interruption/de réduction de service, et les gestionnaires devraient chaque fois reprendre le processus d'approbation, ce qui serait exigeant en temps à la fois pour le Conseil et pour le personnel. La politique de délégation des pouvoirs pour la gestion des postes et des unités organisationnelles de la Ville accorde aux gestionnaires les pouvoirs délégués nécessaires pour gérer leurs activités et répondre aux besoins changeants tout en respectant leur enveloppe budgétaire.

Les services examinent régulièrement les options et les stratégies possibles en ce qui concerne les postes qui sont vacants pour une longue période de temps, afin de répondre aux besoins en matière de prestation de service. La Ville veillera à ce que les postes saisonniers et d'été pour étudiant soient inclus dans l'examen trimestriel des postes vacants.

Recommandation 3

Que le Service des parcs, des loisirs et de la culture réorganise ses données relatives aux emplois et aux postes ainsi que les budgets associés afin de tenir compte de ses activités opérationnelles de manière appropriée.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Dans la mesure du possible, le Service des parcs, des loisirs et de la culture gère strictement ses emplois, le nombre des postes et les budgets associés afin de tenir compte des activités opérationnelles. Il existe bel et bien une relation entre le budget, le paiement des rémunérations, la gestion des employés et la planification de programme.

Le Service des parcs, des loisirs et de la culture inscrit actuellement à son budget la rémunération d'employés à temps partiel en fonction des niveaux de participation prévus au programme. Des rajustements sont apportés au besoin, cependant, les services, activités, programmes et événements ne sont pas des éléments statiques. Donc, la direction a les pouvoirs délégués pour gérer en fonction des enveloppes budgétaires et non en fonction des postes individuels. Cette flexibilité et ces pouvoirs sont nécessaires pour permettre aux services de répondre adéquatement aux besoins des clients. Des rajustements sont continuellement apportés aux programmes afin que les programmes et services répondent à la demande du public en temps opportun, et que les installations soient programmées de manière à optimiser leur utilisation de façon efficace et rentable.

Aucune autre mesure n'est requise.

Recommandation 4

Que la Ville obtienne l'approbation du Conseil pour tout poste temporaire non prévu au budget qui existe depuis plus de 24 mois.

Réponse de la direction

La direction n'est pas d'accord avec cette recommandation.

Les postes temporaires non prévus au budget sont financés à partir de différentes sources, comme les programmes fédéraux, les programmes provinciaux, les projets d'immobilisations, les revenus et la réserve pour postes vacants. Il est important que les gestionnaires conservent les pouvoirs délégués afin de jouir de la flexibilité suffisante pour créer des postes temporaires non prévus au budget afin de répondre aux situations d'urgence, de mener des projets spéciaux et de gérer les périodes de pointe. Ces postes ne sont actifs que tant que le financement disponible approprié existe pour financer le poste temporaire.

Le Conseil est tenu au courant de ces programmes/projets notamment de leur financement par l'entremises des gouvernements fédéraux et provinciaux, des budgets d'immobilisations et des revenus dans le cadre des processus d'établissement du budget et de rapports.

Pour assurer une plus grande transparence, en commençant par le processus 2013 Budget, la Ville peut aussi indiquer le nombre de tous les ETP temporaires quelle que soit leur durée, y compris la source de financement de tous les postes remplis temporaires. Cela se fera dans le Rapport d'analyse des ETP annuelle, qui est un document complémentaire au projet de budget de fonctionnement.

Recommandation 5

Que tous les postes, sans égard au type de poste, qui ne sont pas occupés depuis plus de 24 mois soient considérés vacants et signalés comme tels au Conseil.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Comme il est mentionné dans la réponse de la direction à la Recommandation 1, le personnel fera rapport au Conseil tous les trimestres afin de donner une mise à jour sur les postes vacants depuis plus de 24 mois.

Les 123 ÉTP désignés comme vacants ou non occupés pendant plus de 24 mois ne font pas partie du cadre de la motion approuvée par le Conseil ou, dans d'autres cas, les employés dont ce sont les postes d'attache devraient revenir occuper leur poste. En conséquence, la somme de 10,5 millions de dollars mentionnée dans le rapport de vérification ne doit pas être considérée comme économie potentielle.

Recommandation 6

Que la Ville cherche à obtenir la confirmation des membres du Conseil qu'ils sont d'accord avec les pouvoirs délégués à la direction pour créer des postes non prévus au budget aux termes de la politique de délégations des pouvoirs pour la gestion des postes et des unités organisationnelles, ou encore qu'ils disent s'ils sont d'avis qu'une telle pratique se traduit par la création d'un poste en dehors du budget de rémunération municipal et/ou du compte total des ÉTP et, à ce titre, exige l'approbation du Conseil toujours en vertu de ladite politique.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Comme il est mentionné dans la recommandation 4, les postes temporaires non prévus au budget sont financés à partir de différentes sources, comme les programmes fédéraux, les programmes provinciaux, les projets d'immobilisations, les revenus et la réserve pour postes vacants. La Ville doit travailler avec l'enveloppe budgétaire approuvée par le Conseil pour financer ces postes. Il est important que les gestionnaires conservent les pouvoirs délégués afin de jouir de la flexibilité suffisante pour créer des postes temporaires non prévus au budget afin de répondre aux situations d'urgence, de mener des projets spéciaux et de gérer les périodes de pointe. Ces postes ne sont actifs que tant que le financement disponible approprié existe pour financer un poste temporaire et se voient attribuer des dates d'expiration.

À compter du processus d'établissement du budget 2013, la Ville signalera également les ÉTP temporaires dans le rapport d'analyse des ÉTP annuel qui est un document complémentaire du budget de fonctionnement provisoire.

Recommandation 7

Que la Ville évalue la pratique en usage d'utiliser la réserve pour postes vacants pour les postes de première ligne qu'il faut absolument pourvoir.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Cette pratique a déjà été évaluée en calculant la réserve pour postes vacants de 3 % à l'échelle du portefeuille. Les directeurs municipaux adjoints ont les pouvoirs nécessaires pour réorganiser la réserve pour les postes vacants du portefeuille des services ou directions individuels afin de respecter les exigences financières et opérationnelles. Aucune autre mesure n'est requise.

Économies potentielles

À notre avis, des économies pourraient être réalisées avec l'élimination des postes ÉTP vacants depuis trop longtemps. Comme on peut le constater au tableau 1, et selon la définition de poste vacant « réel » énoncée dans la motion 82/27, 24 postes, équivalant à 21 ÉTP sont vacants depuis plus de 24 mois. Selon les dispositions de cette motion, ces postes pourraient être supprimés et le financement qui est prévu à leur égard pourrait aussi être supprimé du budget de ces services. Selon un salaire annuel moyen (incluant les avantages sociaux) de 85 400 dollars⁴, on parle ici d'économies potentielles de 1,8 million de dollars.

Cependant, la vérification a aussi repéré 123 ÉTP qui sont vacants ou non occupés depuis plus de 24 mois. Le coût de ces postes est d'environ 10,5 millions de dollars. Il faut préciser que ce montant ne peut être considéré comme une économie potentielle, car nombre de ces postes servent actuellement à financer d'autres postes qui pourraient être nécessaires pour des besoins opérationnels légitimes.

Comme la rémunération est le plus important poste individuel du budget de fonctionnement de la Ville, il serait important d'exercer un meilleur contrôle des postes d'ÉTP et de rationaliser les postes non prévus au budget.

Conclusion

Aux termes de la motion 82/27 et selon la définition de poste vacant « réel » qui y est énoncée, la vérification a recensé 24 postes, équivalant à 21 ÉTP qui, au 30 juin 2011, étaient vacants depuis plus de 24 mois. Lorsque la présente vérification a été réalisée, ces postes n'avaient pas encore été désignés comme excédentaires relativement aux besoins municipaux pour que le budget et les ÉTP leur correspondant soient retirés du budget du service correspondant. Ces postes n'avaient pas non plus été signalés à l'attention du Comité permanent pertinent, et aucune raison n'avait été avancée justifiant le fait que le poste demeure ouvert. De ce fait, au moment de la vérification, la direction ne s'était donc pas conformée aux directives du Conseil.

