



Operator Scheduling Review

Governance & Audit Report No. 2023-7

Report Issued September 29, 2023

EXECUTIVE SUMMARY

Background

The Internal Audit Work Plan approved by the Governance and Audit Committee for fiscal year 2023 included a Operator Scheduling Review as part of the Potential Future Audits section of the Annual Risk Refresh.

G & A deemed the Operator Scheduling Review as an elevated importance due to the global shortage of personnel in the transit industry following the pandemic as currently experienced by IndyGo.

Our assessments are performed in accordance with the professional practice standards of the Institute of Internal Auditors. This report was prepared for use by IndyGo’s Board of Directors, Governance and Audit Committee, and management.

Objective, Scope, and Approach

Our primary objective in performing this process review was to evaluate the overall effectiveness of IndyGo’s operator scheduling processes and protocols.

Accordingly, our scope included reviewing:

- Payroll processing related to operator scheduling.
- Contractual requirements relating to operator scheduling aligning with work rules.
- Concerns encompassing shortage of drivers as it pertains to operator scheduling, overtime, missed runs and reduced service.
- Fairness and equality of processes connected to operator scheduling, Extra Board assignments and operator availability.
- System effectiveness, support and upgrades.

Our approach included performing interviews with members of IndyGo Operations management and the Service Center, performing process walkthroughs and physical observations, and comparing current procedures to leading practices.

Overall Report Rating & Observations

(See Appendix A for definitions)

	Report Rating	Number of Observations by Rating		
		High	Medium	Low
Operator Scheduling	Medium	0	2	2

Overall Summary and Highlights

Deploying an effective and efficient operator scheduling process across an organization with such intricate scheduling needs and requirements as are apparent across IndyGo is always challenging.

Our review identified observations which demonstrate IndyGo’s challenges with the operator scheduling process along with current strains tied to workforce shortages.

Our five observations related to the following areas:

- Payroll Processing
- Contractual Requirements
- Operator Shortage
- Fairness/Equality of Scheduling Process
- Operator Bid Process

Our conclusion is that while IndyGo has done a fine job in scheduling its operators, there are still a couple of areas for opportunities in the body of this report.

We would like to thank IndyGo staff and all those involved in assisting us in connection with the audit. Questions should be addressed to the IndyGo Department of Governance and Audit at:

batkinson@indygo.net.

EXECUTIVE SUMMARY *(CONTINUED)*

OBSERVATIONS SUMMARY

Following is a summary of the observations noted. Definitions of the observation rating scale are included in Appendix B.

Governance and Audit Observations	
Recommendation Title	Rating
1. Payroll Processing	Medium
2. Contractual Requirements	Low
3. Operator Shortage	Medium
4. Fairness/Equality of Scheduling Process	Low
5. Operator Bid Process	Not Rated

1. Payroll Processing

Observation:

Instances of incorrectness of hour calculations provided to Payroll through the Driver Scheduling System (HASTUS).

Recommendation:

Work with the developers of HASTUS to format work rules in system to reduce the percentage of errors.

Management's Response:

Observation Rating: Medium

G & A requested a 7-month report of overtime worked by operators since January 1, 2023. The expectation was this group would have a greater chance of errors made in work schedule rules, hours worked each day and week.

During the review period there was a total of 371 coach operators who worked some amount of overtime amounting to over 59,000 hours presenting 15% of the total hours worked.

A sample of three pay periods was pulled from this time frame including one with a holiday. Forty individual timesheets were reviewed for Operators who worked the highest amount of overtime in the sample.

The normal work week for coach operators is either four ten-hour days or five eight-hour days. Based on the timesheets selected we have determined; overtime was correctly calculated and paid.

It is noted that the Payroll Department must review all timesheets for operators as the total hours are received in an electronic file from the HASTUS operator scheduling system. They are then verified

Each time there is a contractual change in work rules a new set of parameters must be developed and programmed into the HASTUS system. This is done when the Senior Director of Service Planning is notified of a needed change.

