



CAO-A-1408 – Appendix "A"

INTERNAL AUDIT REPORT

LEARNING AND DEVELOPMENT

FINAL

August 1, 2014

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EXECUTIVE SUMMARY

Executive Summary - Key Findings and Recommendations

Learning and Development (L&D) encompassing all forms of training, is an essential component of today's "Learning Organization". In order to keep pace with the rapidly changing environment of technology, legislative requirements and best practices in business performance and customer service delivery, it is imperative that staff are equipped with the knowledge and tools to achieve optimum results for the organization.

The primary objective of this operational audit was to identify what the City is currently spending on L&D and to benchmark our existing programs and structure with other organizations in terms of best practices, effectiveness, accessibility and selection of L&D opportunities for City staff.

Our audit research confirmed that the current decentralized model of administering L&D is most common among our municipal comparators and is largely effective for the City. This means that each department establishes and controls its own L&D budget and training decisions. The Human Resources department takes primary responsibility for specific types of training such as Health and Safety, Tuition Reimbursement, Wellness and corporate training and development.

While no major issues were identified in the service delivery structure for L&D, there are some significant gaps in specific forms of training that should be addressed.

Extensive stakeholder input was gathered for this audit and the results were highly consistent across the organization. Health and Safety training was highly rated by the majority of staff as was orientation, onboarding and soft skill training such as diversity, respectful workplace etc.

One of the issues of greatest concern for more than 85% of staff respondents is the lack of training in corporate software programs such as "RAC", "WAM", "KRONOS" "AMANDA", etc. as well as the lack of training in Customer Service, Budgets and Office software programs. The current practice to obtain corporate software systems training leaves most employees on their own to arrange training with one of the "super users" in each respective area (Finance, Procurement, HR etc.) This is ineffective, inconsistent and relies on the willingness and availability of other staff to provide training that is not part of their function or responsibility.

Financial analysis conducted for the audit identified that nearly 100% of L&D budgets are underspent year over year by an average of 30%. This often occurs when "discretionary" spending is curtailed to mitigate projected budget deficits.

In order to truly become a "Learning Organization" and support one of the City's strategic directions (*1.1 Engage employees through excellence in leadership*) the City will have to accept that Learning and Development plans and commitments are *not* discretionary and should be maintained.

Municipal benchmarking data was somewhat difficult to obtain, particularly for financial comparisons, as most organizations, like Guelph, have decentralized L&D budgets and are not able to provide financial data at the department level for the purpose of comparing our costs. Some of the comparisons used for the audit were taken from the HR Annual Report based on the Conference Board of Canada statistics.

We note that there is presently no corporate Learning and Development Policy and acknowledge that HR staff have established a new policy which they are ready to formally implement pending the completion of this audit. It is anticipated that the new policy will address many of the concerns expressed by staff in terms of equity, accessibility and effectiveness of training.

The key findings and recommendations identified in the audit are summarized in Chart 1 on page 8 of this report.

AUDIT OBJECTIVES

The following objectives were established for this operational audit:

- Identify what the City is currently spending on all forms of Learning and Development
- Evaluate financial reporting and transparency of training dollars spent
- Identify best practices and benchmark the City with other organizations to determine what will be required for the City of Guelph to implement these practices
- Assess the effectiveness, accessibility and selection of learning and development opportunities for City staff
- Inform the ongoing development of a Corporate Learning and Development policy

SCOPE

The scope established for this audit includes:

- Analysis of all Learning and Development costs (3 years historical, Budget vs. Actual).
- Compare size of budgets by department and number of employees.
- Classification of all related costs by type; i.e. Health and Safety, Legislated Training, Professional Development, etc.
- Evaluate existing system and other IT training; i.e. WAM, RAC, JDE, AMANDA, etc.
- Stakeholder evaluation of existing training programs
- Municipal Benchmarking

AUDIT TEAM

- Loretta Alonzo, Internal Auditor
- Katherine Gray, Business Performance Specialist
- Adrian van Eck, Supervisor, Inspection Services

METHODOLOGY

The following research and analysis was undertaken for this audit:

- Staff-Stakeholder interviews
 - Online survey (49 completed)
 - Paper survey (83 completed)
 - Personal interviews – Executive Team / DRLT (16 completed)
 - Standing Committee Chairs
 - Compliance Training staff (2)
 - Health and Safety staff (2)
 - Key Human Resources staff (6)
- Internal documentation review and analysis
 - Human Resources, Annual Reports – 2008-2013
- External Literature review
- Municipal Comparators – Benchmarking
- Financial Analysis (Object codes – 3400-3480)

CORPORATE OVERVIEW

Current Environment

Learning and development, encompassing all forms of training, is an essential component of today's "Learning Organization". In order to keep pace with the rapidly changing environment of technology, legislative requirements and best practices in business performance and customer service delivery, it is imperative that staff are equipped with the knowledge and tools to achieve optimum results for the organization.

The City of Guelph strives to ensure that the organization meets the needs of employees and the community by providing learning and development opportunities in a variety of forms. The benefits to the organization include:

- Employees who are continuously learning are better prepared to help the organization achieve its goals
- Learning and develop programs ensure staff are more engaged, productive and motivated
- Well trained staff require less supervision
- A skilled pool of employees are ready to replace others who leave

- Staff that engage in continuous learning are better able to meet the challenge of changes in the organization
- The City can attract and retain the best employees

Our audit research confirmed that the current decentralized model of administering L&D is most common among our municipal comparators and is largely effective for the City. This means that each department establishes and controls its own L&D budget and training decisions. The Human Resources department takes complete responsibility for specific types of training such as Health and Safety, Tuition Reimbursement (LEAP program), Wellness and corporate training and development.

While no major issues were identified in the service delivery structure for L&D, there are some significant gaps in specific forms of training that should be addressed.

