Office of the
Auditor General
City of Ottawa

Follow-Up Report Review of Job Evaluation Processes

June 2026

www.oagottawa.ca
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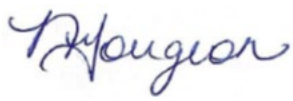
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Acknowledgement

The team responsible for these follow-up procedures was an independent external consultant, under the supervision of Joanne Gorenstein, Deputy Auditor General and my direction. My colleagues and I would like to thank those individuals who contributed to this project.

Respectfully,



Nathalie Gougeon, CPA, CA, CIA, CRMA

Auditor General

Background and Context

As a result of a Fraud and Waste Hotline report, the Office of the Auditor General (OAG or Office) initiated a review of job evaluation processes for the City of Ottawa (City) in 2022.

Job Evaluation at the City of Ottawa

Job evaluation (JE) is the systematic process of establishing the relative value or worth of jobs within an organization. The value of a job is based on an objective, consistent and rational measurement of job content and requirements. JE is used to provide the basis for an equitable and defensible pay structure, particularly in determining equal pay for work of equal or comparable value. At the City, there are three (3) key roles within JE:

- JE Consultants are responsible for performing the JE analysis, working with the client department to develop the documents required to support the creation or reclassification of a job, and presenting their assessment to the Rating Committee.
- JE Specialists are responsible for the governance of the JE function and for developing the JE Plans[1]. They are also responsible for providing guidance and training to Consultants, dealing with complex files, and performing quality assurance (QA) activities.
- The Rating Committee is responsible for reviewing and rating jobs (by consensus). They are responsible for ensuring internal equity, corporate consistency and that the principles of the *Pay Equity Act* are maintained within the City.

Review of Job Evaluation Processes

The scope of the review was limited to new or reclassified Management and Professional Exempt (MPE) jobs.

The review report highlighted the need to strengthen the governance and control mechanisms within the JE function to ensure it supports objectivity and independence, while adhering to JE principles and best practices. This included formalizing a JE policy/framework and a QA function to mitigate any inherent conflicts of interest that could exist within the existing structure. It was also noted that the process related to, and composition of, the Rating Committee needed to be reviewed to ensure it supports timely and objective decision-making. Finally, the review found that a key step is missed when

[1] A Job Evaluation Plan is a point factor job evaluation system to support the review and rating of a job.

a job is not presented to the Rating Committee. The Review of Job Evaluation Processes (JE Review) was presented to the Audit Committee in June 2022.

A total of nine (9) recommendations were issued from this report. Management agreed with all recommendations and provided varying target dates to address the risks presented – primarily to be completed in 2022 and 2023. The remediation activities were primarily assigned to the Director of Human Resources (HR) (currently named Chief Human Resources Officer) under the General Manager, Innovative Client Services Department (currently Finance and Corporate Services Department (FCSD)).

As of December 2024, all nine (9) recommendations had been deemed by management to have been completed such that the follow-up procedures could be undertaken. This report summarizes the results of the follow-up procedures and highlights risk areas that continue to exist or have been identified as a result of the work performed.

Follow-Up Procedures

As per our standard follow-up process, once a recommendation is assessed as complete by management, the OAG performs an inquiry of management to confirm the steps taken to implement the recommendations and may perform further tests. For the JE Review recommendations, additional detailed procedures were conducted to validate that the risks that the original recommendations were intended to mitigate, have been mitigated.

The possible outcomes of our follow-up procedures are as follows:

Follow-Up Conclusion	Definition
Partially Complete	Based on the follow-up procedures undertaken, there continue to be elements of management's committed actions that have not been completed. The risk originally identified as part of the audit continues to pose a risk to the City. The OAG will continue to follow-up on this recommendation.
Partially Complete – Resolved	Based on the follow-up procedures undertaken, there continue to be elements of management's committed actions that have not been completed; however, we believe the risk has been mitigated to an acceptable level. While there is an expectation that management complete the committed actions, no further follow-up will be undertaken by the OAG.

Follow-Up Conclusion	Definition
Complete	Based on the follow-up procedures undertaken, the actions taken by management align with those committed to and mitigate the risk originally identified as part of the audit. No further follow-up procedures required.

Summary

Of the nine (9) recommendations reviewed, one (1) related to the development of a JE policy and framework has been assessed as **complete** as the Job Evaluation Policy and Job Evaluation Procedure were approved in December 2025. A second recommendation, which was related to the third-party independent review of the MPE JE Plan[2], has been assessed as **partially complete - resolved**.