Due to the complexity, number of rules and exceptions there is difficulty in programing the system to accommodate then all. The difficulty is that changes/problems are not routinely communicated to the Senior Director of Service Planning.

When change requests are initiated, it is recommended that IndyGo work with the HASTUS developer to review and strengthen the system formatting to reduce the opportunity for errors when processing unusual work schedules.

It is suggested when negotiating new Collective Bargaining Agreements (CBA), the work rules regarding overtime, time off, breaks and split shifts be more normalized to help minimize the manual review and correction of work exceptions.

It is noted as IndyGo ramps up the needed number of Coach Operators, the manual review process by the

Action Plan:

When the Service Planning Department is notified of the need for changes in Hastus for payroll software, they will continue to request and implement change requests.

Train all Service Center Clerks, Supervisors, and Managers on the rules in the CBA regarding payroll. The turnover in the department has been great, and the institutional knowledge is minimal.

Responsible Parties:

Senior Director of Service Planning
 Manager of Payroll

Due Date:

Ongoing

for correctness and loaded into ADP for payroll processing. Coach operator timesheet review is a very manual process for Payroll but is necessary for correct payment of hours regarding overtime and work rules.

Payroll Department will increase along with the potential of payment errors.

2. Contractual Requirements

Observation:

Only two isolated instances in working Coach Operators outside the parameters set by the CBA (Collective Bargaining Agreement) were found.

Recommendation:

Management should continue the practice of scheduling nine hours off between shifts.

Management’s Response:

Observation Rating: Low

From the sample, a review of the actual start and stop times of each shift worked by Coach Operators who had the longest hours each day and the most overtime earned.

Rosters selected at BID are designed to allow Coach Operators to have nine hours off before the start of the next shift to ensure that the required CBA eight-hour time off is met. Further the rosters allow for all operators to have consecutive days off. Previously with cafeteria bidding this was not guaranteed.

During the review, a selection was made of all Coach Operators who worked more than 14 hours in a day. The next day start time was checked to verify there were eight hours off. The review showed only two instances where the Coach Operator reported for the next shift in fewer than eight hours. Both instances were isolated incidents and were in error by only minutes. The software is programmed to schedule Extraboard operators with 8-hours off between shifts. After the Extraboard is rotated for the day then it becomes the responsibility of the Service Clerk assigning daily work to ensure that the 8-hour rule is applied.

The process of designing Roster schedules for nine hours off between has proven to be effective for meeting the eight hours off requirement. This allows for an hour cushion in the event of an unexpected delay in returning to the garage or transit center.

It is recommended that management continue this Roster scheduling method. This review has demonstrated that this practice is working with a rare chance for error.

Action Plan:

The Service Planning Department will continue to follow the CBA rules in scheduling duties and rosters. It will further continue to exceed the contract minimum of 8 hours off between scheduled runs in rosters.

The Transportation Department is responsible for managing the daily payroll by exception, and assignments will need to ensure that once the Extraboard is rotated, any work given out after does not violate the 8-hour rule.

Responsible Party:

Senior Director of Service Planning
Director of Transportation

Due Date:

Q4 2023 and as needed.

3. Shortage of Coach Operators

Observation:

IndyGo has been unable to schedule full service since the pandemic because of a Coach Operator shortage.

Recommendation:

Continue to explore additional recruiting and hiring efforts.

Management's Response:

Observation Rating: Medium

IndyGo has worked continuously on trying to increase the needed level of Coach Operators to meet service level needs by:

- Addition of training classes without the previous requirement of having a CDL permit.
- Referral bonuses to staff recommending new hires.
- Sign on bonuses in the amount of \$3,000.
- Increased advertisement and visibility.

IndyGo is not immune to the hiring challenges the transit industry is facing across the nation. This is making it difficult to raise staff levels to meet current and future staffing requirements to meet service expectations.

Overtime worked by current employees during the sample period Jan-Jul 2023 indicates that 49 additional Coach Operators working 40-hour work weeks would have been necessary. This does not include staffing requirements to cover missed routes or reduced services.