Extensive stakeholder input was gathered for this audit and the results were highly consistent across the organization. Health and Safety training was highly rated by the majority of staff as was orientation, onboarding and soft skill training such as diversity, respectful workplace etc.

One of the issues of greatest concern for more than 85% of staff respondents is the lack of training in corporate software programs such as RAC, WAM, KRONOS, etc. as well as the lack of training in Customer Service, Budgets and Office software programs. The current practice to obtain corporate software systems training leaves most employees on their own to arrange training with one of the “super users” in each respective area (Finance, Procurement, HR etc.) This is ineffective, inconsistent and relies on the willingness and availability of other staff to provide training that is not part of their function or responsibility.

Recommendation

The organization should address this significant deficiency by assigning responsibility for all corporate software systems training to one or more areas that should take responsibility for managing the training for those systems.

We acknowledge that establishing formal training programs for these specific areas will require significant planning and resources. It may be most effective for the organization to establish a short-term committee or task force to get this work started and determine how best to approach the issue, timelines, deliverables and required resources.

Financial analysis conducted for the audit identified that nearly 100% of L&D budgets are underspent year over year by an average of 30%. This often occurs when “discretionary” spending is curtailed to mitigate projected budget deficits.

Recommendation

L&D budgets should be one of the last to be curtailed.

In order to truly become a “Learning Organization” and support one of the City’s strategic directions (*1.1 Engage employees through excellence in leadership*) the City will have to accept that Learning and Development plans and commitments are *not* discretionary and should be maintained.

A detailed summary of the issues that were identified by the majority of survey respondents is presented on page 12.

CORPORATE SUMMARY – KEY FINDINGS AND RECOMMENDATIONS

Chart 1

FINDING	RECOMMENDATION
<p>1. Lack of a corporate L&D policy providing governance and oversight including approval processes, documentation and reporting.</p>	<p><i>*We note that a new corporate Learning and Development Policy has been established and is ready for roll-out pending the completion of this audit. It is important that the new policy be reviewed by management to ensure that it addresses the issues identified through this audit wherever possible.</i></p>
<p>2. Learning and Development (L&D) budgets are viewed as “discretionary spending” rather than a mandatory commitment and are typically one of the first expenses to be curtailed when mitigating projected deficits.</p>	<p>L&D budgets should be one of the last to be curtailed and only when deemed necessary by the Executive Team. The commitments made to staff and the proposed “Learning and Development Plan” for each department should be maintained.</p>
<p>3. Nearly 100% of all L&D budget are underspent by an average of 30% annually.</p>	<p>Management should ensure that their departmental L&D budgets <i>are realistic based on the needs of staff and the organization</i> and make the decision to either <i>reduce excess budget \$</i> or <i>commit to spending the budget based on their departmental L&D plan</i> or <i>consider reallocating the excess budget (when there is a 5 year trend of underspend), to a corporate reserve fund for learning and development</i></p>
<p>4. Survey results indicate that many employees perceive little or no improvement in L&D policies or processes since the 2012 Employee Engagement Focus group identified these same issues.</p> <p>(L&D was NOT identified as one of the top 3 drivers following the Employee Engagement Survey and therefore no action plans were developed)</p>	<p>Develop an L&D plan to address the concerns employees have expressed with respect to L&D and communicate these plans and actions across the organization.</p> <p>Management should ensure that where possible, the new policy addresses the key issues raised by the focus group in the last engagement survey as well as the audit survey findings.</p>
<p>5. The organization needs a more robust and formalized training process in specific areas.</p>	<p>a) Corporate and Human Resources (CHR) should address this significant deficiency by assigning responsibility for <u>all corporate software systems</u></p>

More than 85% of staff respondents identify that the training for *all corporate computer systems* such as RAC, WAM, CLASS, AMANDA, JDE, etc. and Office software programs such as Word, Excel and PowerPoint, Customer Service and Budgets is NOT meeting their needs.

training to one or more areas that should “own” and take responsibility for managing the training for those systems.

A number of delivery options such as outsourcing, contracting, in-house, on-line or a combination of these should all be considered.

- b) Systems training should be part of the onboarding process for all new employees with an established schedule and frequency *and should also be available* to existing employees on a regular and ongoing basis as requested.
- c) Customer Service and Budget training should be assigned to the appropriate department and delivered to employees that require it. A training program should be developed that ensures the new Customer Service Standards are understood and consistently delivered.

6. Without formal Corporate and Departmental L&D plans it is difficult to accurately budget for L&D to ensure that required skills and competencies are maintained within the Corporation.

Departments should develop an annual L&D plan that aligns to the PDP process and ensures that budget funds are available to complete the plan. Management should be accountable for ensuring these plans are aligned with the needs of the organization and provide employees with core competencies necessary to prepare them for future opportunities at the City.

7. There are no performance indicators or means of measuring the effectiveness of training to validate that both the organization and the employee are receiving value.