The remaining seven (7) recommendations assessed as **partially complete** are related to formalizing JE processes for the quality assurance (QA) review of job documentation, the Rating Committee (both process and composition), timeliness of assessing interim ratings, the treatment of exceptions, the evaluation of HR-specific jobs, and the periodic review (maintenance) of MPE jobs.

While the City has formalized processes through the development of internal HR procedures, additional work is necessary to demonstrate that the JE processes are fully implemented. A critical element of this will be to reconvene the Rating Committee, which has been on hiatus since Q2 2025.

As outlined in management's updates below, progress has been made to address the gaps identified from our follow-up procedures. We have not validated these actions but will do so once management confirms completion of these recommendations.

Follow-Up Results

1. Review of Job Evaluation Processes

Of the nine (9) recommendations reviewed, seven (7) were identified as partially complete, as there are elements of management's committed actions that remain incomplete, and the risks originally identified during the review continue to pose a concern

[2] A Job Evaluation Plan is a point factor job evaluation system to support the review and rating of a job.

for the City. Additionally, one (1) recommendation was assessed as partially complete but resolved. These are discussed in the sections below.

1.1 Quality Assurance Process (Recommendation 2)

The original JE Review found that QA responsibilities, performed by the JE Specialist, had not been formally established within existing process/roles and responsibilities documentation. The JE Review also found that there was no evidence indicating that results of the QA feedback provided by the Specialist were considered in the job documentation package submitted to the Rating Committee. As a result, a recommendation was issued to formalize the QA process, including documenting the resolution of the QA results, and defining how the Specialists' feedback would be taken into consideration.

Management agreed and committed to formalizing the QA process and defining how the Specialists' feedback will be taken into consideration by Q4 2022.

Based on the follow-up procedures undertaken, we learned that a Management and Professional Exempt (MPE) Job Evaluation Program – Quality Assurance Process procedure was developed in March 2023 and subsequently replaced with the Job Evaluation Review and Validation - Quality Assurance Review procedure in December 2025. The procedure was developed to formalize the QA process including the process to address and reconcile feedback from the QA review before submission of the job documentation to the Rating Committee.

Based on our follow-up of a sample of job files, we did not consistently see evidence of the QA review and associated resolution of the feedback. As a result, we could not assess whether the QA process has been fully implemented, particularly as it relates to the review and disposition of the Specialist's feedback and how they were incorporated into the job documentation package submitted to the Rating Committee. Therefore, we have deemed this recommendation **partially complete**.

For this recommendation to be assessed as complete, we expect to see evidence that the QA process is consistently followed, which includes ensuring that work products produced by the Specialist and the associated resolution are retained in the file. This includes clarifying the documentation expectations within the QA procedure to ensure that the results of the QA function are retained in support of a job's final rating.

MANAGEMENT UPDATE

The Quality Assurance (QA) procedure has been updated to more clearly define documentation requirements, including the requirement for retention of evidence demonstrating Specialist review, the nature of feedback provided, and documentation of the resolution. Updates to the procedure will be communicated to all relevant staff, and training will be provided as needed to support implementation.

The tracking mechanism will be leveraged to document QA reviews, and periodic reviews will be conducted beginning in Q3 2026 to confirm that the QA process is being applied consistently. By the end of Q3 2026, management will submit evidence for the closure of Recommendation 2.

1.2 Rating Committee Process (Recommendation 3) and Composition (Recommendation 4)

The JE Review found that, during COVID, the MPE Rating Committee review process was not as robust as it was designed to be. Specifically, Rating Committee meetings were not consistently held, and results were, at times, provided by email by each individual member with no formal discussion.

The JE Review also found that the Rating Committee was an all-male committee and that opportunities existed to update the membership to support the Rating Committee responsibilities and process. As a result, two (2) recommendations were issued. **Recommendation 3** related to the Rating Committee process to ensure it supports their role and consensus-based decision-making process and **Recommendation 4** related to the composition of the Rating Committee, including establishing a roster of members to leverage and ensure appropriate gender representation on the Committee.

Management agreed with both recommendations and committed to reviewing the job evaluation package provided to Rating Committee members to ensure that it is complete and to resume in-person or virtual meetings. Management also committed to renewing the membership of the MPE Rating Committee and to solicit members to ensure a gender-balanced roster of members from across the organization, including Director-level employees, and provide training to new members. These measures were to be fully implemented by Q4 2022.