La définition de poste vacant « réel » ignore les postes non occupés, qui ne sont pas pourvus par l'employé dont c'est le poste d'attache, mais qui occupe actuellement un autre poste ailleurs. Les postes non occupés ne sont jamais considérés comme vacants, peu importe depuis quand ils ne sont pas pourvus. La vérification a recensé 239 postes, équivalant à 123 ÉTP, qui sont vacants ou non occupés depuis plus de 24 mois. Tout poste qui est non occupé depuis plus de 24 mois devrait être considéré comme vacant et signalé au Conseil.

⁴ Le budget approuvé de 2010 comportait un poste budgétaire pour les salaires, honoraires et avantages sociaux de 1,26 milliard de dollars (page xxi) et prévoyait un total de 14 759 ÉTP (page 1). Pour un niveau de salaire annuel moyen de 85 400 \$.

La direction qui souhaite offrir une certaine souplesse aux services et aux directions pour leur permettre d'assumer leurs responsabilités et d'atteindre leurs objectifs, a adopté comme pratique d'utiliser les budgets associés aux postes vacants ou non occupés à long terme (selon les dispositions de la politique de délégations des pouvoirs pour la gestion des postes et des unités organisationnelles) pour créer et financer des postes ÉTP non prévus au budget. C'est ainsi que des postes ont été créés sans l'approbation du Conseil. Par conséquent, le Conseil ne connaît pas vraiment le niveau véritable des effectifs à la Ville, car les niveaux énoncés dans les présentations budgétaires ne représentent pas les chiffres réels des ÉTP. La vérification a recensé 684 postes d'ÉTP non prévus au budget, représentant environ 58,4 millions de dollars. À notre avis, le Conseil devrait être consulté au sujet de tout poste temporaire non prévu au budget qui existe depuis plus de 24 mois.

Finalement, on pourrait considérer la création de postes non prévus au budget comme une manière de se conformer à la politique sur la délégation des pouvoirs pour la gestion des postes et des unités organisationnelles. Comme l'effet de cette politique est de permettre la création de postes non prévus au budget et non approuvés, il faudrait obtenir la confirmation des membres du Conseil qu'ils sont en accord avec cette façon de faire ou encore qu'ils croient qu'une telle pratique se traduit par la création d'un poste en dehors du budget de rémunération municipal et/ou du compte total des ÉTP et, à ce titre, exige l'approbation du Conseil toujours en vertu de ladite politique.

Remerciements

Nous tenons à remercier la direction pour la coopération et l'assistance accordées à l'équipe de vérification.

1 INTRODUCTION

The Audit of the Management of Vacant Positions at the City of Ottawa was included in the 2011 Audit Plan of the Office of the Auditor General (OAG), approved by Council on April 13, 2011.

2 BACKGROUND

Compensation is the single largest piece of the City's operating budget. In 2010, the City's actual compensation expenditure (salaries, wages and benefits excluding overtime) was \$1.2 billion. During budget deliberation, Council adopted \$1.3 billion for 2011. This represents 49% of the City's planned 2011 net expenditures. Council has expressed concerns regarding the management of vacant positions on numerous occasions in the past.

The City of Ottawa manages positions in terms of full time equivalents or "FTEs". An FTE position is equivalent to one person working full time for one year. Two or more part time positions may be combined to total one FTE. "It represents the number of staffing hours approved by Council for that department to deliver its programs & services. One FTE represents 1,820 hours (52 weeks x 35 hours). This does not equate to the number of staff employed by the department as part-time staff work less than 1,820 hours in a year."¹

Excluding Ottawa Police Services and Ottawa Public Library, Ottawa City Council adopted budgeted full time equivalents totalling 12,781² for 2011. This represents an increase of 343 FTEs over 2010.

Positions created outside the annual budget process, are deemed to be unbudgeted; at the City, these are commonly referred to as "temporary". Unbudgeted positions are funded using vacancies of budgeted positions, as well as from capital budgets and external one-time funding from other levels of government. Based on the analysis done at the time of the audit, as at June 30, 2011, the City had an additional 1,065 unbudgeted FTE positions of which 684 were filled.

Although we did examine the interrelationship between vacancies and unbudgeted positions, the audit did not include a review of all unbudgeted positions and the rationale for creating them. Appendix A presents the full list of all unbudgeted positions in the four operational areas selected for this audit.

In March 2010, Council passed Motion 82/27 which required that, "if a position in the City remains open (vacant) for a period of two years from the date that it last had an Owner that the position be declared as surplus to the Corporation's needs and that the budget allocation and FTE(s) associated with the position be removed from the corresponding

¹ 2005 Operating and Capital Budget - Budget Overview, pg. xviii.

² 2011 Operating and Capital Budget: Tax supported adopted 08-03-11; Rate supported adopted 13-04-11.

departmental budget” and “that should there be a substantive reason that the position remain open that a staff report be brought before the appropriate Standing Committee for their consideration with a reason why the position is still needed and with a plan that will ensure that the position is filled.”

3 AUDIT SCOPE, OBJECTIVES AND CRITERIA

The audit scope focused on vacant and unoccupied budgeted positions within City departments, excluding Ottawa Public library and Ottawa Police Service. The distinction between “vacant” and “unoccupied” positions is central to the current approach to managing FTEs at the City and will be fully discussed as part of the audit observations.

Four specific areas were selected for more detailed analysis. These areas included the Paramedic Service, Building Code Services, Parks, Recreation and Cultural Services and Drinking Water Services.

Key audit objectives were to:

Audit Objective #1

Assess if the City of Ottawa has a framework to deal with vacant positions.

Criteria:

- Determine if policies, procedures and or guidelines are in place; are adequate; and, are being used as intended;
- Determine if management human resources information reports are valid, timely and relevant;
- Determine if human resources processes exist to identify and eliminate (or maintain) vacant positions and if these are being followed; and,
- Determine if internal controls over the management of vacant positions are adequate.

Audit Objective #2

Assess the extent of vacant positions, the citywide vacancy rate, and the reasons positions are vacant.

Criteria:

- Determine if funding for vacant positions can be shifted during the year for other uses; and,
- Determine extent and rationale of long term vacancies.

Audit Objective #3***Assess the impact of vacant positions on the City's operations.***

Criteria:

- Determine length of time positions may remain vacant;
- Determine how the City manages vacant positions and use these to meet the vacancy savings rate (3% for 2011) adopted by Council;
- Determine need to maintain position(s) vacant for six months or longer; and,
- Determine reasons for vacant positions (e.g., turnover, recruiting difficulties, hiring freeze, Council approved vacancy savings, etc.).

4 APPROACH

Information was obtained through documentation reviews; data analysis; and, interviews with human resources consultants, FSU account managers and program(s) management.

For analytical purposes, data was mined from SAP, the City's financial and human resources system, as at December 31, 2010; and June 30, 2011. The SAP Vacancy Report (zrxhr238) considers whether a position has no owner and no holder before it is indicated as vacant. The SAP FTE Summary Report (zrxhr240_sum) indicates if a position is vacant but does not distinguish whether the position has a substantive owner. The implications of analyzing these two reports will be discussed as part of the audit observations.

The data captured within SAP can be reported in various ways depending on the report used. For the Audit of the Management of Vacant Positions, our objective was to capture all vacancies regardless of the restrictions and limitations imposed by Motion 82/27. In our view, and as is stated in the report, these limitations have the effect of ignoring important vacancy and FTE management scenarios which Council should be aware of. To that end, the conscious decision was made to extract the data using the SAP FTE Summary Report (zrxhr240_sum).

In keeping with this objective, we reviewed all positions (including seasonal, summer student, part-time, unoccupied etc.) to identify any positions vacant for greater than 24 months. We maintain that any position, regardless of the restrictions imposed by Motion 82/27, where no staffing action has occurred in the previous two years, should be reviewed by management and reported to Council for a decision on the necessity of retaining them.

