

# Local 4092 Trustee Audit Report and Recommendations 2019-2020

Trustee Recommendations: July2019-June2020

Trustees Participating in this Report:

- Grace Park
- Olivier Faucher Boisjoli
- Francisco Javie Ortiz Urrieta

Location:

- 25 Belfield Rd, Etobicoke. Air Canada Component of CUPE

Auditing took place on the following dates for this report:

- January 3-4th, 2024
- February 20-21st, 26th 2024
- March 9th, 2024

Secretary-Treasurer Responses **(In Red)**:

- Laurent Roy (interim sec-treas) for David Lee

Report received:

- May 02, 2024

Response date:

- May 13, 2024

**Approved at GMM w updated discussion/motions: 30May2024**

# Local 4092 Trustee Recommendations with interim Secretary-Treasurer responses 2019-2020

## Finding #1 Flight Releases

- July 2019 - December 2019: Flight releases for union local officers are missing individual rates of pay as per years of service. (*refer to Nov 2019 for Union Officer Speedie-Court*). To confirm the amount paid was accurate, trustees confirmed the pay rate for each officer with the secretary-treasurer.
  - January 2020 onwards: Pay rates were included, and all calculations were correct.
  - The following years should include the pay rate per union officer, as per their years of service and classification, clearly marked so that the pay rate can be easily verified by trustees.
- Flight releases for part and full time union members are missing the total minutes used to calculate the final balance.

### We recommend:

- Indicating whether each officer is full-time or part-time and specifying the corresponding number of hours associated with each officer's position.
  - Full time union officer pay is calculated at 105 hours = 6300 min
- Indicating that part and full time union duties ("Flight Duty Credits") are calculated at a proration of 2:10 per day.

### **Interim Sec-Treas Response -May 2024:**

For greater context: Depending on the job being performed, a release can be for a full month or sometimes for a few pairings only. A release can also be fully paid by the union/ fully paid by the company or partly paid by both.

When the Local president authorizes a flight release we receive a bill from the Component for the amount owed by the Local for the release.

Since taking over the accounting responsibilities from the Component office we have been moving towards writing down these calculations. Initially we were only verifying the Component's calculations but not writing our calculations down. We see how this makes verification much easier will continue to try to improve on this practice.

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## Finding #2 Inventory of Assets

- Trustees have found the current folder for assets and inventory difficult to navigate.
- We recommend a comprehensive list of **current** assets that includes details like description, where it's kept, purchase date, its value, yearly depreciation and history of maintenance.
- Disposed assets should be recorded separately with the reason for disposable clearly written.
- This will facilitate the inspection/inventory of assets as per article B.3.12 of CUPE National Constitution.

### Interim Sec-Treas Response -May 2024:

The previous lists of assets were maintained at the component offices. We agree, and identified this as an issue to be addressed last year however we were missing some historical purchase information. David and I began recompiling the inventory in both main and H&S offices in summer 2023, securely disposing of outdated computer equipment and associating real values and depreciation amounts to all assets in use where we could and estimated values where we could not. As of winter 2023-24 this project has been completed and an updated inventory and new labeling system is in place. We will improve on this by adding a section for listing items that are no longer in use as they are disposed of or replaced.

## Finding #3 Childcare Expenses

- Some of the childcare invoices are missing information as per by-law E.9.5:
  - November 2019 and April 2019
  - Local Officer Wong: The invoice needs to include specific dates.
  - Local Officer Speedie: The invoice must include specific dates the service was used. For example, specify that two children used childcare from Monday through Friday.
  - Local Officer Meaghan Mroczek Porato: The hand-written invoice makes verifying it difficult.
- We recommend the establishment of a standard protocol for childcare expenses for better transparency. Four options are presented but we recommend Option 4.
  - Option 1: Dates of service must be included in childcare invoicing as per bylaw E.9.5
  - Option 2: The bylaw E.9.5 should be amended so that only childcare expenses do not have to have the dates included. Childcare providers will provide their standard monthly invoice rather than create an invoice with a personalized list of days.

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- Option 3: The bylaw E.9.2(d) should be amended so that no proof of childcare is required. All local officers with children will be given childcare allotment for each day worked. Proof of children and their age will be required on a yearly basis.
- Option 4: The creation of an authorization form for all childcare expense claims. This document allows the local officer to fill out all the dates of service, which the childcare service provider will verify and sign. The document will still have to be submitted along with an invoice but the invoice can now be a monthly amount.

## **Interim Sec-Treas Response -May 2024:**

Thank you, we agree that a practical balance must be established when it comes to the documentation of childcare expenses. It has become apparent over the years that each childcare provider seems to have their own receipt and reporting system and it is often problematic to receive receipts in line with some of the bylaw requirements for other receipts. This is especially true as many childcare providing centers now have off-site centralized accounting departments. For example: Many providers' accounting departments charge a flat monthly rate at the beginning of the month and do not keep track of day-to-day usage after that. We will list the above finding for bylaw review.

## **Finding # 4 Trustee Reports**

- The trustees acknowledge and applaud the new system of having Trustee terms on a rotating 3 year cycle. This allows for less gaps in missing Trustees.
- In the case of a missing trustee, we strongly encourage instituting a process to use alternates or runner-ups to ensure that Local 4092 systematically performs annual audits every year to ensure consistent compliance with our organizational by-laws.
- Trustees would also like to inquire if a motion to "borrow" a trustee from another local is possible.

