

## **Independent Review of Compensation Review – Management/Non-union Group – Summary Report**

Presented To: Audit Committee

Meeting Date: September 10, 2024

Type: Correspondence for Information Only

Prepared by: Ron Foster  
Auditor General

Recommended by: Auditor General

## **Report Summary**

This report provides information on the results of the Auditor General’s independent review of the Compensation Review – Management/Non-union Group – Summary Report.

## **Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans**

This report refers to operational matters.

## **Financial Implications**

If staff’s report entitled “Review of Non-Union Salary Administration Policy,” which is on the September 10, 2024 agenda for the Finance and Administrative Committee, is approved, costs of \$34,000 to \$40,000 would be incurred to engage the compensation consultant to complete additional tasks. This work could be funded from external compensation consulting services in the Compensation and Benefits budget.

## **Objectives**

The objective of this review was to provide independent assurance to Council on the process steps taken during the completion of the recent compensation review for the management/non-union group.

## **Scope**

The scope of this independent review includes the review process and recommendations in the report dated August 20, 2024 from the compensation consultant who was engaged by staff to conduct a compensation review for the management/non-union group.

## **Background**

On March 26, 2024, the Finance and Administration Committee passed the following motion:

WHEREAS City Council directed staff to amend By-law 2015-87 being a by-law of the City of Greater Sudbury to Create the Position of Chief Administrative Officer, that delegates authority to the Chief Administrative Officer for adjusting non-executive, non-union compensation so it remained within the desired market position described in the Council-approved Salary Administration Policy, subject to an annual review of benchmarks during a quarterly CAO performance presentation;

AND WHEREAS Council has previously been presented with information that provides comparisons for both union and non-union positions with other Ontario municipalities;

AND WHEREAS the Salary Administration Policy hasn't been amended since 2004;

AND WHEREAS a review of salary administration policies are good practice to ensure alignment with best practices and the corporation's desire to be an employer of choice;

THEREFORE, BE IT RESOLVED that Council direct the Chief Administrative Officer to produce a review of the corporation's Salary Administration Policy for non-union positions to a Finance & Administration Committee meeting in the third quarter of 2024 that, at a minimum, includes:

- An assessment of the suitability of comparator municipalities and the basis for identifying them;
- The method for determining how the corporation's positions are compared with other jurisdictions;
- Clearly defined principles that guide the policy's scope and its application and alignment with Council's strategic priorities;

AND BE IT FURTHER RESOLVED that the Chief Administrative Officer engage the Auditor General to analyze the results of this review and any recommended policy changes with the objective of providing independent assurance on the process steps taken during the review.

## **Review Methodology**

During the independent review that was conducted, the following steps were performed to assess the adequacy of the review process performed by the compensation consultant who was engaged by staff to complete the compensation review – management/non-union group – summary report dated August 20, 2024:

- Reviewed the qualifications and relevant experiences of compensation consultant engaged by staff;
- Obtained the background reports and data provided by staff to the compensation consultant;
- Discussed the relevance and completeness of the data provided by staff;
- Reviewed the adequacy of the review methodology used by the compensation consultant and compared it to better practices within the human resources field; and
- Reviewed the alignment of the policy changes recommended by the compensation consultant with better practices within the human resources field.

The Auditor General’s Office engaged a human resources consultant from KBRS to ensure our team had sufficient expertise in compensation management practices to complete this review.

## Summary

Nothing came to our attention during our review to suggest that the review process that was completed by the compensation consultant engaged by staff was deficient in any way. The recommendations contained within the summary report dated August 20, 2024 align with better practices in the human resources field.

## Review Standards

Due to the limited time available to complete this work project, we did not conduct a formal audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Instead, we conducted an independent review that included procedures such as inquiries and analysis. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review. For further information regarding this report, please contact Ron Foster at extension 4402 or via email at [ron.foster@greatersudbury.ca](mailto:ron.foster@greatersudbury.ca)

## Review Comments

Review Components	Review Steps Completed	Review Conclusions
Expertise of compensation consultant	Reviewed the knowledge, skills and experience of the compensation consultant hired by staff	No concerns identified
Compensation consultant’s review methodology	Compared compensation consultant’s review methodology to general practices within the human resources field and obtained third-party input from an independent consultant from KBRS	No concerns identified
Compensation consultant’s review recommendations	Reviewed alignment of recommendations with better practices within the human resources field	No concerns identified