5 DETAILED FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

5.1 Council Motion No. 82/27, March 2010

City Council requires that City departments eliminate positions that are vacant for greater than 24 months. The full motion which carried in March 2010 is as follows:

WHEREAS the City of Ottawa Organizational Chart is produced from the HR databases (SAP-HR) and is refreshed on a daily basis, meaning the chart is always up-to-date as a result of the Request for Personnel Action (RPA) and Organizational and Positional Change Approval (OPCA) process; and

WHEREAS the City Managers have a wide array of SAP-HR reporting available to them, specifically, the Position Incumbent Report, which provides information on the status of positions (whether they are permanent, temporary, casual, vacant, filled on a temporary or acting basis), as well as identifies the owners and holders, their union affiliation and pay grade; and

WHEREAS Full Time Equivalents (FTE) are used for budgetary purposes to quantify the number of FTE positions approved by Council and one FTE may equal the following hours per year: 1,820 (35 hours/week), 1,950 (37.5 hours/week), 2,080 (40 hours/week) or 2184 (42 hours/week), depending on the collective agreement associated with the work. The FTE count is used to quantify annualized hours for positions to provide for a standard, universally accepted means of comparability and is the accepted basis for comparison with other organizations and municipalities; and

WHEREAS positions are created from FTEs based on operational requirements to deliver services. Positions are categorized as full-time, part-time, salary, wage, casual and student and are based on the type of staff required to the work; and

WHEREAS temporary positions are established to meet short-term operational needs, and they are funded from multiple sources, including one-time funding, capital projects, federal or provincial funding, or gapping from vacant positions; and

WHEREAS a true vacancy is defined as a position not having an owner and not filled by anyone placed temporarily or acting in the position and no staffing action against them. This excludes seasonal and summer student positions, and a position shown as open until a permanent staffing action is completed within SAP and varies from one position to another. Information on how long a position is vacant can be generated from SAP and is reviewed quarterly by management. Options and strategies for positions that lay vacant for extended periods of time are reviewed by the departments on a regular basis in order to meet service delivery requirements; and

WHEREAS acting or temporary assignments are governed by the various Collective Agreements and the lengths of term vary from six to eighteen months;

THEREFORE BE IT RESOLVED that if a position in the City remains open (vacant) for a period of two years from the date that it last had an Owner that the position be declared as surplus to the Corporation’s needs and that the budget allocation and FTE(s) associated with the position be removed from the corresponding departmental budget; and

BE IT FURTHER RESOLVED that should there be a substantive reason that the position remain open that a staff report be brought before the appropriate Standing Committee for their consideration with a reason why the position is still needed and with a plan that will ensure that the position is filled.

The critical part of this motion in determining the number of vacancies at the City lies in the paragraph that has been highlighted above. This definition of a “true” vacancy implies that any position that is unoccupied (i.e., no one has been placed in the position) but that has an owner (i.e., the position is the substantive position of a current City employee now assigned elsewhere) can never be deemed vacant regardless of the length of time it is unoccupied. The implication of this distinction will be made clear in the subsequent discussion of “Unoccupied” positions.

Using this definition of a true vacancy, the table below identifies the number and organizational location of all vacancies at the City as at June 30, 2011 (based on the data analyzed at the time of the audit.

Table 1: Budgeted FTE Positions Vacant Greater than 24 Months by Portfolio and Year Vacated as at June 30, 2011

Source: HR Management based upon SAP Vacancy Report (zrxhr238)

Portfolio	Department	Branch	Year Vacant	Sum of FTE Value	Count of Position #
CMO	Finance Dept.	Deputy City Treasurer Revenue Branch	2009	2.00	2
		Supply Branch	2009	1.00	1
	Finance Dept. Total			3.00	3
CMO Total				3.00	3
CO	Community & Social Services Dept.	Long Term Care Branch	2008	0.40	2
			2009	0.20	1
		Social Services Operations Branch	2009	0.34	1
	Community & Social Services Dept. Total			0.94	4
	Emergency & Protective Services Dept	Fire Services Branch	2009	1.00	1
Emergency & Protective Services Dept Total			1.00	1	

Portfolio	Department	Branch	Year Vacant	Sum of FTE Value	Count of Position #
	Organizational Dev & Performance Dept	Org Development Branch	2009	1.00	1
	Organizational Dev & Performance Dept Total			1.00	1
	Ottawa Public Health Dept.	Clinical Programs Branch	1950	1.00	1
	Ottawa Public Health Dept. Total			1.00	1
CO Total				3.94	7
CommAdjust	Committee of Adjustment WG		2009	1.00	1
	Committee of Adjustment WG Total			1.00	1
CommAdjust Total				1.00	1
ISCS	Deputy City Manager's Office		2009	1.00	1
	Deputy City Manager's Office Total			1.00	1
	Environmental Services Dept.	Business Services Branch	2008	2.00	2
			2009	1.00	1
		Drinking Water Services Branch	2008	1.00	1
		Solid Waste Services Branch	2007	1.00	1
		Wastewater Services Branch	2008	3.00	3
	Environmental Services Dept. Total			8.00	8
	Planning & Growth Mgmt Department	Transportation Planning Branch	2008	1.00	1
	Planning & Growth Mgmt Department Total			1.00	1
	Transit Services Dept.	Transit Maintenance Branch	2008	1.00	1
			2009	1.00	1
		Transit Operations Branch	2007	1.00	1
	Transit Services Dept. Total			3.00	3
ISCS Total				13.00	13
Grand Total				20.94	24

The analysis reveals that 21 FTEs representing 24 positions have been vacant longer than 24 months. Motion 82/27 required that these be reported to Council and either rationalized or deleted. At the time of this audit, no report had been presented to Council in this regard.

Recommendation 1

That the City ensure all positions which have been vacant (as defined by Motion 82/27) for greater than 24 months be reported to Council as required by Motion 82/27.

Management Response

Management agrees with this recommendation.

Management has implemented a process to ensure that any positions, as defined by Motion 82/27, which have been vacant for greater than 24 months and continue to be required, are reported to Council. Staff will report back to Council on a quarterly basis with updates on positions vacant greater than 24 months.

As of June 30, 2012, only two FTEs fall under the category of having been vacant for greater than 24 months, both of which Council has approved. These positions were reported to, and received by, the Environment Committee (January 31, 2012) and City Council (February 22, 2012) via report ACS2012-ICS-ESD-0002. Accordingly, there are no further potential savings associated with these positions.

5.2 Seasonal/Summer Part-Time Positions

For this audit, our primary objective was to identify all vacancies regardless of the restrictions and limitations imposed by Motion 82/27. In our view, these limitations have the effect of ignoring important vacancy and FTE management scenarios which Council should be aware of. In keeping with this objective, we reviewed all positions (including seasonal, summer student, part-time, unoccupied etc.) to identify any positions vacant for greater than 24 months. Regardless of the restrictions imposed by Motion 82/27, any position where no staffing action has occurred in the previous two years, should be reviewed by management and reported to Council for a decision on the necessity of retaining them. The following sections of this report present these scenarios in more detail.

Motion 82/27 provides for an exemption for any seasonal and summer student positions. Such positions are very common with the Parks, Recreation and Cultural Services Department (PRCS), and in our view, there are compelling reasons why they should not be exempt from the provisions of Motion 82/27.

A **job number** refers to a specific category of work (e.g., job number 10027407 denotes all *Lifeguard*; job number 10027427 denotes all *Trainer, Personal Fitness*; etc.). A job number can have an unlimited amount of **position numbers** associated with

it. If the position is budgeted, it is allocated an amount of hours that translates to budget dollars. The position number's allocated hours is expressed in terms of a full time equivalent or FTE (e.g., 0.1 FTE). One FTE equals a specific number of hours depending on the position (e.g., 35 hrs/week = 1820 hrs/year; 40 hrs/week = 2080 hrs/year).