In addition to overtime, IndyGo offers incentive bonuses to Operators to cover Friday – Monday evening routes not currently staffed.

Continue efforts with the Department of People to explore additional market/industry recruiting methods and job fairs.

Analyze current recruiting efforts (referral bonus, incentive & sign on bonus) to determine if these programs have had an impact on hiring and retention.

Reach out to Indiana Workforce Development Dislocated Workers Unit for inquiry of potential candidates with recent trucking industry closures in Indianapolis.

Action Plan:

In order to increase our recruitment strategy for hiring Professional Coach Operators and Mechanics, we partnered with the IndyGo Foundation. We were awarded a \$240K two-year grant from the International Urban League. The grant allowed us to hire a Community Recruitment Manager. Her role is to partner with community and second chance agencies for on-site job fairs recruiting for professional coach operators and mechanics.

We are also offering a \$1,500 referral bonus to IndyGo teammates and \$3,500 sign-on bonuses to all new hires who are hired to be professional coach operators and mechanics.

We were approved through the Department of Labor to host two apprenticeship programs. The Maintenance Apprenticeship is a partnership with IvyTech, and the Coach Operator Apprenticeship program allows new operators to be placed with a mentor for one year.

Transportation staff reports to return to full service as currently designed, IndyGo would need about 500 operators. This would be an increase of over 100 operators compared to current staffing levels.

Responsible Parties:

Chief People Officer

Due Date:

Current

4. Fairness/Equality of Scheduling Process

Observation:

The timesheet review caused concern regarding the consistency of pay codes applied to standby and travel time by the Service Center.

Recommendation:

Management should consider additional training with clerks applying pay codes.

Management's Response:

Observation Rating: Medium

During the review of timesheets, there were differences in pay codes applied regarding standby and travel time to and from the garage and transit center. In some instances, time was paid between runs during travel, other instances, this was non-paid travel time.

Recent modifications to the scheduling and run process have been made to improve fairness and work/life balance. This includes Rostered Runs and consecutive day off guarantees.

Review was done on standby/travel time, straight runs, split runs and swing runs, extra board assignments, and the 13.5-hour work rule.

The 13.5-hour work rule is coded in the HASTUS system for employees who do not want to work more than 13.5 hours/day. Employees may change this option with the Service Center and sign up for greater than 13.5 hours if desired. IndyGo does not require working more than 13.5 hours in a shift. Fifteen hours is the maximum hours allowed.

It is recommended that the clerks in the Service Center have additional training on the rules regarding pay for standby time and travel time regarding which is paid and which is not. A refresher of the corresponding pay codes would assist in improving the consistency of how the pay codes are applied to individual coach operators. Uniformly applying the pay codes would improve fairness to staff as well as reduce payroll corrections.

This review has shown that IndyGo has made major improvements in scheduling when it comes to Coach Operator work/life balance with rosters. 4-hour split shifts are nearly eliminated, employees are equally able to apply for overtime if desired, and Extra Board shift rotation improves the fairness of work distribution.

It is recommended that IndyGo continue the process of improving the work/life balance which may lead to better success in recruiting and retaining Coach Operators.

Action Plan:

Payroll for rosters is determined at BID when all scheduled work is chosen. The main responsibility of the Service Center is to manage this payroll by exception. The clerks need to know the rules and their responsibility to apply them. Supervisors and managers need to know the rules to review them daily for corrections. If this is done daily, the weekly export for the Payroll Department to process should be with minimal issues. Due to the turnover in the Service Center during Covid, the overall team is new. The Service Scheduling Department will work with new and existing Service Center Clerks, Supervisors, and Managers to properly use Hastus and comply with the CBA.

Responsible Parties:

Senior Director of Service Planning

Manager of Payroll

Director of Transportation

Due Date:

Ongoing

IndyGo rotates the Extra Board assignments on a 5-day rotation. This allows for fair and consistent work assignments, eliminating fatigue risk for one group of people. As part of this review, we noticed that some transit agencies do not rotate the extra board, leaving some employees with less desirable shifts.