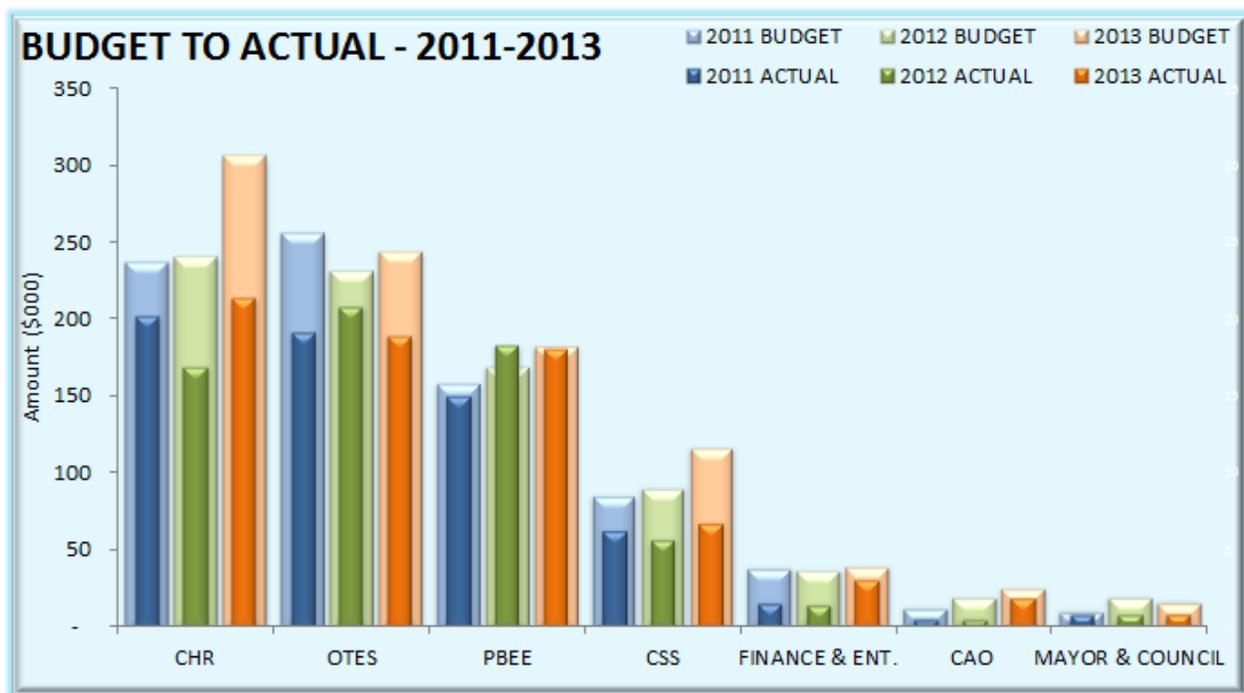
Training effectiveness (beyond attendance) should be evaluated through some form of employee feedback and KPIs should be established to measure the effectiveness of all types of learning and development.

CORPORATE FINANCIAL ANALYSIS

It is significant to note that almost 100% of L&D budgets are underspent by an average of 30% annually. There are a number of factors that impact actual spending but in recent years discretionary spending has often been curtailed or eliminated to mitigate projected deficits.

The total Budget compared to Actual costs for 2011-2013 are depicted in Chart 2 and Chart 3 below.

Chart 2



** Note that the reported costs for CHR include 100% of expenses for management and executive training and development, Health and Safety training, Wellness, and Tuition Assistance (LEAP Program)

Chart 3

Recommendation

Management should ensure that their departmental L&D budgets are realistic based on the needs of staff and make the decision to either reduce excess budget \$ or commit to spending the budget based on their departmental L&D plan.

BUDGET TO ACTUAL VARIANCE - BY SERVICE AREA - 2011-2013									
	2011		%	2012		%	2013		%
	BUDGET	ACTUAL	Underspent	BUDGET	ACTUAL	Underspent	BUDGET	ACTUAL	Underspent
CAO	12,720	5,825	-54%	19,220	5,578	-71%	25,220	19,617	-22%
MAYOR & COUNCIL	10,600	8,699	-18%	19,500	8,452	-57%	16,500	9,217	-44%
OTES	256,415	191,925	-25%	232,056	208,928	-10%	244,256	189,582	-22%
PBEE	158,960	150,701	-5%	169,508	183,401	8%	182,538	181,316	-1%
CSS	85,415	63,048	-26%	90,870	57,158	-37%	116,743	68,196	-42%
CHR	238,370	202,317	-15%	240,920	169,774	-30%	306,170	214,628	-30%
FINANCE & ENT.	38,895	16,410	-58%	36,734	15,069	-59%	39,289	30,777	-22%
TOTALS	801,375	638,925		808,808	648,360		930,716	713,333	

The actual costs by category (object code) for ALL service areas are shown in Chart 4 below. We note that costs have not increased significantly over the past 3 years.

Chart 4

LEARNING & DEVELOPMENT - ACTUAL COSTS BY CATEGORY (OBJECT CODES)					
		2011	2012	2013	OBJECT CODE
Conference Registration		153,026	131,803	165,147	3405
Train. Meals		5,132	4,601	6,274	3407
Train. Mileage		1,250	881	342	3408
Train. Fares		5,287	1,366	8,689	3409
Train. Accomodation		2,186	1,693	1,593	3410
Train. Supplies		8,729	19,309	11,476	3411
Train. Registration		342,732	407,516	418,313	3412
Management Train.		6,853	2,543	3,039	3414
Employee Train.-Develop.		19,269	23,328	15,665	3480
Health & Safety Train.		15,968	8,751	6,179	3480
Manadatory Train.		7,304	7,925	8,737	3480
Management Train.		24,134	7,695	25,497	3480
Tuition Assist.		23,565	10,871	39,891	3480
Wellness Expense		19,188	16,593	1,316	3480
		636,634	646,887	714,171	

These figures cannot be compared to those reported in the HR Annual Report as the criteria used in the report is customized to standards set by the Conference Board of Canada for reporting these costs and does not include all of the object codes in the City's financial reporting system. It should also be noted that the recurring issue of data governance is evident in the lower level financial reporting due to the inaccurate use of object codes by users. The result is some inconsistencies in the financial data collected for this audit.