Management has indicated that any vacant PRCS CUPE 503 Part-time positions should not be considered as vacancies due to a system limitation whereby a position number cannot be associated with greater than four FTEs. For example, for 40 hours/week (or 2080 hours/year) positions, the position number cannot be associated with more than 8,320 hours/year. As such, in cases where more than 8,320 hours/year are required, an additional position number is created. Although a position cannot equal more than four FTEs, there is no limit to the number of hours which can be charged against it. Management further indicated that it has been the City's practice in most cases to charge all hours worked against the first position number only, which results in the second (or any subsequent) position number appearing to remain vacant for extended periods but which are not truly vacant as the associated hours and budget are being used as intended. It appears that this was the rationale for the exemption to Motion 82/27 for these positions.

Management has indicated that as part of the implementation of the SAP-HR system, there was a requirement for the organization to be able to correctly report on full-time equivalents. The concept of the wage pooled position was developed for areas which budgeted hours based on program requirements. A wage pooled position is a position that can be occupied by more than one employee at a time; for example, a lifeguard position can have an unlimited number of employees assigned to it. A wage pooled position is established based on the number of hours required to fulfill the needs of an activity. For budget reporting purposes, wage program hours are converted into FTEs based on 2,080 hours annually. As an example, a total annual requirement for a lifeguard program of 9,600 hours would equate to 4.62 FTEs (9,600 hours divided by 2,080 hours). SAP has a system limitation such that a position worth more than 4.00 FTEs (or 8,320 hours based on a 40-hour per week job schedule) cannot be created. Therefore, in this case, 2 wage pooled positions must be created: one worth 4.00 FTEs and the other worth 0.62 FTEs.

To confirm this scenario, we examined all Parks, Recreation and Cultural Services CUPE 503 Part-time positions and found that, as at June 30, 2011, there were 483.21 such FTEs of which 119.11 (25%) were vacant. Of these, we identified 47.82 budgeted FTEs that have been vacant for greater than 24 months; some dating back to 2003. We also found that 3% of the filled FTEs were unbudgeted.

Our review of all 483 FTE positions showed that:

- Many job numbers only had a single position number allocated to it and that position numbers rarely amounted to four FTEs in total. This contradicts the assertion that these positions were created to overcome a system limitation;

- Many of the positions found to be vacant for greater than 24 months were not associated with any other positions under their job number; further contradicting the claim of a system limitation causing these positions to appear vacant;
- Positions from the same section (which did not equal four FTEs in total) were often charged to different cost centres; and,
- For some job numbers, all positions were unbudgeted.

The analysis clearly indicates that the large majority of these vacancies are not occurring as a result of a system limitation but are in fact truly vacant (in some cases for many years) and are used to fund other unbudgeted positions elsewhere in the department. Meetings with the Financial Services Unit confirmed that this is the case. In a subsequent meeting with Human Resources Compensation staff to review the analysis outlined above, it was acknowledged that the system limitation was not the cause of these vacancies.

As such, despite the provision in Motion 82/27 to exclude these seasonal/summer positions from consideration, we maintain that any which are vacant for greater than 24 months should be reported to Council.

Recommendation 2

That any seasonal/summer or other part-time positions which are vacant for greater than 24 months be reported to Council.

Management Response

Management disagrees with this recommendation.

Management is of the opinion that the restrictions imposed by Motion 82/27 must be taken into consideration when reporting on vacant positions. The exclusion of seasonal/summer students or other part-time positions within the organization was intended to recognize the reality of ongoing daily operations. A number of seasonal positions, due to their nature, are often vacant for extended periods of time.

Furthermore, management believes the definition of “vacant” for these types of positions needs to recognize that a position may not have a holder and thus will appear to be vacant but may have hours charged against it.

Operational managers must retain the delegated authority to manage their compensation envelope and maintain the flexibility to utilize seasonal and other part-time positions in order to deliver approved programs. Taking away this flexibility may result in service interruptions and/or reductions while having to go through an approval process that will be time-consuming for Council and staff. The City’s Organizational Unit and Position Management Delegated Authority Policy provide the necessary delegated authority to allow managers to run their operation and respond to changing needs within their budget envelope.

Options and strategies for positions that are vacant for extended periods of time are reviewed by the departments on a regular basis in order to meet service delivery requirements. The City will ensure that seasonal and summer student positions are included in management's quarterly vacancy review.

Recommendation 3

That Parks, Recreation and Cultural Services realign its job and position numbers and the associated budgets to appropriately reflect operational activities.

Management Response

Management agrees with this recommendation.

Parks, Recreation and Cultural Services (PRCS), to the extent possible, maintains its job, position numbers and associated budgets aligned to appropriately reflect operational activities. An established relationship exists between budget, compensation payment, employee management and program planning.

PRCS currently budgets for part-time compensation based on planned program participation levels. Adjustments are made as required, however, the services, activities, programs and events are not static. Therefore, management has the delegated authority to manage within funding envelopes and is not restricted on a position by position basis. This flexibility and authority is required to allow the department to be responsive to client needs. Programming adjustments are made on a continual basis to ensure that programs and services respond to the public's demand in a timely manner and that facilities are programmed to optimize their use in a cost efficient and effective way.

No further action is required.

5.3 Unoccupied and Unbudgeted Positions

As stated earlier, the definition of a vacant position arising from Motion 82/27 does not address the issue of "unoccupied" positions; positions which no one is currently filling but are "owned" or are the substantive positions of an existing City employees. In examining the number of unoccupied positions rather than only those considered truly vacant, a significantly different picture emerges. The table below identifies the number and location of all positions that have been vacant or unoccupied for greater than 24 months, as of June 30, 2011. Note that the figures contained in Table 2 include the 47.82 FTEs discussed above in section 5.2.

Table 2: Budgeted FTE Positions Vacant or Unoccupied for Greater than 24 Months by Portfolio and Year Vacated as at June 30, 2011

Source: SAP FTE Summary Report (zrxhr240_sum)

Portfolio	Dept	Branch	Vacant Year	Budgeted FTE's	Number of Positions		
CMO	City Clerk & Solicitor Dept	Legislative Services Branch	2008	2.00	2		
		Deputy City Treasurer Revenue Branch	2008	0.33	1		
	Finance Dept.	Deputy City Treasurer Revenue Branch	2009	2.00	2		
		Supply Branch	2009	1.00	1		
CO	Community & Social Services Dept.	Long Term Care Branch	2005	2.15	6		
			2006	1.00	2		
			2008	2.02	4		
			2009	0.20	1		
	Emergency & Protective Services Dept	Fire Services Branch	2009	1.00	1		
				Ottawa Paramedic Service Branch	2006	2.00	2
					2007	4.00	4
	Information Technology Services Dept.	Client Services Branch	2009	1.00	1		
		Technology Infrastructure Branch	2007	1.00	1		
	Organizational Dev & Performance Dept	Client Services Branch	2008	0.33	1		
		Org Development Branch	2009	1.00	1		
	Ottawa Public Health Dept.	Clinical Programs Branch	2003	3.00	2		
		Vaccine Preventable Diseases Branch	2005	0.50	2		
	Parks, Recreation & Cultural Svc Dept.	Community Programs Branch	2003	0.93	8		
2004			0.13	1			

Portfolio	Dept	Branch	Vacant Year	Budgeted FTE's	Number of Positions
			2005	0.02	2
			2006	0.25	5
			2007	0.45	3
			2008	2.62	15
			2009	0.48	7
		Complexes, Fitness & Aqua Venues Branch	2003	17.87	33
			2004	0.16	2
			2005	6.54	12
			2006	1.33	9
			2007	7.68	20
			2008	20.19	33
		Cultural & Heritage Services Branch	2007	0.05	1
			2008	1.00	1
			2009	0.70	1
		Cust Rel, Bus Integration & Fund Branch	2008	0.02	1
	Public Works Dept	Parking Ops Mtce & Development Branch	2005	0.17	1
			2007	0.17	1
			2008	0.50	2
		Parks, Bldg & Grounds Ops & Mtce Branch	2004	0.52	2
2008			0.26	1	
Roads & Traffic Operations & Mtce Branch		2007	0.58	1	
		2009	0.42	1	
CommAdjust ISCS		Committee of Adjustment WG		2009	1.00
	Deputy City Manager's Office		2009	1.00	1
	Environmental Services Dept.	Business Services Branch	2008	2.00	2
			2009	1.00	1
	Drinking Water Services Branch	2005	1.16	2	
		2006	0.58	1	
		2008	7.42	8	
		2009	0.42	1	
	Environmental Engineering Branch		2008	1.00	1
	Solid Waste Services Branch		2007	1.00	1
Wastewater Services Branch		2008	3.00	3	

