

V.8. Tuition Fees Reimbursement Program



Vérificateur général
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V.8. TUITION FEES REIMBURSEMENT PROGRAM

1. INTRODUCTION

We received information on conditions and privileges that were granted to an employee for university-level training that was paid for by Ville de Montréal (the city). The complainant questioned whether these conditions and privileges were compliant with the city's management frameworks and policies. We did not detect any irregularities in violation of the city's management frameworks, guidelines or policies in our investigative and forensic audit that would make it necessary to take action against the people involved. However, after reviewing these management frameworks, guidelines and policies, we find that improved control is needed. Our recommendations should aim to all business units.

2. AUDIT SCOPE

For the purposes of this report, our audit focused on a review of the city's management frameworks, guidelines and policies for the Tuition Fees Reimbursement Program. Our audit was conducted with various stakeholders in the Service du capital humain, which provided us with more extensive information on this program.

3. FINDINGS, RECOMMENDATIONS AND ACTION PLANS

3.1. MANAGEMENT FRAMEWORKS FOR THE TUITION FEES REIMBURSEMENT PROGRAM

3.1.A. Background and Findings

The Direction de la dotation, du développement organisationnel et de la rémunération des cadres of the Service du capital humain (Direction du développement) plays an advisory role with human resource officials in the boroughs and central departments by informing them of the Tuition Fees Reimbursement Program and by keeping them up to date. No centralized control exists for this program since 2001.

The city has a program offering financial assistance to employees who wish to continue their studies. Under this program, the training must be related to either the employees' work or to a promotion they seek. Outside of this program, other terms and conditions are established for seminars, professional development workshops, conferences, colloquia, etc. If the request for training exceeds the usual standards, the business unit should contact the Service du capital humain so that it can advise the manager and the employee. All business units inform them of terms and conditions for reimbursing tuition fees and approve the choice of private institution.

On January 1, 2008, the city adopted a procedure requiring employees to complete forms to apply for tuition fees reimbursement and request approval for training. These forms must be sent to the human resources advisor of the employees' business unit.

The city's general rule is to reimburse 50% of the fees¹ for general professionals and 100%² of the fees for managers. When training is requested by their supervisors, professionals may possibly be reimbursed for all of the training. Professionals and managers alike are reimbursed for these fees upon presenting proof of successful completion of the training when they pass a course or obtain a diploma.

According to the professionals' collective agreement, if training is undertaken upon the employer's request and [TRANSLATION] *"if the courses are held during working hours, there is no salary deduction. If the courses are held outside of working hours, the duration of the courses is deducted from the working hours in the regular week, all subject to agreement between the employer and the professional concerned."* There are no provisions releasing employees from work for time devoted to studies, either in the professionals' collective agreement or conditions and benefits for managers.

The role of the Service du capital humain is to advise the boroughs and central departments. It is also responsible for establishing best practices regarding improvements to the Tuition Fees Reimbursement Program. However, it does not participate in the decision-making process when an employee is authorized to take

¹ Source: Section 4.6.7 of the *Convention collective entre la Ville de Montréal et le syndicat des professionnelles et professionnels municipaux de Montréal*, in force until December 31, 2010.

² Source: Section 10 of the directive *Conditions et avantages des cadres de direction et des cadres administratifs de la Ville de Montréal*, updated November 18, 2009.

training. To ensure equitable management for all of the city's employees, the Direction du développement recommends that all business units comply with these terms and conditions to avoid creating precedents within administrative units. These units are accountable and responsible for ensuring that the conditions and privileges granted are reasonable in view of the relevant directives.

SPECIFIC DETAILS OF THE CASE REVIEWED

A manager and an employee made a verbal agreement that the city would pay the substantial tuition fees for an employee's university-level training in advance. The verbal agreement also provided for the employee's release from work for classes, individual assignments, group projects and time devoted to preparing for and taking examinations. The parties entered into a written agreement one year after the employee's training program began.