According to the HR Annual Report for 2013 the City is comparing training data against the following sectors; Federal, Provincial, Municipal, University, Hospital and School Board. While only 53 organizations responded to the survey in 2011 the total number reporting in 2013 was 115. Using the Conference Board of Canada benchmarking data, the cost of actual training per full time employee is summarized in **Chart 5** below:

COST OF TRAINING PER FULL TIME EMPLOYEE					
	2009	2010	2011	2012	2013
Guelph (Actual) Cost per Full Time Employee	\$694	\$476	\$536	\$579	\$593
Guelph Budget			\$649	\$655	\$754
Conference Board of Canada	\$986	\$986	\$688	\$688	\$705

While the City is setting realistic budgets that ensure a competitive and reasonable training allocation per employee, we are consistently lagging behind other employers in terms of *actual dollars spent per employee*. As stated in the HR Annual report, the City is competing for talent with other employers and may be unfavourably compared to those organizations as a result. More detailed analysis regarding L&D from the perspective of Guelph staff may be found in the "Stakeholder Interview and Survey" section of this report.

Recommendation

Develop a plan to address the concerns employees have expressed with respect to L&D and communicate action plans across the organization.

STAKEHOLDER INTERVIEW AND SURVEY DATA

Extensive input from staff was collected for this audit. In total, 132 paper and online surveys were completed and an additional 16 personal interviews were conducted.

The results were highly consistent across the organization and soundly confirm the results of the Employee Engagement Survey conducted in 2012. In their "Summary of Focus Group Findings", Aon Hewitt identified the following issues related to Learning and Development:

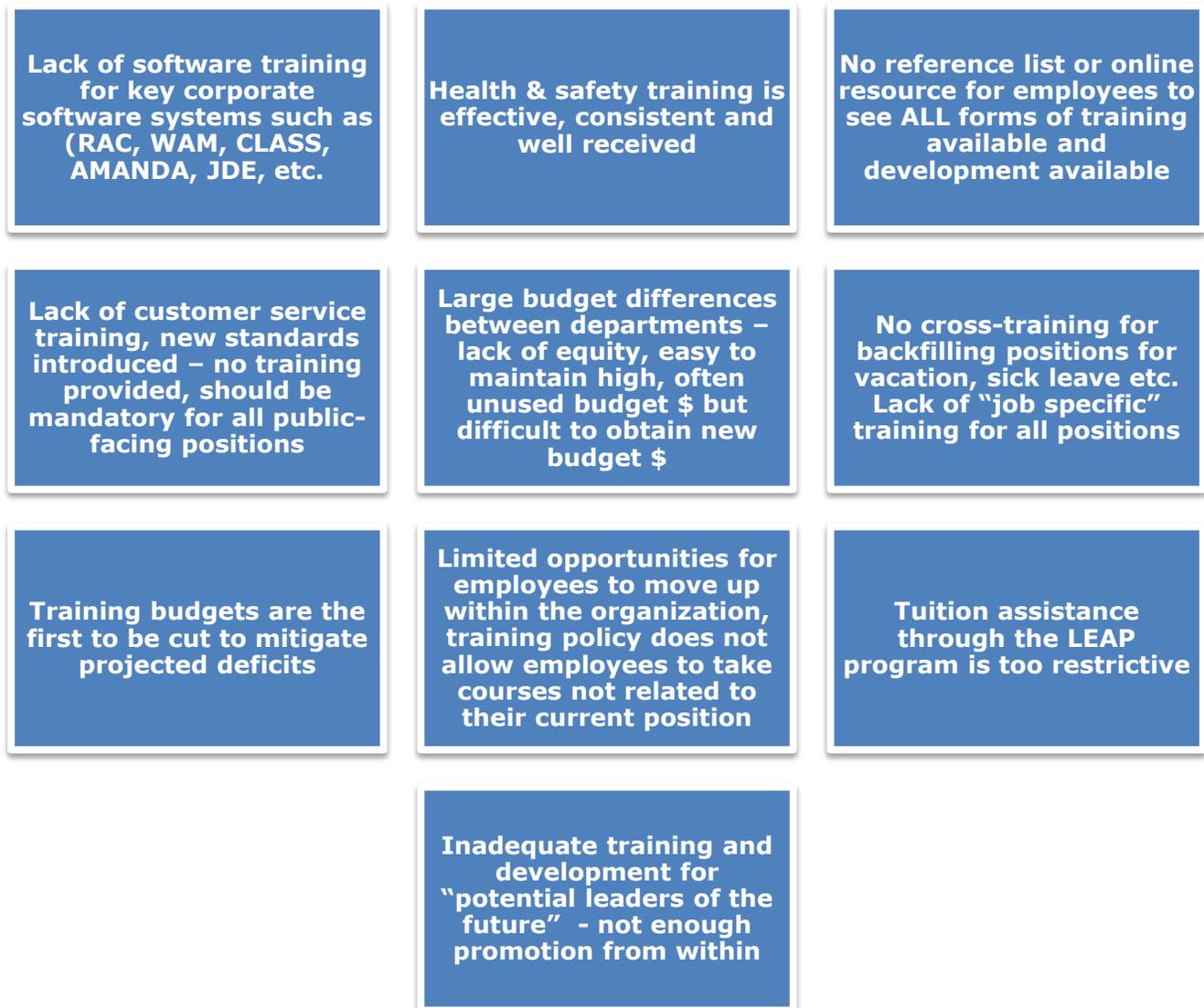
- ❖ Employees say policy prevents them from taking any training not directly related to their current role: this makes it difficult to develop new skills that could lead to a job change
- ❖ Employees believe supervisors and managers are inconsistent in approving training.....; there is confusion over the budget for training

- ❖ Employees do not believe they have much of an opportunity to advance – and, in fact believe the systems in place actually are designed to limit their ability to advance

The survey results from this audit indicate that most employees see little or no improvement in this area and the audit confirms that no changes to corporate policy or processes have been made since the employee engagement results were received. There has been some improvements at the department level and we note that the Building Services has developed a very thorough training plan, training reference book and a robust training schedule for their staff. This model could be used for all departments to develop their L&D training plans (see Recommendation # 6, page 8).