## **Interim Sec-Treas Response -May 2024:**

The Local established an alternate trustee position during the last bylaw review to help ensure we would have the ability to conduct this important work in a timely manner. The system was working, and we were caught up on our audits in 2020. However, in early 2020 we ran into problems following Covid lockdowns and the need to avoid gatherings, the mass layoffs at our relatively junior base, and the need to bring trustees and officers back up to speed with education. By April 2024, the trustees (incl alternate trustees) were able to complete the assessments for 3 of the available 4 years requiring verification, and we have taken steps to ensure that open trustee positions are advertised, and education is available. We believe it is important to have trustees from within the Local if at all possible, and hope this should no longer be an issue given the size of our membership, but we will inquire about outside sourcing as a last resort.

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## **Finding #5: Local 4092 Base Monthly Income**

Clarification on Bylaw, 8.4.1

- Bylaws (8.4.1): The local 4092 should receive \$600 monthly plus 8 \$ per month per member since we have more than 2000 members. Currently Local 4092 is receiving an amount of \$3250 monthly, in addition to \$8 per member, due to an yearly motion filed with Component.
- We recommend that a motion be filed with Component to revisit the 2018 Bylaw. Instead of filing a motion every year, we request a review of the bylaw for an accurate percentage calculation for Local 4092 based on the membership numbers. This lack of bylaw review by Component severely compromises the members of Local 4092 as its union representation per member is low compared to other locals. (3500 members in 2019-2020)
- Trustees have found that the reason for the fluctuation in membership numbers needs to be clarified. Only the number of active members for whom per capita tax is paid is currently provided. Trustees recommend including the monthly report of the number of members initiated, reinstated, suspended, and expelled for easy calculation and verification.

### **Interim Sec-Treas Response -May 2024:**

Thank you, 1) We agree that the Local 4092 base amount should be permanently raised in line with the smaller Local bases, especially that our Local has taken on extra duties previously performed by the Component. – This will need to be addressed with the Component bylaws. 2) With the current Component provided report there is no way of verifying the active membership numbers for which we are receiving funds. We will request a complete list of members from the Component Sec-Treasurer be provided for verification purposes.

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## **Finding #6: Union Credit Card**

- We recommend that the corporation's president use a union-issued credit card for all union-related expenditures.
- Trustees have been informed by the Local that they have attempted to get a credit card and have been denied by the bank.
- If unable to secure a credit card through traditional methods, Local 4092 can pass a motion to obtain a secured credit card of “x” amount. This method allows for a union credit card but requires an amount of \$1000+ to be locked into the bank account.

### **Interim Sec-Treas Response -May 2024:**

In 2018 and 2019 we were looking to obtain a credit card for the Local. At the time we had several paper bills that were being sent to the Component mailing address and there was sometimes a delay in paying them. There was a suggestion that having a Union credit card on file would avoid late payments. Several difficulties became apparent when we researched this: the card would need double authorization, where would we store the physical card/who would have access, the liability would be on the Local membership if misused, the Local also didn't have a credit rating which translates into unnecessary service charges for the Local and many banks don't want to take on the liability. In the end, we've eliminated the bills that were a concern and the current Local exec has taken on the payment of the bills and are being reimbursed in a timely fashion, alleviating any concerns with proper authorization (no reimbursement without double signatures), or liability. This may change in the future but for the moment (without a concrete need for the card anymore), the downside of having the card seems to outweigh the potential benefits. Updated 30-May-2024: Discussed at GMM and agreed not worth pursuing at this point.

## **Finding #7: Investment idea for Local 4092**

- Local 4092 is understaffed for the amount of membership it represents.
- The trustees recommended a motion to purchase a TTS (Talk-to-Speech) system for meetings with members and management. However, the union has informed us that union meetings are confidential and cannot be recorded digitally nor attended by non-union members.

### **Interim Sec-Treas Response -May 2024:**

I believe the suggestion is for a Speech-to-Text system.

This is an interesting idea, however just like a recording, there are issues with a speech to text system (failure to capture accents, emotion, inability for a machine to intervene). These notes become part of the official record if the case goes to arbitration, for our meetings we have 2 managers and 2 union officers this allows the primary union officer to concentrate on the member and the proceedings in the room. This would be an interesting conversation to have at the next GMM, but may be detrimental to a member's defense. Updated 30-May-2024:

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Discussed at GMM and agreed that for various reasons this could be detrimental to member and should not be pursued.

## **Finding #8: Revisit denied request**

- Revisit motion from “*OCT 2019 minutes regarding old business GMM motion*”.

This motion was a request from Component to the company for reimbursement of mandatory meetings that union officers of the local 4092 attended at the behest of the company. The company denied it.

- We suggest that this motion be resubmitted as company mandated meetings should not be a financial burden of the membership.

### **Interim Sec-Treas Response -May 2024:**

The number of meetings at the Toronto Local remains an issue. We will bring this back up for debate at the next GMM. Updated 30-May-2024: Motion passed for president to revisit & bring forward to ACCEX

## **Finding #9: Environmental and Cost savings**

- Printout of minutes and other paperwork for the records should be double-sided to avoid paper waste.

### **Interim Sec-Treas Response -May 2024:**

When practical, we have begun implementing this finding. In organizing GMM documents they often come from different sources and arrive at different times. We generally try to print these double sided and the paper documents in the GMM binder are leftover after the GMM so as not to reprint anything.