Portfolio	Dept	Branch	Vacant Year	Budgeted FTE's	Number of Positions
	Infrastructure Services Dept.	Wastewater Services Branch	2009	1.00	1
		Asset Management Branch	2006	0.99	3
		Business & Technical Srvc Branch	2005	0.33	1
			2006	0.33	1
		Design & Construction-Mun (East) Branch	2008	0.58	1
		Design & Construction-Mun (West) Branch	2008	1.00	1
	Planning & Growth Mgmt Department	Building Code Services Branch	2006	1.00	1
		Development Review Rural Srvc Branch	2009	1.00	1
		Transportation Planning Branch	2008	1.00	1
	Transit Services Dept.	Transit Maintenance Branch	2009	1.00	1
		Transit Operations Branch	2007	1.00	1
		(blank)	2008	1.00	1
	Grand Total				122.77

This analysis identifies over 123 FTEs representing 239 positions that have been vacant or unoccupied for more than 24 months. Therefore there are approximately 100 more positions which no person currently fills, and has not filled for over 2 years, than the first analysis revealed. Under the restrictions of Motion 82/27, these 123 positions would never be considered vacant regardless of how long they have remained unoccupied.

As indicated earlier, we identified that, as at June 30, 2011, the City had 1,065 unbudgeted FTE positions, of which 684 were filled. These unbudgeted positions are created by management outside of the annual budget process and are commonly referred to as "temporary". As such, none of these positions has been approved by Council. Unbudgeted positions are funded using the budgets associated with unoccupied or vacant positions, as well as from capital budgets and external one-time funding from other levels of government. The implications of unoccupied and unbudgeted positions are discussed in more detail below.

5.3.1 The Rationale for Creating Unbudgeted Positions

In meeting operational demands, it is understandable that temporary positions may be needed on occasion to meet unexpected pressures. It should be noted that under the provisions of the *Organizational Unit and Position Management Delegated Authority Policy* (the details of which can be found in Appendix B), management has the delegated authority to create these temporary, unbudgeted positions. In examining

the number of unoccupied positions, we identified several scenarios whereby management has created unbudgeted temporary positions.

5.3.1.1 Internship Programs

According to Drinking Water management, some budgeted FTE positions remain vacant or unoccupied to fund its internship program. Management advised us that unbudgeted FTE positions were created as, while they were in the process of acquiring the necessary skills to fully meet the requirements of the position, an employee in the internship program is compensated at a lower rate of pay than the fully qualified staff. Building Code Services advised us that originally, the Human Resources Department had requested that they create unbudgeted FTE positions for their temporary internship program staff. However, they advised us that they had been rectifying this situation by deleting the obsolete vacant unbudgeted FTE positions and using the budgeted positions for the interns. Participants in the internship program have to obtain the full qualifications required of the position within two years or return to his/her lower position. In Building Code Services, participants have to obtain the full qualifications required within a defined term and successfully compete for the permanent Building Official positions, or ultimately leave the corporation.

The creation of these internship programs is commendable and an effective means of ensuring the availability of skilled resources in the future. In our view, however, the use of unbudgeted – and therefore unapproved – positions to pursue these initiatives, while maintaining unoccupied positions to fund them is questionable. A formal Council approved internship program is a more transparent approach that does not have the effect of clouding the compensation and FTE profile in these areas.

Building Code Services did obtain formal approval of the Building Inspector Internship Program from City Council and the Ministry of Municipal Affairs and Housing. In the May 2005 report 'Building Regulatory Changes – Impacts of Building Code Statute Law Amendment Act and Ontario Regulation 305/03' (ACS2005-PGM-BLD-0010) the following recommendation was approved:

“Approve the establishment of 10 FTEs in 2005 for purposes of training and developing qualified and Code competent Building Officials to address recruitment difficulties, as detailed in the report.”

In 2010, after piloting the Internship Program for a number of years, Building Code Services tabled an information report entitled 'Building Inspector Internship Program' (ACS2010-ICS-PGM-0064) at the then Planning and Environment Committee. The branch outlined the Program and its Memorandum of Understanding with the Ministry of Municipal Affairs and Housing.

It is important to note that on April 25, 2012, Council approved a report from Building Code Services dealing with the recruitment difficulties and the longer training and qualification process for Building Officials that BCS must contend with that had been acknowledged by the Corporate Services and Economic Development Committee in March 2010. The April 2012 report effectively reverses the intent of Motion 82/27 for that area by accepting the following recommendation:

That if any Building Official Intern, Building Official I, II, III, or Specialist position remains open (vacant) for a period greater than two years from the date that it last had an owner, or the original creation date, the position not be declared as surplus to the Corporation's needs and that the budget allocation and FTE(s) associated with the position not be removed from the corresponding departmental budget.

It is unclear if other areas of the City will seek similar exemptions from Motion 82/27.

5.3.1.2 Job Re-Classifications

We have identified a number of examples where the creation of a “temporary”, unbudgeted and unapproved position while maintaining an unoccupied position to at least partially fund it has had the effect of circumventing the job re-classification and staffing processes. Under this scenario, management has created a position at a higher salary level and placed specific individuals in them while the substantive positions remain unoccupied, in some case for many years, and are never considered vacant.

Once again, it is understandable that an employee's duties can evolve over time to the point where their salary level no longer accurately reflects their responsibilities. It is also understandable that management would determine that an existing position is no longer needed but that a different one – at a different salary level – is. The City has well-established processes to address these circumstances; re-classification in the first case and creation and staffing of a new position in the second.

One reason cited for not deleting the vacancy and creating the required position was that often the rate of compensation differs between the two positions. When the unbudgeted position is at a higher rate of pay, this may create an additional budget pressure for the branch/department. For example, we found employees placed in unbudgeted CIPP positions at a higher pay level whose substantive positions were in CUPE 503. This situation had been ongoing since 2006. The branch informed us that this did not represent a budgetary pressure for them as the magnitude of their compensation budget could absorb the additional expenditures. Conversely, when the unbudgeted position being off-set is at a lower rate of pay, this creates a surplus for the branch/department.

It should be noted that for Advanced and Primary Care Paramedics, a memorandum of understanding (MOU) was signed in January 2010 between the City and CUPE 503 prohibiting a CUPE 503 employee from occupying a CIPP position for greater than two years. For control purposes, this MOU is deemed to have commenced (for long-term acting assignments) on January 1, 2010. As such, on December 31, 2011 employees acting for greater than 24-months will be deemed to have left both their substantive position and bargaining unit.

Aside from the budget implications, the use of unbudgeted positions results in inaccurate data regarding the number of positions that is necessary for a department to provide their services. It blurs accountability for managing the required positions count and compensation expenditures. Perhaps more importantly, this has the effect of not providing accurate data to Council during budget deliberations regarding true staffing levels.

5.3.1.3 Geographic Relocation

Seasonal and summer student positions, as well as pooled positions are also excluded from consideration under Motion 82/27. Parks, Recreation and Cultural Services have acknowledged, however, that existing permanent positions have remained unoccupied in order to fund unbudgeted positions at other sites and facilities. This was confirmed by the analysis outlined in section 5.2 of this report. Management must have the ability to re-deploy resources as it sees fit in order to meet changing demands from the public, particularly in an area such as recreational programming. Having said that, it is unclear why the use of unbudgeted positions and keeping approved position unoccupied for extended periods of time is the most effective means of achieving this.