In order for the responses to be fully understood, the complete raw data including open comments (not including names of respondents) will be provided to the auditee separately from this report.

The majority of employee responses identified these as the **top ten issues**.



Employees also expressed their concern about these issues:

- No tracking and reporting system for training requirements – managers, supervisors have to identify when training is due and what is available
- New supervisors and managers not receiving adequate training on policies and procedures
- Difficult for many employees to pay for courses up front through LEAP program
- In-house training times not accessible for all employees, even mandatory training is not possible at times
- Professional development is department specific – no corporate direction to build staff skills
- Timing of training budget doesn't align with PDP process
- Lack of formal succession planning
- Need training in Council and Committee approval process and general procedures
- JDE reporting is inconsistent, out of date and inaccurate for training information and status; redundant efforts to provide one result (3 people entering the same information)

The audit survey asked employees to rate their satisfaction with specific types of training offered by the City. There are some significant gaps between the training employees feel they need and what the City is providing in some instances.

As stated previously the most notable training deficiency identified in the audit is related to corporate computer systems training (JDE, RAC, KRONOS, WAM, AMANDA, etc.), Budgets and Customer Service. Clearly the needs of the organization are not being met and staff are limited in their ability to fully utilize the available tools or deliver the highest quality service to their customers.

The results of three key survey questions are summarized in Chart 7 and 8 below:

Chart 7

Question 1: Rate the following types of training and development in terms of how they meet your needs and expectation:

	Fully Meets My Needs	Somewhat Meets My Needs	Does Not Meet My Needs	Total Number of Responses
Onboarding (<i>recruitment and selection process</i>)	40.0%	47.7%	12.3%	65
Orientation	31.8%	39.4%	28.8%	132
Legislated or Regulatory Training (<i>for professional certification or compliance</i>)	36.5%	41.7%	21.9%	96
Health and Safety	41.1%	45.2%	13.7%	124
Professional Development and Education	21.4%	45.5%	33.0%	112
Corporate leadership, Management and Supervisory Training	22.1%	51.2%	26.7%	86
Policy/Soft skill Training (<i>respectful work place, diversity, etc.</i>)	43.7%	42.0%	14.3%	119
Organizational Development	22.7%	45.5%	31.8%	110
Computer Systems (<i>RAC, JDE, WAM, KRONOS, GIS, AMANDA, etc.</i>)	10.5%	38.1%	51.4%	105
Customer Service Training	21.4%	38.4%	40.2%	112
Budget Training	21.5%	24.6%	53.8%	65
AVERAGE %	28.4	41.7	29.8	

Question 2: We asked staff to rate the current system for approving and accessing training and development funds:

Total Responses:	119
Very Effective	15.1%
Somewhat Effective	50.4%
Not Effective	34.5%

Question 3: We also asked survey participants what additional learning and development opportunities they would like to see at the City of Guelph. Their responses are illustrated in Chart 8 below:

The top 3 requests for training are corporate software systems, office software and customer service.

Chart 8 Total Responses: 113

Additional Training Identified



BENCHMARKING

Municipal benchmarking data was somewhat difficult to obtain, particularly for financial comparisons, as most organizations, like Guelph, have decentralized L&D budgets and are

not able to provide financial data at the department level for the purpose of comparing our costs. Some of the comparisons used for the audit were taken from the HR Annual Report based on the Conference Board of Canada statistics.

The majority of municipalities surveyed operate on a “decentralized” basis where planning, funding and authorization for training and development activities takes place at both the department as well as the corporate level.

The *corporate* budget for learning and development (L&D) is most often directed towards cross-departmental training such as leadership or management training, orientation, corporate code of conduct, soft skills training such as respectful workplace and diversity, and health and safety training.

Only 2 municipalities (Kitchener and Kawartha Lakes) report a budget which is centralized through an L&D reserve or administered solely by the HR department. Within this centralized framework decision-making is made by departments for individual training but the HR department is responsible for the overall administration of the corporate program.

The municipal comparators that responded to our survey are limited which makes it difficult to draw conclusions from the data collected. The City of Vaughan conducted a broad survey on training and development in August 2013 and we have incorporated some of their data into our results. The findings are summarized as follows:

- ❖ Only 2 of 5 cities report having a formal Learning and Development policy
- ❖ None of the 5 cities surveyed have conducted a Learning and Development audit in the past 5 years. (Burlington, Hamilton, Peel Region, Toronto, Vaughan)
- ❖ None of the respondents were able to provide comparable financial data for Learning and Development costs as all are decentralized with expenditures being controlled at the department level only. Vaughan reported that 55% of municipalities were unable to report on these costs at the department level
- ❖ Computers systems training is most often provided by HR for Microsoft Office software (Word, Excel, PowerPoint) but other IT training is generally provided by the IT department. Training may be outsourced, carried out in the department or hosted by other subject matter experts in the organization
- ❖ L&D costs by organization were highly variable (\$50,000 to \$5 million) but as a percentage of total payroll these costs consistently ranged from .8% to 1%
- ❖ Average expenditure per employee ranges from \$70 to \$1000
- ❖ 72% of those surveyed split L&D budgets between Corporate and Departmental needs with only 28% allocating all L&D budgets to the departments

Recommendation
Departments should develop an annual L&D plan that aligns to the PDP process and ensures that budget funds are available to complete the plan.

The audit did not identify and department- specific issues or recommendations. As part of the financial analysis completed for the audit we have

examined the 3-year history of Budget to Actual by service area. Those results are depicted in the following charts 9-18.