Overtime has been reviewed for a seven-month period. It is noted that because of the volume of overtime available, no employee group was overloaded or shorted with overtime hours based on their length of service with IndyGo.

Both 8-hour and 10-hour day rosters are available for operators to select during the Bid process. The scheduling department creates the number of 10-hour days based on the service level. The coach operators can select options based on availability during their turn to bid.

5. Operator Bid Process

Observation:

IndyGo has successfully instituted the use of Hastus BidWeb, an online tool for operator picks of run selections.

Recommendation:

G & A has no recommendation as this process has worked well.

Management’s Response:

Observation Rating: Not Rated

This is IndyGo’s third bid using BidWeb. The first of the three, paper backup, was used. It was determined that backup is not needed, and that process has been removed.

A three-week selection process is available to operators; however, the resources to execute the bid were dramatically reduced.

All paper and ink resources were eliminated with the elimination of the “Pick Sheet.”

Previously, eight employees were allocated to the pre-bid and bid, which is now reduced to one.

Two years ago, labor resources and the cost of completing the manually processed bid were approximately \$15,700. The latest completed bid using BidWeb the cost was reduced to \$2,300.

Additionally, the two hours per day used for ten business days to reconcile the paper sheets has been eliminated.

BidWeb allows selections to be made via computer or any mobile device with an internet connection.

Action Plan:

IndyGo will continue to use Hastus BidWeb for all Bidding. This includes the three major service Bids, all holidays, and vacations. They are further investigating the possibility of using the software for Vacation Board Bidding.

Responsible Parties:

Senior Director of Service Planning

Due Date:

Ongoing

While the application has the ability for mobile devices, it is not yet optimized for them, so operators are steered to make selections on a laptop or PC as the application is a more user-friendly view on a laptop or PC.

IndyGo deploys six laptops for making selections during the bid in the south lounge. Work Instructions for the application were developed, and a training video is in development.

Operators know what they were awarded instantly once automatic distribution is completed, as opposed to up to a week after their bid selections were made.

Previously the number of manual mistakes was high. BidWeb has all but eliminated it thanks to it all being managed in the software.

APPENDIX A – RATING DEFINITIONS

Observation Rating Definitions		Report Rating Definitions	
Rating	Definition	Rating	Explanation
Low	Process improvements exist but are not an immediate priority for IndyGo. Taking advantage of these opportunities would be considered best practice for IndyGo.	Low	Adequate internal controls are in place and operating effectively. Few, if any, improvements in the internal control structure are required. Observation should be limited to only low risk observations identified or moderate observations which are not pervasive in nature.
Medium	Process improvement opportunities exist to help IndyGo meet or improve its goals, meet or improve its internal control structure, and further protect its brand or public perception. This opportunity should be considered in the near term.	Medium	Certain internal controls are either: <ol style="list-style-type: none"> Not in place or are not operating effectively, which in the aggregate, represent a significant lack of control in one or more of the areas within the scope of the review. Several moderate control weaknesses in one process, or a combination of high and moderate weaknesses which collectively are not pervasive.
High	Significant process improvement opportunities exist to help IndyGo meet or improve its goals, meet or improve its internal control structure, and further protect its brand or public perception presents. This opportunity should be addressed immediately.	High	Fundamental internal controls are not in place or operating effectively for substantial areas within the scope of the review. Systemic business risks exist which have the potential to create situations that could significantly impact the control environment. <ol style="list-style-type: none"> Significant/several control weaknesses (breakdown) in the overall control environment in part of the business or the process being reviewed. Significant non-compliance with laws and regulations. High observations which are pervasive in nature.
Not Rated	Observation identified is not considered a control or process improvement opportunity but should be considered by management or the board, as appropriate.	Not Rated	Adequate internal controls are in place and operating effectively. No reportable observations were identified during the review.