The case that was brought to our attention was presented to us as being uncommon. It goes beyond the usual standards because the employee was released from work to study and the tuition fees were paid for the employee in advance rather than upon presentation of proof of completion of the training. Note that no written agreement is required under city management frameworks and guidelines before an employee begins training, and there is no standard agreement for this type of situation. All of this raised questions for us, and led us to believe that improvements need to be made in current management frameworks for cases involving special conditions that go beyond the parameters in the conditions and benefits for managers or the collective agreements of unionized employees, as the case may be. In our opinion, this situation poses risks for both the city and the employee.

In our opinion, a written agreement is better for protecting the interests of both the city and the employee:

- The agreement should provide specific reimbursement mechanisms for cases where employees cease to work for the city or resign from positions for which they were given training or fail their training courses. If these mechanisms are not covered by a

verbal agreement, it might be very difficult for the city to obtain reimbursement from the employee if any of the above situations should arise.

- A written agreement would prevent any misunderstandings that may arise between managers and their employees during the training as a result of different interpretations of the oral agreement. In our opinion, the written agreement must clearly define the expectations and commitments of both the employee and the manager.
- The agreement should provide accountability mechanisms allowing managers to monitor the time their employees devote to professional duties and training duties more closely.
- A written agreement prevents potential conflicts in the event of a change of managers during the training period.

In our opinion, the use of a standard agreement avoids the danger of:

- perception of unfairness among employees
- creation of precedents that could result in an uncontrolled domino effect over training, for both unionized employees and managers

3.1.B. Recommendations

Based on the risks posed by the lack of a written agreement between the parties and the absence of a standard agreement for cases involving special conditions, we recommend that the Service du capital humain:

- **require the employer and the employee to sign a written agreement before the employee undertakes an eligible training program involving special conditions**
- **assess the appropriateness of producing and adopting a standard agreement, and in the affirmative:**
 - **produce a standard agreement, in line with city orientations, that provides guidance to the Service du capital humain and define all benefits it may grant to employees**
 - **issue a notice or authorize exceptions that depart from the standard agreement as a result of special circumstances**

- obtain the necessary authorizations for this standard agreement for both content (the Service du capital humain and the Direction générale) and form (Service des affaires juridiques et de l'évaluation foncière)
- issue a directive or guideline to all business units to direct their efforts.

For the same reasons, we recommend that the business unit concerned:

- comply with the terms and conditions of the city's Tuition Fees Reimbursement Program
- ensure to always sign a written agreement between the parties before an employee undertakes an eligible training program involving special conditions
- establish appropriate mechanisms to ensure that the employee complies with the agreement
- obtain a notice or authorization from the Service du capital humain, if it produces a standard agreement, for all cases involving a derogation from this agreement
- ensure that the hours the employee devotes to studies is entered in the Kronos time management system according to the directives issued

3.1.C. Action Plan of the Relevant Business Unit

- **SERVICE DU CAPITAL HUMAIN**

[TRANSLATION] "The recommendation of requiring a written agreement applicable to the abovementioned special circumstances will be implemented by using a form or other appropriate document that will be created for that purpose. (Planned completion: June 2012)"

The Service du capital humain will assess the appropriateness of developing a standard agreement and, if applicable, obtain the necessary authorizations from the departments concerned regarding its content and format. (Planned completion: June 2012)

The Service du capital humain will confirm its role (notification, authorization or other) with respect to the control and monitoring of agreements involving special

conditions under the Tuition Fees Reimbursement Program. **(Planned completion: June 2012)**

As recommended, a directive or guideline regarding all these points will be issued to the business units.” **(Planned completion: September 2012)**

- **RELEVANT BUSINESS UNIT**

[TRANSLATION] “We confirm our commitment to comply with the terms and conditions of the Program. **(Planned completion: April 2012)**

In the event that a new tuition fees agreement is put in place, we will make sure that a formal agreement is reached. **(Planned completion: April 2012)**

Management will adopt administrative measures to ensure compliance with the agreement and the Program. **(Planned completion: April 2012)**

If a new case should arise, we will comply with the standard agreement; otherwise we will consult the Service du capital humain regarding any special terms and conditions. **(Planned completion: June 2012)**

We made sure that training periods were properly entered in Kronos.” **(Planned completion: January 2012)**