OPERATIONS, TRANSIT AND EMERGENCY SERVICES – FINANCIAL ANALYSIS

The following charts illustrate Actual to Budget 2011 - 2013

Chart 9

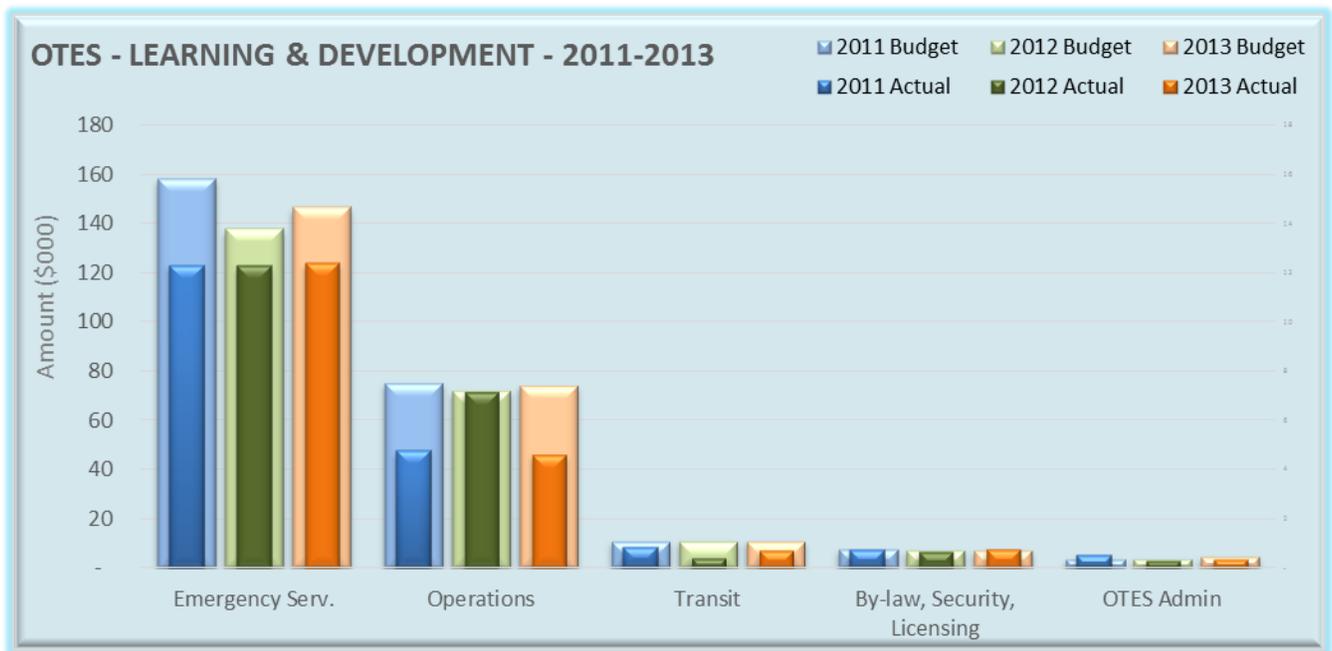


Chart 10

LEARNING & DEVELOPMENT COSTS - OTES							
	2011		2012		2013		2014
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
OTES Admin	3,650	5,050	3,650	3,199	4,650	3,957	9,650
By-law, Security, Licensing	7,760	7,391	7,260	6,891	7,260	7,713	10,060
Transit	11,250	8,555	11,250	4,441	11,250	7,508	16,100
Operations	75,361	47,770	72,132	71,642	74,432	46,353	69,532
Emergency Serv.	158,394	123,159	137,764	122,755	146,664	124,051	136,044
TOTALS	256,415	191,925	232,056	208,928	244,256	189,582	241,386