5.3.2 The Implications of Unoccupied and Unbudgeted Positions

The City currently has a significant number of existing positions that have remained unoccupied for extended periods of time. Under the terms of Motion 82/27, these positions are not considered vacant and remain funded and in the official FTE counts. The City also has a number of unbudgeted, unapproved positions which are funded in part by these unoccupied positions. These unbudgeted positions are not directly reflected in the City's compensation budget or in its official FTE count.

Management is seeking flexibility in how their departments/branches meet their responsibilities and objectives. However, the current unoccupied/unbudgeted approach has the result that Council is unaware of the true level of staffing at the City as the staffing levels and compensation figures contained in budget submissions do not represent an accurate depiction of current operations. It is our opinion that Council approval should be sought for any unbudgeted position that has remained in place for greater than 24 months and that any unoccupied positions that have remained so for greater than 24 months be considered vacant and reported to Council.

Recommendation 4

That the City seek Council approval for any unbudgeted temporary position that has been in place for greater than 24 months.

Management Response

Management disagrees with this recommendation.

Unbudgeted temporary positions are funded from a variety of sources, such as federal programs, provincial programs, capital projects, revenue and gapping. It is necessary for operational managers to retain the delegated authority to maintain the flexibility to create temporary unbudgeted positions as required to respond to emergency situations, conduct special projects and manage peak workload periods. These positions are only active as long as the appropriate funding source is available to fund the temporary position.

Council is aware of programs/projects that are funded through provincial or federal governments, capital projects and revenue through the City's budgeting and reporting processes.

To provide further transparency, commencing with the 2013 Budget process, the City will also report the number of all temporary FTEs regardless of their duration, including the funding source of all filled temporary positions. This will be provided in the annual FTE Analysis Report, which is a supplemental document to the Draft Operating Budget.

Recommendation 5

That all positions, regardless of type, that have remained unoccupied for greater than 24 months be considered vacant and reported to Council.

Management Response

Management agrees with this recommendation.

As indicated in the management response to Recommendation 1, staff will report back to Council on a quarterly basis with updates on positions vacant greater than 24 months.

The 123 FTEs identified as being either vacant or unoccupied for greater than 24 months are outside of the scope of the Council-approved motion or, in other cases, are waiting for their substantive owner to return. As a result, the \$10.5 million identified in the audit report should not be considered as a potential savings.

5.4 Organizational Unit and Position Management Delegated Authority Policy

Appendix B details the level of authority required under the Organizational Unit and Position Management Delegated Authority Policy to create, delete, and/or change a position or initiate reorganization. Under the “Create a Position” provisions, the Policy requires Council approval to (1) Create a position outside existing corporate compensation budget and/or total FTE count and (2) Create a new full-time or part-time continuous position within existing compensation budget where there is an increase in FTEs. The policy took effect in August 2008 was updated in May 2010 (after Motion 82/27 was carried in March 2010).

It is important to note that the revised Policy gives management the authority to create a new full-time and/or part time full time equivalent position as long as their approved compensation budget can absorb the related costs. As such, it can be interpreted that the creation of unbudgeted positions complies with current Policy. The Clerk’s Office has confirmed that Council approval of this Policy was not required.

The effect of this Policy is to allow the creation of unbudgeted positions and as such has the effect of permitting management to create positions that have not been approved by Council. It is unclear whether Council is aware of this implication or whether it is agreement with it. In addition, an argument can be made that the statement “*Create a position outside existing corporate compensation budget and/or total FTE count*” applies to the creation of unbudgeted positions since these positions are not truly reflected in the compensation budgets or official FTE counts. The Clerk’s Office indicated that Council approval of this Policy was not required, however, in our view; clarification of these issues with Council should be pursued.

Recommendation 6

That the City seek confirmation from Council that it is in agreement with management’s authority to create unbudgeted positions under the terms of the Organizational Unit and Position Management Delegated Authority Policy or whether doing so creates a position outside existing corporate compensation budget and/or total FTE count and as such requires Council approval under the Policy.

Management Response

Management agrees with this recommendation.

As outlined in Recommendation 4, unbudgeted temporary positions are funded from a variety of sources, such as federal programs, provincial programs, capital projects, revenue and gapping. The City works within its Council approved budget envelope to fund these positions. It is necessary for operational managers to retain the delegated authority to maintain the flexibility to create temporary unbudgeted positions as required to respond to emergency situations, conduct

special projects and manage peak workload periods. These positions are only active as long as the appropriate funding source is available to fund the temporary position, and are assigned expiration dates.

Commencing with the 2013 Budget process, the City will also report temporary FTEs in the annual FTE Analysis Report which is a supplemental document to the Draft Operating Budget.

5.5 Vacancy Allowance Policy

When positions are vacant, a department/branch should realize a savings from not incurring salary and benefits expenses. As a result of the Audit of 2006-2007 Compensation Budgets, the Vacancy Allowance Policy was established in 2008 replacing the previously used “gapping provision” and was designed to capture a portion of these savings.

During the budget process, most City compensation budgets (excluding rate-based budgets) are reduced by applying a vacancy savings reduction expressed as a percentage of the total compensation budget. Per the Policy, this percentage was 2.6% in 2008-2010; made up of 1.6% of a portfolio’s total compensation budget and an additional unallocated vacancy provision equal to 1.0%. In 2011 and 2012 this amount was set at 3%. The vacancy allowance is calculated at a portfolio level and the Deputy City Managers have authority to realign their portfolio vacancy allocation to individual departments/branches throughout the year.

General practice at the City has been to apply the vacancy allowance savings target to all positions (full-time; part-time, seasonal, summer student, etc.) across all departments and branches. During interviews, management informed us that this would also apply to rate budget areas for the 2013 budget process (and in fact the 3% vacancy allowance was incorporated into the 2012 draft rate budget that was tabled on January 31, 2012 with Environment Committee).

Most areas we reviewed were able to meet their vacancy allowance provisions through normal employee turnover, keeping more positions vacant; keeping positions vacant for longer; etc. However, it is not always realistic to leave a position vacant (e.g., front line positions, lifeguards essential services such paramedics).

In some cases, departments/branches react to the vacancy allowance target provisions by extending the length of time a position remains vacant, and by reassigning the work to other staff or utilizing overtime. In essence the required vacancy allowance is forcing some areas to keep vacant positions open for a longer timeframe than may be operational optimal.

Possible challenges of the vacancy allowance policy include:

1. Vacancy allowance target is set to achieve a desired result in budgeting rather than reflecting the natural rate of vacancy savings;

2. Vacancies do not occur at the same level across the City;
3. It is not possible for certain areas to keep a position vacant; and,
4. It is more difficult for smaller areas to absorb the target; etc.

Recommendation 7

That the City review the practice of applying the vacancy allowance provision to front line positions where staffing is mandatory.

Management Response

Management agrees with this recommendation.

This practice has already been addressed by calculating the 3% vacancy provision at a portfolio level. The Deputy City Managers have authority to realign their portfolio vacancy allocation to individual departments or branches to meet financial and operational requirements. No further action is required.

5.6 Vacancy Rate

One of the audit's objectives was to assess the City's vacancy rate. However, as many budgeted vacant FTE positions are kept vacant or unoccupied and used to fund unbudgeted FTE positions, we could not calculate the City's vacancy rate with any accuracy. Approximately 20% of the City's vacant FTE positions are unbudgeted.

6 POTENTIAL SAVINGS

In our view, savings will result from the elimination of long term vacant FTE positions. As presented in Table 1, and using the definition of a true vacancy as described in Motion 82/27, 24 positions, equivalent to 21 FTEs vacant greater than 24 months, were identified. Under the provisions of the Motion, these positions could be deleted and the funding for them removed from departmental budgets. Based on an average annual salary (including benefits) of \$85,400³, this represents a potential savings of \$1.8 million.

However, the audit identified 123 FTEs that have been either vacant or unoccupied for greater than 24 months. The cost of these positions is approximately \$10.5 million. However, this should not be considered a potential savings as many of these positions are currently funding other positions which may be required for legitimate operational needs.

