



Training

Governance & Audit Report No. 2022-1

Report Issued April 12, 2022

EXECUTIVE SUMMARY

Background

The FY 2022 Internal Audit Workplan approved by the Governance and Audit Committee included a process review of IndyGo's Training department and supporting processes. Currently Training is provided through two separate teams. A centralized Training leadership team manages the overall agency-wide training program and the Learning Management System. A separate Training team dedicated within Operations manages all operator and mechanic training.

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 training processes and protocols.

Accordingly, our scope included reviewing:

- Relevant training policies and procedures
- Budgeting, including per person and/or per department and budget prioritization
- Progression, e.g., how one moves on from basic trainings to more complex
- Incentivization around additional capabilities and certifications
- Feedback and improvement of IndyGo-developed training
- Compliance monitoring and management oversight, focused mostly on Operators but also universal requirements such as harassment, D&I, cybersecurity, etc.
- IndyGo's Learning Management System (LMS)

Our approach included performing interviews with members of IndyGo Training management, 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
Training	Medium	0	2	2

Overall Summary and Highlights

A new VP of Diversity & Inclusion and Workforce Development joined IndyGo in July 2020. Since that time, much progress has been made in developing the internal training framework necessary within IndyGo.

Among notable areas of progress has been the implementation of a new Learning Management System, which is intended to leverage technology to make a wide range of curated training content easily available across the entirety of IndyGo. Another noteworthy area has been the creation of a mentorship/apprenticeship program, which affords employees further advancement opportunities.

Deploying an effective and efficient training regime across an organization with such diverse training needs as are apparent across IndyGo is always challenging. Our conclusion is that while IndyGo has done a fine job in refreshing its training environment, certain opportunities for improvement still exist. We have included those 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. Learning Management System Integration	Medium
2. CDL Training Cost Reimbursement	Medium
3. Training Rationalization	Low
4. Training Budget Communication	Low

1. Learning Management System Integration

Observation:

IndyGo has implemented a SaaS-based Learning Management System (LMS). A good team is in place and is building the foundation; however, more work could be done to expand the LMS throughout the Agency.

Recommendation:

To improve IndyGo's ROI on the LMS, we recommend that enhance communication protocols and implementation procedures be created between Training and the functional departments.

Management's Response:

Observation Rating: Medium

The intention of the LMS is to provide a flexible computer-based training platform that can quickly deploy training content to all users across the organization. The current iteration of the LMS was a replacement and upgrade of the prior tool. Since its introduction in November 2021, IndyGo's newly developed Training team has done a good job in standing up processes and content in and around the new LMS.

While progress has been good, there are still very few courses available in the LMS, and many departments' training needs have not yet been added.

A good example of a best practice that has been implemented in one instance is within Operations. A dedicated Training & Development Manager has been named, to help ensure that the Operations team's training needs are met. This allows for a central Operations team member to take ownership of the training needs of the team and work together with IndyGo's Training leadership on how to meet those needs.

To better expand the LMS and fully populate it with necessary training across all departments, IndyGo management should:

- Leverage the model created in Operations whereby a specific individual has been named as a Training & Development Manager.
- Create a cross-functional training committee across all functional departments to share what's working and what's not.
This would also create accountability on the part of the departmental committee members, helping to formalize (1) the communication channel whereby training needs are presented to Training, and (2) the deployment of that training out to the departments via the LMS.
- Additionally, to increase accessibility to the LMS across the largest employee group within IndyGo, that being the Operators and Mechanics, management should consider ways to make the LMS content more accessible. Examples could be providing training around how to access the content over the web at home and ensuring that content is configured to be easily adaptable to mobile devices, both Apple and Android.

Management's Response/Action Plan:

The model for the Training & Development Manager will only be utilized in the Training Department in Operations.

There are only two "training departments- Maintenance and Coach Operators. They do not fall under the VP of Diversity & Inclusion and Workforce Development, except for the Mentoring and Apprenticeship program.

When a class is being offered, the communication is shared on how to register for the class, and an email is sent to confirm.

The LMS, currently residing in the Diversity & Inclusion and Workforce Development group, currently has 5 ways to communicate IndyGo's educational opportunities:

- In Transit
- IndyGo All emails
- The Intranet

- Emails sent to managers/supervisors
- Discussed in the Executive Meetings, followed up with an email.