As part of our follow-up procedures, we learned that the Job Evaluation Rating Committee procedure was finalized in December 2025 which formalized the Rating Committee process to support the Committee's role and consensus-based decision-making process. It establishes the requirement for results of the QA review to be incorporated into the final

documentation package that is submitted to the Rating Committee, and for each job to be rated independently by each rater and discussed at a Rating Committee meeting to arrive at consensus-based decision for each factor and the final rating.

Based on our limited sample testing, we saw evidence that key elements of the documented process were implemented. However, as noted in the Summary section above we learned that the Rating Committee has been on hiatus since Q2 2025; therefore, we could not test whether the Rating Committee process has been applied consistently and according to the established process. As a result, **Recommendation 3** was assessed as **partially complete**. For this recommendation to be complete, we would expect that the Rating Committee reconvene regularly and resume job evaluation and rating activities per applicable procedural documentation.

Since the JE Review, the membership of the Rating Committee (**Recommendation 4**) has undergone various changes, which included, at times, a roster of members to draw upon, and gender representation. As of Q2 2025, the Rating Committee has been on hiatus, but it is our understanding that there are plans to reconvene the Rating Committee. We learned that the Rating Committee structure was reconsidered and that the new membership will be comprised of four (4) core members represented by: General Manager, FCSD, General Manager, Strategic Initiatives Department, Director, City Manager's Office and Chief, Ottawa Paramedic Service. While this proposed composition does provide significant context/knowledge of MPE jobs across the City, the membership does not have any identified alternates/roster nor does it achieve gender balance (three males and one female).

We recognize that larger committees may be difficult to convene to ensure an adequate number of raters and gender balance. However, a four-person committee does not provide an adequate roster of members from which to draw upon to ensure independence and objectivity for scoring and final rating decisions as there will be circumstances when the job being evaluated may present a conflict with one rater and will require recusal. In situations where a recusal is required, three members left to evaluate and decide the final rating may result in a loss of diversity of perspective. For example, currently, 27% of all active MPE jobs fall under the General Manager, FCSD. In the evaluation of each of these jobs, this member would have to recuse themself.

Supplementing the membership with one or two alternates, including female (or other genders), would improve decision quality and increase the perception of fairness. Given that the final membership of the Rating Committee is being finalized and the planned composition may not support the intended objectives, we have deemed this recommendation **partially complete**.

For this recommendation to be assessed as complete, we would expect management to reconsider the membership of the Rating Committee, including achievement of gender balance and consider adding alternate members to be available to participate in final rating decisions when a member recuses themself.

MANAGEMENT UPDATE

Recommendation 3: The Rating Committee has reconvened to resume job evaluation and rating activities and address any backlog of files in accordance with established policies and procedures. The Rating Committee has a 2026 meeting schedule, and the first meeting took place on May 29, 2026. Job evaluation files developed during the hiatus period have been interim rated and are now prioritized for review by the Committee. Tracking mechanisms are in place to ensure that the Committee remains operational. By the end of Q2 2026, management will submit evidence for the closure of Recommendation 3.

Recommendation 4:

In May 2026, management reviewed the proposed governance model to reassess the four-member Rating Committee structure to ensure sufficient breadth for objective decision-making, including scenarios requiring recusal. The new membership includes three additional female members who have agreed to support the core committee when required. Training took place on June 4. The addition of these alternate members will assist in maintaining quorum, managing conflicts of interest, addressing gender parity and ensuring continuity. Efforts have focused on improving gender balance and overall diversity across the committee and alternates, while ensuring the committee remains efficient and practical to operate on a regular basis. By the end of Q2 2026, management will submit evidence for the closure of Recommendation 4.

1.3 Interim Rated Jobs (Recommendation 5)

The JE Review found that some interim rated jobs had not been presented to the Rating Committee until almost three years later. There were no established timelines for presenting interim rated jobs to Rating Committee and there was no process in place to monitor and ensure that these jobs were reviewed and approved in a timely manner. As a result, a recommendation was issued to establish a standard to ensure that every interim-rated job is presented to the Rating Committee within a specified time period. Additionally, it was recommended that a list of interim jobs be provided to the Rating Committee and the General Manager, Innovative Client Services Department (currently

FCSD) on a regular basis to allow appropriate oversight of the jobs pending review and approval.

Management agreed and committed to establishing a service standard for the completion of the job evaluation package for interim rated jobs to be presented to the Rating Committee. Management also committed to developing a report to communicate outstanding interim ratings and dates scheduled for evaluation by the Rating Committee. These measures were to be fully implemented by Q4 2022.