PLANNING, BUILDING, ENGINEERING AND ENVIRONMENT – FINANCIAL ANALYSIS

The following charts illustrate Actual to Budget 2011 - 2013

Chart 11

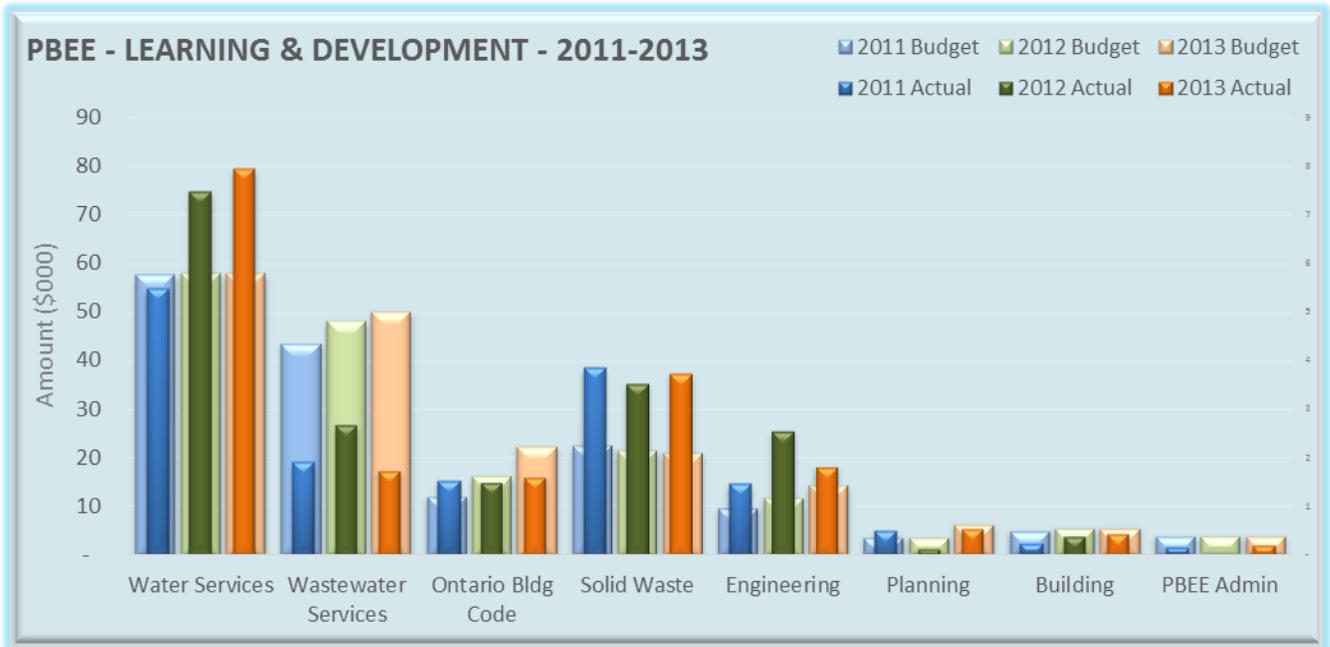


Chart 12

LEARNING & DEVELOPMENT COSTS - PBEE							
	2011		2012		2013		2014
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
PBEE Admin	4,000	1,402	4,000	223	4,000	2,269	4,000
Planning	3,700	4,978	3,700	1,557	6,500	5,582	16,500
Water Services	57,800	54,929	58,000	74,865	58,000	79,569	66,000
Wastewater Services	43,600	19,002	48,198	26,900	50,098	17,537	52,598
Building	5,140	2,242	5,640	4,092	5,700	4,454	7,200
Engineering	9,970	14,546	11,970	25,542	14,540	18,330	20,100
Solid Waste	22,650	38,447	21,700	35,253	21,200	37,357	38,700
Ontario Bldg Code	12,100	15,155	16,300	14,969	22,500	16,218	24,200
TOTALS	158,960	150,701	169,508	183,401	182,538	181,316	229,298

COMMUNITY AND SOCIAL SERVICES – FINANCIAL ANALYSIS

The following charts illustrate Actual to Budget 2011 - 2013

Chart 13



Chart 14

LEARNING & DEVELOPMENT COSTS - CSS							
	2011		2012		2013		2014
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
CSS Admin	18,820	18,467	18,820	8,021	18,820	5,800	18,820
Recreation Facilities	14,740	8,393	14,740	11,605	13,740	7,204	13,840
Comm. Engage, Social Serv	15,296	8,959	17,012	16,684	47,185	17,506	7,435
Culture & Tourism	6,530	8,680	6,830	7,124	7,030	10,099	7,780
Corp. Building Maint	7,130	7,197	9,130	8,417	8,530	8,675	11,930
Business Services	2,360	206	2,360	1,961	2,560	2,433	2,560
Parks	20,539	11,146	21,978	3,346	18,878	16,479	19,778
TOTALS	85,415	63,048	90,870	57,158	116,743	68,196	82,143