As compensation is the single largest piece of the City's operating budget, greater control over budgeting for FTE positions and rationalizing unbudgeted positions is required.

³ The approved 2010 budget included a total Salaries, Wages and Benefits budget of \$1.26 billion (page xxi) and 14,759 total FTEs (page 1) which yields an average annual salary level of \$85,400.

Overall Management Response

Management acknowledges the benefits of this audit and has undertaken steps to enhance reporting with the objective of further augmenting transparency. To this end, commencing with the 2013 Budget process, temporary positions will be included in the annual FTE Analysis Report. The information is based on a point in time and captures the number of temporary FTEs by department and funding source. It should be noted that employee headcount continues to be reported in the FTE Analysis Report, which includes employees occupying temporary positions as well as budgeted positions. As such, Council would be aware of the level of staffing at the City.

7 CONCLUSION

Under the terms of Motion 82/27 and using its definition of a “true” vacancy, the audit identified 24 positions, equivalent to 21 FTEs that have been vacant for greater than 24 months as of June 30, 2011. At the time of this audit, these positions had not yet been declared as surplus to the Corporation’s needs so that the budget allocation and FTE(s) associated with the position could be removed from the corresponding departmental budget. Nor had these positions been brought before the appropriate Standing Committee for their consideration; of any substantive reason that the positions remain open. As such, at the time of the audit, management had not yet complied with Council’s direction.

The definition of a “true” vacancy ignores unoccupied positions; those positions which are not filled but are the substantive position of an existing employee currently placed elsewhere. Unoccupied positions are never considered vacant regardless of the length of time they have not been filled. The audit identified 239 positions that have been vacant and unoccupied for greater than 24 months, equivalent to 123 FTEs. Any position that has remained unoccupied for greater than 24 months should be considered vacant and reported to Council.

In seeking flexibility in how their departments/branches meet their responsibilities and objectives, management has adopted the practice of using the budgets associated with long-term vacant and unoccupied positions (under the provisions of the Organizational Unit and Position Management Delegated Authority Policy) to create and fund unbudgeted FTE positions. This has the effect of creating positions that have not been approved by Council. Council is therefore unaware of the true level of staffing at the City as the staffing levels contained in budget submissions do not represent the actual amount of FTEs. The audit identified 684 unbudgeted FTEs representing approximately \$58.4 million. In our opinion, Council approval should be obtained for any unbudgeted temporary position that has been in place for greater than 24 months.

Finally, it can be interpreted that the creation of unbudgeted positions complies with the Organizational Unit and Position Management Delegated Authority

Policy. Since the effect of this Policy is to allow the creation of unbudgeted and unapproved positions, it should be confirmed that Council is in agreement with this practice or whether doing so has the effect of creating a position outside existing corporate compensation budget and/or total FTE count and as such requires Council approval under the Policy.

8 ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

APPENDIX A

Unbudgeted Full Time Equivalent (FTE) Positions As at June 30, 2011

As of the date the data was extracted and analyzed, the City had 1,065 unbudgeted FTE positions as at June 30, 2011. Of these, 684 were filled.

Portfolio	Department	Branch	Position Text	Vacant Since	Holder	Part FTE
CO	Emergency & Protective Services	Ottawa Paramedic Service	Advanced Public Training Instructor		1	1
CO			Advanced Public Training Instructor		1	1
CO			Advanced Public Training Instructor		1	1
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor	2010.12.16	0	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor	2011.04.04	0	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Public Training Instructor		1	0.69
CO			Equipment & Supply Technician		1	0.57
CO			Equipment & Supply Technician		1	0.57
CO			Equipment & Supply Technician		1	1

Portfolio	Department	Branch	Position Text	Vacant Since	Holder	Part FTE
CO			Equipment & Supply Technician	2011.05.27	0	1
CO			Equipment & Supply Technician		1	1
CO			Equipment & Supply Technician	2011.06.27	0	1
CO			Equipment & Supply Technician		1	1
CO			Equipment & Supply Technician		1	1
CO			Equipment & Supply Technician		2	1
CO			Equipment & Supply Technician		1	1
CO			Equipment & Supply Technician Asst		1	0.33
CO			Equipment & Supply Technician Asst		2	0.33
CO			Equipment & Supply Technician Asst	2011.01.01	0	0.33
CO			Equipment & Supply Technician Asst		1	0.33
CO			Communications Officer		1	0.6
CO			Communications Trainer & Officer		1	1
CO			Communications Trainer & Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer		1	1
CO			Communications Trainer & Officer		1	1
CO			Communications Trainer & Officer		1	1
CO			Communications Trainer & Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer	2011.05.26	0	1
CO			Communications Officer		1	1
CO			Communications Trainer & Officer		1	1
CO			Communications Trainer & Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer		1	1
CO			Communications Officer	2011.05.01	0	1

Portfolio	Department	Branch	Position Text	Vacant Since	Holder	Part FTE
CO			Communications Trainer & Officer		1	1
CO			Communications Trainer & Officer		1	1
CO			Primary Care Paramedic-42		1	1
CO			Paramedic Supt, Team Lead		1	1
CO			Advanced Care Paramedic-42		1	1
CO			Paramedic Supt, Team Lead		1	1
CO			Advanced Care Paramedic-42	2011.04.15	0	1
CO			Advanced Care Paramedic-42	2011.04.15	0	1
CO			Advanced Care Paramedic-40		1	0.57
CO			Paramedic Supt, Team Lead		1	1
CO			Advanced Care Paramedic-42	2011.04.15	0	1
CO			Advanced Care Paramedic-42	2011.04.15	0	1
CO			Primary Care Paramedic-42		1	1
CO			Primary Care Paramedic-42		1	1
CO			Paramedic Supt, Team Lead		1	1
CO			Primary Care Paramedic-40		1	0.57
CO			Paramedic Supt, Team Lead		1	1
CO			Paramedic Supt, Team Lead		1	1
CO			Paramedic Supt, Team Lead		1	1
CO			Advanced Care Paramedic-42		1	1
CO			Advanced Care Paramedic-42	2011.04.15	0	1
CO			Advanced Care Paramedic-42	2011.04.15	0	1
CO			Paramedic Supt, Team Lead		1	1
CO			Paramedic Supt, Team Lead		1	1
CO			Advanced Care Paramedic-42	2011.04.15	0	1
CO			Advanced Care Paramedic-42	2011.04.15	0	1
CO			Advanced Care Paramedic-42	2011.04.15	0	1
CO			Paramedic Supt, Communications Training		1	1
ISCS	Planning & Growth Mgmt	Building Code Services	Filing Clerk	2011.05.02	0	1
ISCS			Filing Clerk	2011.05.02	0	0.69
ISCS			Prg & Prj Mgmt Officer		1	1
ISCS			Building Official Intern		1	1
ISCS			Building Official Intern		1	1

Portfolio	Department	Branch	Position Text	Vacant Since	Holder	Part FTE
ISCS			Building Official Intern		1	1
ISCS			Filing Clerk	2011.05.02	0	0.6
ISCS	Environmental Services.	Drinking Water Services	Water Distribution Operator		1	1
ISCS			Labourer		1	1
ISCS			Water Distribution Operator		1	1
ISCS			Water Distribution Operator	2010.12.08	0	1
ISCS			Water Distribution Operator	2010.06.28	0	1
ISCS			Water Distribution Operator	2010.07.21	0	1
ISCS			Labourer		1	0.5
ISCS			Water Distribution Operator	2010.02.26	0	1
ISCS			Water Distribution Operator	2011.03.16	0	1
ISCS			Labourer	2010.09.11	0	1
ISCS			Water Quality Technologist	2011.03.08	0	1
ISCS			Prj Coord, Water Distribution	2009.09.25	0	1
ISCS			Water Distribution Operator	2009.02.05	0	1
ISCS			W-Mtce Worker	2011.04.11	0	0.58
ISCS			Water Distribution Operator		1	1
ISCS			Water Distribution Operator	2010.08.03	0	1
ISCS			Water Distribution Operator	2010.05.14	0	1
ISCS			Labourer		1	1
ISCS			Water Distribution Operator	2010.07.21	0	1
ISCS			Water Distribution Operator		1	1
ISCS			Water Distribution Operator		1	1
ISCS			Labourer		1	1
ISCS			Water Distribution Operator		1	1
ISCS			Water Distribution Operator		1	1
ISCS			Water Distribution Operator	2010.12.20	0	1
ISCS			Labourer		1	1
ISCS			Labourer	2011.04.11	0	1
ISCS			Labourer	2011.04.11	0	1
ISCS			W-Mtce Worker	2011.04.11	0	0.42
ISCS			Labourer	2011.04.11	0	1
ISCS			Water Distribution Operator		1	1