Based on the follow-up procedures undertaken, a service standard of 90 days was established whereby the finalized job documentation must be presented to the Rating Committee within 90 calendar days of an interim rating for a final rating decision.

With the Rating Committee on hiatus since Q2 2025, interim rated jobs are not being evaluated and the service standard is not being met. As a result, there are 19 interim rated jobs since 2025 that have not been final rated. Furthermore, regular reporting of the status of interim rated jobs is not currently distributed. It is expected that this will commence when the Rating Committee is reconvened. As a result, we have deemed this recommendation **partially complete**.

For this recommendation to be assessed as complete, we expect interim ratings will be evaluated and approved on a timely and consistent basis by the Rating Committee, and that jobs with interim ratings will be reported to the GM, FCSD and the Rating Committee on a periodic basis to support appropriate oversight of the jobs pending review and approval.

MANAGEMENT UPDATE

In Q2 2026, the job evaluation service standard was reaffirmed and operationalized with strengthened monitoring to ensure timelines are met.

A tracking mechanism is in place to support the proactive monitoring of interim-related jobs, as well as visibility of timelines, and timely escalation of delays. In May, a standardized report was provided to the General Manager, FCSD, and the Rating Committee, and these reports will continue to be issued on a regular basis. These measures have been incorporated into standard operating procedures to ensure consistent oversight, evaluation, and alignment with service standards for interim-rated jobs. By the end of Q2 2026, management will submit evidence for the closure of Recommendation 5.

1.4 Process and Criteria for Exceptions (Recommendation 6)

The JE Review found that a process/mechanism to address exceptions (i.e., jobs that do not get submitted to the Rating Committee, directed jobs) within the standard JE process had not been formalized. Instances were found where the determination of a rating for a job was “directed” with no evidence on file to support the decision made. Further, the review found that there were no established criteria to determine what is an appropriate exception and who has the authority to approve them. As a result, a recommendation was issued to establish a process and criteria for the treatment of exceptions, including defining who has the authority to approve exceptions and under what circumstances. Management agreed and committed to establish a process and criteria for the treatment and approval of exceptions by Q2 2023.

When the follow-up procedures commenced, a Job Evaluation Framework (the Framework) had been developed to address **Recommendation 1**. Within the Framework, there was a documented process for the treatment of exceptions. However, the Framework has since been rescinded and replaced with the Job Evaluation Policy and Job Evaluation Procedure. The Job Evaluation Policy and Job Evaluation Procedure do not include any guidance on the process and criteria for the treatment of exceptions. While we would expect only a limited number of situations where a job would be deemed an exception, clearly defined criteria and process should be documented to help ensure decisions are made with the appropriate level of transparency. As a result, we have deemed this recommendation **partially complete**.

For this recommendation to be assessed as complete, we expect a procedure to be developed, implemented and communicated to staff, and that exceptions follow the established process. The process should define who has the authority to approve exceptions and under what circumstances.

MANAGEMENT UPDATE

In Q2 2026, management will finalize and communicate to staff an Exceptions Process. This process will define an exception, establish clear criteria under which exceptions may be considered, identify approval authority and confirm documentation standards. Further, a formal tracking mechanism has been implemented to track all exception requests and decisions, and to support periodic review of exception usage, and identify any trends or risks. In 2025, there were no exceptions identified. By the end of Q2 2026, management will submit evidence for the closure of Recommendation 6.

1.5 Process/Mechanism for Human Resources Jobs (Recommendation 7)

The JE Review found directed jobs (see **Section 1.4** above) included jobs within HR with no process or mechanism in place for additional oversight or challenge. As a result, a recommendation was issued to develop and implement a process/mechanism for the creation and re-classifications of HR jobs that facilitates an independent review and approval process. This included consideration of the Rating Committee evaluating and approving all HR jobs.

Management agreed and committed to develop a process to ensure that HR jobs are reviewed objectively and independently including consideration for an expedited Rating Committee review, if required, by Q3 2022.

Our follow-up procedures confirmed that Job Evaluation of Human Resources Jobs procedure was issued in December 2025 which requires all new and reclassified HR jobs to be evaluated by the Rating Committee.

Since the Rating Committee's hiatus, HR jobs are interim rated and have not been evaluated by the Rating Committee. As such, we have not been able to verify that all key elements of the JE process for HR jobs have been fully implemented. As a result, we have deemed this recommendation **partially complete**.

For this recommendation to be assessed as complete, we expect that all new or reclassified HR jobs have undergone QA review and subsequent evaluation by the Rating Committee. Additionally, we expect HR jobs that are currently interim rated to be reviewed by the Rating Committee and finalized.