CORPORATE AND HUMAN RESOURCES – FINANCIAL ANALYSIS

The following charts illustrate Actual to Budget 2011 - 2013

Chart 15

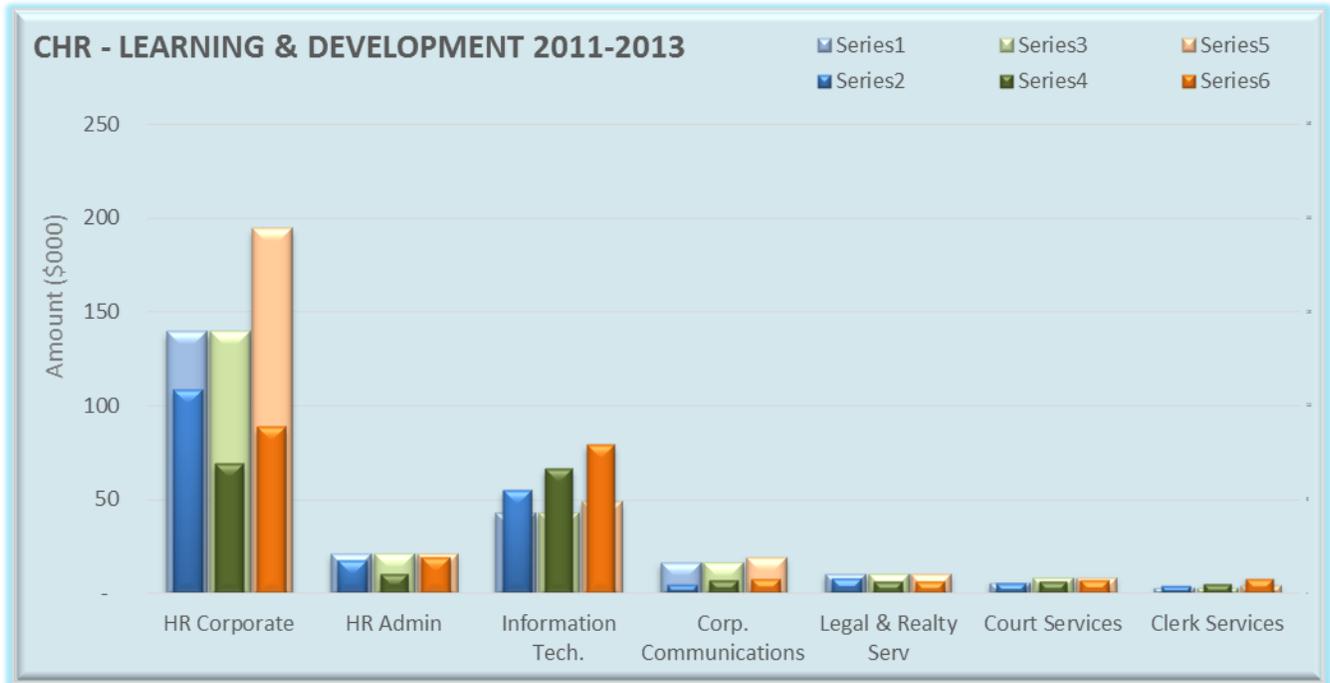


Chart 16

LEARNING & DEVELOPMENT COSTS - CHR							
	2011		2012		2013		2014
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
HR Corporate	139,070	108,325	139,070	68,724	194,070	88,172	135,370
HR Admin	21,000	17,447	21,000	10,319	21,000	18,951	21,000
Information Tech.	42,910	55,157	42,910	66,069	48,910	78,998	51,910
Corp. Communications	16,340	4,334	16,340	7,256	19,140	7,642	20,700
Legal & Realty Serv	10,300	7,743	10,300	6,233	10,300	6,404	11,300
Court Services	5,750	5,541	8,300	6,311	8,550	6,643	9,940
Clerk Services	3,000	3,770	3,000	4,862	4,200	7,818	5,300
TOTALS	238,370	202,317	240,920	169,774	306,170	214,628	255,520

** Note that the reported costs for HR Corporate include 100% of expenses for management and executive training and development, Health and Safety training, Wellness, and Tuition Assistance (LEAP Program)

FINANCE AND ENTERPRISE – FINANCIAL ANALYSIS

The following charts illustrate Actual to Budget 2011 - 2013

Chart 17

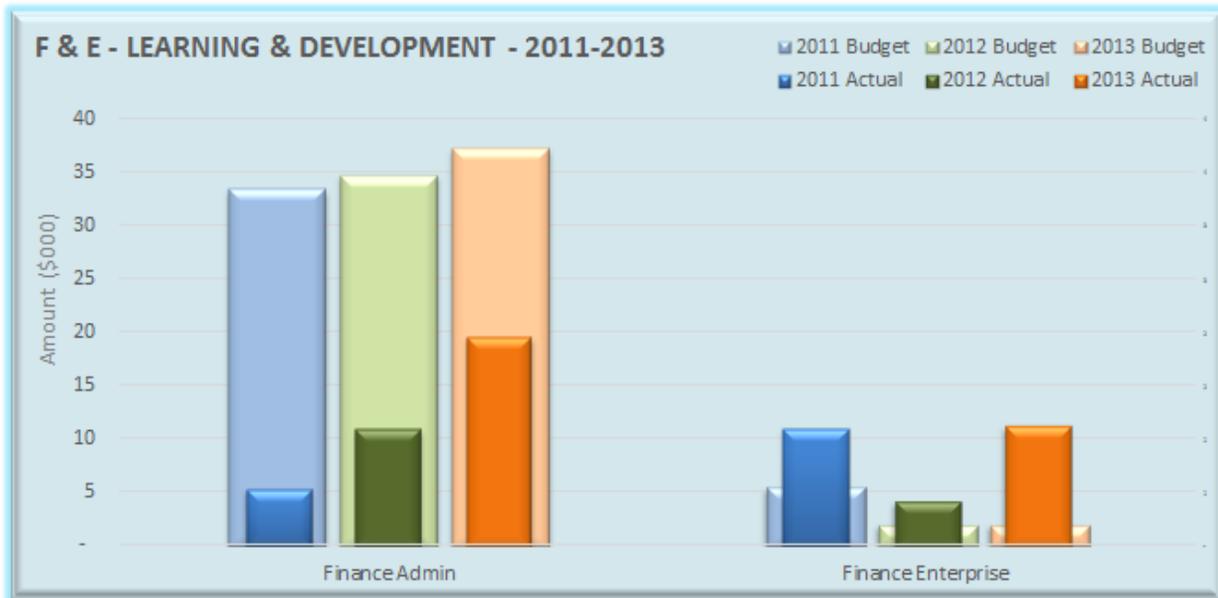


Chart 18

LEARNING & DEVELOPMENT COSTS - F & E							
	2011		2012		2013		2014
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
Finance Admin	33,395	5,359	34,734	10,927	37,289	19,557	37,989
Finance Enterprise	5,500	11,051	2,000	4,142	2,000	11,220	6,600
TOTALS	38,895	16,410	36,734	15,069	39,289	30,777	44,589

CONCLUSIONS

The overall outcome of the audit is positive and confirms that the organization is managing Learning and Development very well in some respects. The decentralized service structure appears to be effective and a number of key training programs such as Health and Safety, soft skills, and onboarding are well-received by staff.

There are, however, a number of key issues identified through the audit that have corporate-wide impacts. Without a corporate L&D policy as reference, there is perceived inequality, inconsistency and a lack of transparency in the way training and development decisions are made.

The lack of "ownership" with respect to corporate software systems and programs has been a long-standing issue without resolution. Our audit research indicates that this function traditionally resides in HR and there may be a partnership with IT Services to facilitate the training programs. The status quo is not serving either staff or the organization well and has resulted in reduced efficiency and productivity in some areas.

The fact that most departments have consistently underspent their L&D budgets suggests that not enough emphasis has been placed on employee development and this has contributed to low employee engagement results.

In order to create departmental L&D plans that link to the Performance Development Plan as well as budget planning, management should consider the approach that has been developed by Building Services. Their plan identifies the specific types of training required by all their staff as well as the level of proficiency required to perform their duties. They have also created a Training Guideline manual that provides staff with a full directory of available training courses and programs for every required skill or competency.

The new Learning and Development policy will be a pivotal point in addressing many of the audit findings and recommendations and it is critical that this information be well communicated and understood across the organization.

NEXT STEPS

Management is requested to respond by August 1, 2014 in order for the complete audit package to be presented to Council on August 25, 2014. A template will be provided for management to complete their response.