There are 120 soft skills courses, and leaders were instructed to connect with the LMS manager to design their department-based learning. The Coach Operator training is now in the LMS and the HR onboarding is also in the LMS

When the LMS was rolled out, instructions were given as to how to access the training, via work and from their personal device. This was done last year, plus the information is on the HUB.

Responsible Parties:

VP of Diversity & Inclusion and Workforce Development

Due Date:

Completed in 2022

2. CDL Training Cost Reimbursement

Observation:

Presently when new coach operators are hired and sent through training to obtain their CDL, there is no mechanism to ensure they remain with IndyGo for at least a minimum period of time.

Recommendation:

Management should consider possible options to legally commit new operators to IndyGo for at least a minimum period.

Management's Response:

Observation Rating: Medium

Since prior to the launch of the Red Line, it has been necessary for IndyGo to consistently seek new coach operators from outside the organization. It appears that this need will remain the case for the immediate future.

When a new employee is hired into an operator role but does not have a CDL, immediately upon hire IndyGo provides training to allow that individual to obtain their CDL. The approximate reimbursable cost amount to IndyGo of each individual CDL would be \$1,600.

For example, in 2020 IndyGo hired 68 new Operations staff which required CDL training. Of those 68 new hires, 32% had terminated within one year. Additionally, 16% of those new hires terminated within roughly one calendar quarter. We noted that in 2021 the trend was less, but not materially so.

There is currently no mechanism to commit new operators to remain with IndyGo for at least a minimum period. There is also no way for IndyGo to recoup its cost for sending a new operator through CDL training, even if that individual voluntarily terminates immediately upon receiving the CDL.

To help improve IndyGo's ROI on its investment in providing CDL training to its new operators, management should consider implementing a policy whereby upon acceptance of an operator role and matriculating through CDL training, the new employee would be liable to repay IndyGo the full cost of the CDL training if they choose to voluntarily separate within a certain period. The liability amount could be stipulated as ratable as the period extends, (e.g., the full amount is payable upon separation within 30 days, 75% is payable after 60 days, 50% after 90 days, etc.).

Management's Response/Action Plan:

The cost of \$1,600 is an approximate amount for dealing with the third-party vendor to get the on-route drive testing complete for the State CDL. This does not consider the entire 8–9-week training compensation which puts the true cost to IndyGo closer to \$10,000.

Operations is exploring with Legal, Human Resources and Finance whether collecting these costs would require a debt collection company and if this would be cost prohibitive and enough of a deterrent for a new hire to leave.

Responsible Parties:

Chief Operating Officer

Due Date:

N/A

3. Training Rationalization and Focusing

Observation:

IndyGo has defined a curriculum of health and safety training that all employees are required to complete upon hire and then renew annually. There may be an opportunity to rationalize the training requirements by focusing training on a department-specific basis.

Recommendation:

Management should consider taking a fresh look at FTA-specific training requirements for regional bus-only transit agencies.

Management's Response:

Observation Rating: Low

Prevailing US labor law requires every employer to provide whatever information, instruction, training, and supervision is necessary to ensure, "so far as is reasonably practicable", the health and safety at work of their employees and others affected by their activities.

IndyGo has defined a curriculum of health and safety training that all employees are required to complete upon hire. Additionally, all employees must also complete an 8-hour in-service training which involves OSHA areas such as:

- Personal protective equipment (PPE) usage,
- Haz-Com, lock-out/tag-out,
- Fire extinguisher usage,
- Workplace violence ("run, hide, fight"), and
- Emergency evacuation.

Additional TSA-related training components include See Something- Say Something and topics related to the National Incident Management System (NIMS).

Industry-wide, similar requirements are not in place at most transit agencies. Following the HSWA, agencies have the liberty of defining for themselves what training is needed for their employees. It is uncommon for

While health and safety training is indeed a crucial part of every workplace, it can be tailored and targeted at the discretion of management.

By taking a fresh look at the FTA's training requirements, IndyGo may have an opportunity to update its new hire and annual refresher training in a more targeted way.

If successful in rationalizing the training burden, IndyGo can focus agency resources on the training that will be most beneficial to each employee's personal and professional development.