MANAGEMENT UPDATE

A Job Evaluation of the Human Resources (HR) Jobs procedure has been developed and upon the reconvening of the Rating Committee, HR jobs that have been interim rated will be prioritized for formal evaluation and final rating in Q3 2026.

Throughout the hiatus of the Rating Committee, HR jobs have continued to undergo quality assurance (QA) review and have been assigned interim ratings to support operational needs. QA reviews will continue to be conducted for all HR job documentation packages, with strengthened documentation to clearly demonstrate how feedback has been incorporated prior to submission to the Rating Committee. A tracking mechanism has been implemented to monitor the status of all HR job evaluations, including those at interim stage, to ensure timely progression to final rating once the Committee resumes. By the end of Q3 2026, management will submit evidence for the closure of Recommendation 7.

1.6 Review of the MPE JE Plan (Recommendation 8)

The JE Review found challenges with the MPE JE Plan when using it as a tool to complete job evaluations and that sometimes it was used to lead to a desired outcome rather than using the factors to evaluate the job duties, responsibilities and skills required for the job. It was further noted that some of the factors did not reflect the nature of the work. As a result, a recommendation was issued to contract a third party to conduct an independent assessment of the MPE JE Plan.

Management agreed and committed to engage a third party to undertake an independent review of the MPE JE Plan by Q2 2024.

Based on the follow-up procedures undertaken, an external consultant was engaged to review the MPE JE Plan and submitted a final report in February 2025 with four (4) proposed options to consider:

1) Minor revisions to the current state tool by changing current weightings.
2) Minor revisions to the current state tool by changing the structure by collapsing and combining existing factors.
3) Fundamental change by adopting new concepts but keeping similar weighted point factor structure.
4) Fundamental changes by adopting new concepts and structure (model).

We understand from management that steps are underway to make modifications to three (3) factors of the MPE JE Plan to better align with the current operating environment, which has been approved by the City Manager, and that a resource has been assigned to lead this effort. As a result, we have deemed this recommendation **partially complete - resolved**. Although the OAG will not conduct any further follow-up, we expect that management will implement the planned modifications to the MPE JE Plan and report the impact of the changes to appropriate stakeholders.

1.7 Periodic Review MPE Jobs (Recommendation 9)

The JE Review found that the City did not have a process to periodically review jobs, which is a key mechanism and best practice to ensure pay equity across the organization. As a result, a recommendation was issued to develop and implement a risk-based process whereby all MPE jobs are independently and periodically reviewed every five to ten years to help ensure job duties and job descriptions are accurate and aligned to ensure proper spending of taxpayer dollars.

Management agreed and committed to develop and implement a risk-based process whereby all MPE jobs would be independently and periodically reviewed every five to ten years. These measures were to be fully implemented by Q4 2022.

Based on the follow-up procedures undertaken, the Management and Professional Exempt (MPE) Job Evaluation Program – Periodic Review of MPE Jobs was developed in 2023 to guide the periodic review process. The purpose of the procedure is to help ensure that MPE jobs are assessed on a regular basis as determined by the risk profile of the job. We noted that the procedure assigns roles and responsibilities to support the process, including producing a list of jobs to be reviewed every 5, 7 or 10 years depending on the job. Although a procedure was developed and reports were generated, this periodic review cycle has not commenced since the development of the procedure. As a result, we have deemed this recommendation **partially complete**.

In order to assess this recommendation as complete, we would expect to see a plan or schedule to align with the established procedure and that MPE jobs are being reviewed in accordance with the risk-based review cycle.

MANAGEMENT UPDATE

Management will establish a plan to operationalize the periodic review process of MPE jobs, including a phased schedule aligned with the defined year review cycles**.** Initial reviews will be prioritized based on identified risk factors (e.g., time since last evaluation, organizational changes, complexity of roles) to ensure higher-risk jobs are addressed first.

To guide this work, associated procedures will be updated and finalized to ensure clarity of expectations, roles, and governance. Then, the periodic review cycle will be formally launched, with identified jobs progressing through the established job evaluation process, including documentation updates, QA review, and Rating Committee evaluation where required. A tracking mechanism will be used to monitor progress against the review schedule, ensuring accountability and visibility of status. These actions will support a fully implemented and operational process, ensuring that MPE jobs are reviewed in a timely and systematic manner in alignment with the established risk-based approach. By the end of Q3 2026, management will submit evidence for the closure of Recommendation 9.