Portfolio	Department	Branch	Position Text	Vacant Since	Holder	Part FTE
ISCS			Water Distribution Operator	2010.11.24	0	1
ISCS			Water Distribution Operator	2010.08.03	0	1
ISCS			Process Operator-In-Training	2010.11.01	0	1
ISCS			Process Operator-In-Training	2011.01.14	0	1
ISCS			Process Operator-In-Training		2	1
ISCS			Process Operator-In-Training	2010.08.30	0	1
ISCS			Ops Engineer in Training (EIT)		1	1
CO	Parks, Recreation & Cultural Svcs	Complex/Fitness/Aqua Venues	Director, Camp WGE Pool	2009.08.29	0	0.33
CO			Specialist, Advanced Sport		4	0.6
CO			Director, Camp WGE Pool		1	0.01
CO			Instructor, Aquatics WGE Pool	2011.01.01	0	2.17
CO			Spvr, Aquatics WGE Pool		1	1.62
CO			Coord, Specialty Sports/Arts WGE Pool	2009.09.05	0	0.21
CO			Specialty Sports/Arts Instructor		1	0.4
CO			Instructor, Aquafitness WGE Pool	2006.07.01	0	0.01
CO			Specialist, Advanced Sport WGE Pool		1	0
CO			Coord, Rec & Culture-Activities WGE Pool	2008.11.03	0	0.01
CO			Special Needs Support Worker	2009.06.01	0	0.6
CO			Instructor III, Specialty WGE Pool	2009.09.05	0	0.05
CO			Portfolio Mgr, Seasonal Recreation	2011.06.06	0	1
CO			Instructor I, Specialty WGE Pool	2003.11.01	0	0.01
CO			Specialist, Introductory Sport WGE Pool		1	0.05
CO			Coord, Rec & Culture Activities WGE Pool		1	0.05
CO			Specialist, Intermediate Sport WGE Pool	2011.05.02	0	0.07
CO			Specialist, Arts WGE Pool	2010.09.05	0	0.01
CO			Instructor, Introductory Arts WGE Pool	2010.09.05	0	0.01
CO			Instructor, Intermediate Arts WGE Pool		1	0.01
CO			Prg Leader, Recreation WGE Pool		5	0.02
CO			Spvr, Recreation Prg WGE Pool	2010.09.05	0	0.02
CO			Specialist, Advanced Sport WGE Pool	2010.09.05	0	0.22
CO			Inst, Spclty Sr Sports/Arts WGE Pool	2007.09.01	0	0.01
CO			Prg Coord		1	1
CO			Attendant, Recreation & Culture WGE Pool		2	0.6

Portfolio	Department	Branch	Position Text	Vacant Since	Holder	Part FTE
CO			Cashier/Attdnt, Aquatic WGE Pool	2007.04.01	0	0.17
CO			Director, Camp WGE Pool		1	0.2
CO			Instructor, Specialized Fitness WGE Pool		1	0.1
CO			Counsellor, Special Needs WGE Pool		2	0.75
CO			Coord, Camp Specialty	2009.06.22	0	1
CO			Prg Coord	2011.05.27	0	1
CO			Camp Sr Counsellor WGE Pool		3	0.66
CO			Counsellor, Camp WGE Pool		9	0.55
CO			Inst, Spclty Sr Sports/Arts WGE Pool	2003.11.01	0	0.27
CO			Assistant III - 40 hrs, Office WGE Pool	2005.09.06	0	0.05
CO			Instructor II, Specialty WGE Pool	2003.11.01	0	0.05
CO			Instructor III, Specialty WGE Pool	2003.11.01	0	0.05
CO			Instructor I, Specialty WGE Pool	2007.04.01	0	0.01
CO			Cashier/Attdnt, Aquatic WGE Pool	2007.04.01	0	0.14
CO			Spvr, Aquatic WGE Pool	2003.11.01	0	0.08
CO			Instructor II, Specialty WGE Pool	2003.11.01	0	0.05
CO			Instructor III, Specialty WGE Pool	2003.11.01	0	0.05
CO			Specialty Sports/Arts Instructor WGE Pool	2011.06.13	0	0.57
CO			Aquatic Attendant	2008.12.01	0	0.33
CO			Specialist, Intermediate Sport WGE Pool		2	0.05
CO			Instructor, Specialized Fitness WGE Pool		5	0.25
CO			Aquatic Attendant	2008.12.01	0	0.33
CO			Lifeguard/Instructor, Head WGE Pool		3	0.01
CO			Srvc Representative I WGE Pool		2	0
CO			Specialist, Intermediate Sport WGE Pool		1	0.6
CO			Instructor I, Specialty WGE Pool	2009.09.02	0	0.33
CO			Director, Camp WGE Pool	2010.09.04	0	0.33
CO			Counsellor, Camp WGE Pool	2010.09.04	0	0.33
CO			Coord, Camp WGE Pool	2011.05.09	0	0.88
CO			Aquatic Attendant	2008.12.01	0	0.33

APPENDIX B

Authority to Approve Organizational and Position Changes Source: Organizational Unit and Position Management Delegated Authority Policy

Action	Delegated Authority	HR Level of Authority
Create a Position		
1. Create a position outside existing corporate compensation budget and/or total FTE count.	Council	
2. Create a new full-time or part-time continuous position within existing compensation budget where there is an increase in FTEs.	Council	
3. Create a new full-time or part-time continuous position at the department level within the Council approved compensation budget where there is no increase to the FTE count approved by Council. This includes delete/create actions across branches within a department.	Director/General Manager	HR-L3
4. Create a new full-time or part-time continuous position in a branch within the Council approved compensation budget where there is no increase to the FTE count approved by Council. This includes delete/create actions.	Branch Manager	HR-L4
5. Create a temporary position within the total department compensation budget. This applies to the creation of positions reporting directly to the Director/General Manager or to positions within branches that require funding from elsewhere in the department.	Director/General Manager	HR-L3
6. Create a temporary position within the total branch compensation budget.	Branch Manager	HR-L4
7. Extend an existing temporary position within the total branch compensation budget.	Branch Manager	HR-L4
Delete a Position		
1. Approve the deletion of a temporary position.	Branch Manager	HR-L4
2. Approve the deletion of a continuous position.	Director/General Manager	HR-L3
Change a Position		
1. Transfer a position from one portfolio to another.	City Manager	HR-L1
2. Transfer a position from one department to another within a portfolio.	Deputy City Manager	HR-L2
3. Transfer a position within a department.	Director/General Manager	HR-L3
4. Transfer a position within a branch.	Branch Manager	HR-L4
5. Changes to the attributes of a position within a branch.	Branch Manager	HR-L4
6. Approve the initiation of a reclassification of an existing budgeted position.	Director/General Manager	HR-L3

Action	Delegated Authority	HR Level of Authority
Create a Position		
7. Approve the initiation of a reclassification of Director/General Manager position.	City Manager	HR-L1
Re-Organizational Changes		
1. Create or delete a portfolio. 2. Create or delete a department within a portfolio without impacting the scope of the portfolio. 3. Create or delete a branch or unit within a department. 4. Transfer an organizational unit from one department to another within a portfolio.	Council City Manager Director/General Manager Deputy City Manager	 HR-L1 HR-L3 HR-L2