Management's Response/Action Plan:

OSHA states that under 29 CFR 1910, all employees must have this training when hired and annual retraining on certain items. Under the General Industry classification, where IndyGo falls, 27 items are covered under the OSHA annual Training; IndyGo only works with the following:

- Occupational Noise Exposure
- Hazardous Waste Operations and Emergency Response (HAZCOM)
- Respiratory Protection (PPE)
- The Control of Hazardous Energy (Lockout/Tagout)
- Portable Fire Extinguishers
- Bloodborne Pathogens

IndyGo also falls under TSA regulations. With TSA overseeing all modes of surface transportation for security-related issues, there is training that they require when hired and on an annual basis regardless of position. The following mandated training is when hired and annually thereafter:

administrative staff to be required to complete many of the areas of training that operators or mechanics or specified Safety employees complete.

Reducing the onboarding and annual training burdens for administrative personnel will help conserve costs and allow time for more focused, job-specific training on a department-by-department basis.

- National Incident Management System (NIMS) and Incident Command (IC)
- Run – Hide – Fight (Workplace Violence)
- See Something – Say Something

FTA does not have specific training requirements, but it does require agencies to have a Public Transportation Agency Safety Plan (PTASP), which IndyGo had to be compliant with by July 2021. Under FTA's PTASP regulation, 49 CFR Part 673, it states the training program, which is position specific, must include mandated training when hired and an annual refresher training, as necessary.

To align these various sets of regulations in a way that makes sense for all employees, in 2021 IndyGo started a process for the first time to break training out into training required by represented and non-represented employees. Setting up the training in this manner allowed those who did not need specific training, such as accident reporting and going over the accident forms, to not have to review that information.

IndyGo, at the time, did implement this in our legacy LMS. Our old system had limitations that did not make it easy to adjust the training to meet different needs. With the new LMS, the Training Department is working to make the training more streamlined and relevant to the different classifications of employees. This is for both the newly hired employees and the annual refresher training which is targeted for completion before the end of the calendar year.

To address streamlining the new operator training, the training staff is currently working on new onboarding training and new operator training. There should be improvements in those areas as staff continues to learn the new LMS system.

Responsible Parties:

Chief Operating Officer

Due Date:

12/31/202 – Annual Training Refresher

4. Training Budget Communication

<u>Observation:</u>	<u>Recommendation:</u>	<u>Management's Response:</u>
<p>IndyGo maintains a centralized training budget. The budget generally appears adequate; however, departments and individuals are not always aware of their training budget allocation.</p>	<p>Management should design and implement a process whereby department training budgets are clearly communicated.</p>	
Observation Rating: Low		
<p>IndyGo maintains a centralized training budget that is managed through the CEO's office. This approach appears appropriate under the circumstances, in that during COVID it was especially necessary to assess more granularly where and how the training dollars were being spent.</p> <p>We noted, however, that there is no consistent process in place whereby the department-specific training allocations are communicated to both department heads and then to individuals. As a result, at times certain employees are unaware of whether they have funds available for training.</p> <p>Additionally, we recommend that additional assessment be performed on a department-by-department basis to fully understand the specific and sometimes unique training needs across IndyGo. For example, certain professionals require varying amounts of annual continuing professional education (CPE), such as engineering, legal, and finance.</p>	<p>To effectively promote training across each IndyGo department, management should ensure that department-specific annual training budgets are communicated early to each department head. Additionally, those training budgets should be calculated through a collaborative approach involving department heads, Training leadership, and IndyGo Executive leadership.</p> <p>Further, to help better employees plan for potential training options, employees should be informed of their available training dollars each year. Ideally the LMS could provide a real-time dashboard feature so that employees can track their available budget on a rolling basis.</p>	<p><u>Management's Response/Action Plan:</u></p> <p>The training budget currently resides in the Executive Budget for now, but the VP of Diversity & Inclusion and Workforce Development will oversee the policy and budget along with the communication to teammates about this benefit. The executive team is aware of this change. The 2022 training budget is \$250,000.</p> <p>When it is budget time and as a part of the budget process, each leader includes a line item for their training and then this is included in the total training budget for IndyGo. These budget numbers are provided to the VP of Diversity & Inclusion and Workforce Development so that they know how much each group expects to spend in the upcoming year.</p> <p>The VPs all know what their training budget is, and this has already been communicated out.</p> <p><u>Responsible Parties:</u></p> <p>VP of Diversity & Inclusion and Workforce Development</p> <p><u>Due Date:</u></p> <p>May 2022</p>

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"> 1. 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. 2. 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"> 1. Significant/several control weaknesses (breakdown) in the overall control environment in part of the business or the process being reviewed. 2. Significant non-compliance with laws and regulations. 3. 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.