

Denis

Good morning. We are pleased to present Administration's response and additional context for the Abilities Management program audit.

This audit impacts a program that serves all City of Edmonton employees and supports every branch and department across the City.

We are thankful to the Auditor's office for working closely with our teams and for sharing recommendations that will advance our continuous improvement efforts.

Administration accepts all four of their recommendations.

I am now going to turn it over to Catherine Sparks, Branch Manager of our Human Resources Client Services branch to provide context about the Abilities Management program and our response to the audit.

Abilities Management Introduction



Program

- Integrated support for non-occupational events
- Facilitates employee benefits and employees staying at work or sustainably returning to work



Scope

- Exclusively non-occupational injury, illness or disability
- Does not include occupational/WCB events
- Manages STD (5-85 days)
- Oversees LTD



Benefits

- Organization: Manages absence-related costs, compliance and alignment
- Employees: Provides process navigation, connection to workplace and return-to-work.



Context

- Attendance patterns shifting
- Case volumes and complexity - including mental health - increasing
- Healthcare constraints

Edmonton



Outcome: Enable quality public service for Edmontonians.

Catherine

Thank you, Denis.

To deliver quality services for Edmontonians every day, the City relies on our workforce of over 11,500 employees being well and able to perform their roles.

When employees experience non-occupational illness, injury, or disability, the Abilities Management program supports them and their business areas.

For clarity, workplace injury, illness and disability events are handled by our injury management specialists in the Workforce Safety and Employee Health branch and benefits are provided separately through Workers' Compensation. These occupational events are not part of this audit.

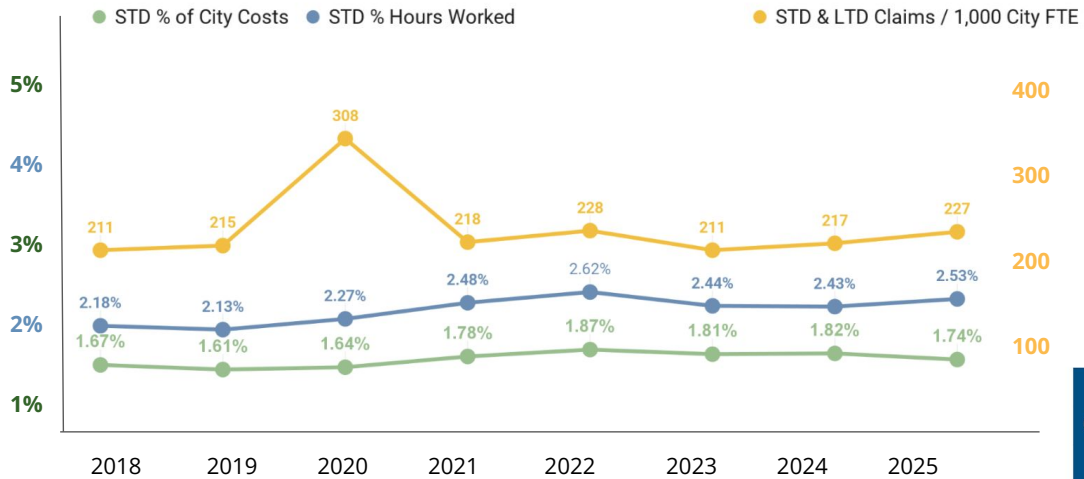
The abilities management program manages short-term disability benefits for claims between five and eighty-five days and oversees long-term disability benefits which are delivered through a third-party provider. Its purpose is to support employees to remain at work when possible and facilitate their safe return-to-work when they are able.

For the organization, this means responsible absence management and compliance with collective agreements and legislation. For employees, it provides structured support and maintains their connection to the workplace. Together,

the program balances employee well-being, fiscal accountability and operational continuity.

As part of the backdrop to this audit, it is important to recognize the shift in the disability management landscape. Since the pandemic, attendance patterns have changed, case complexity — particularly related to mental health — has increased, and access to specialists and diagnostics has been delayed. These pressures are being experienced across large Canadian employers and are not unique to the City.

Program Performance - Relative Stability



Edmonton

Catherine

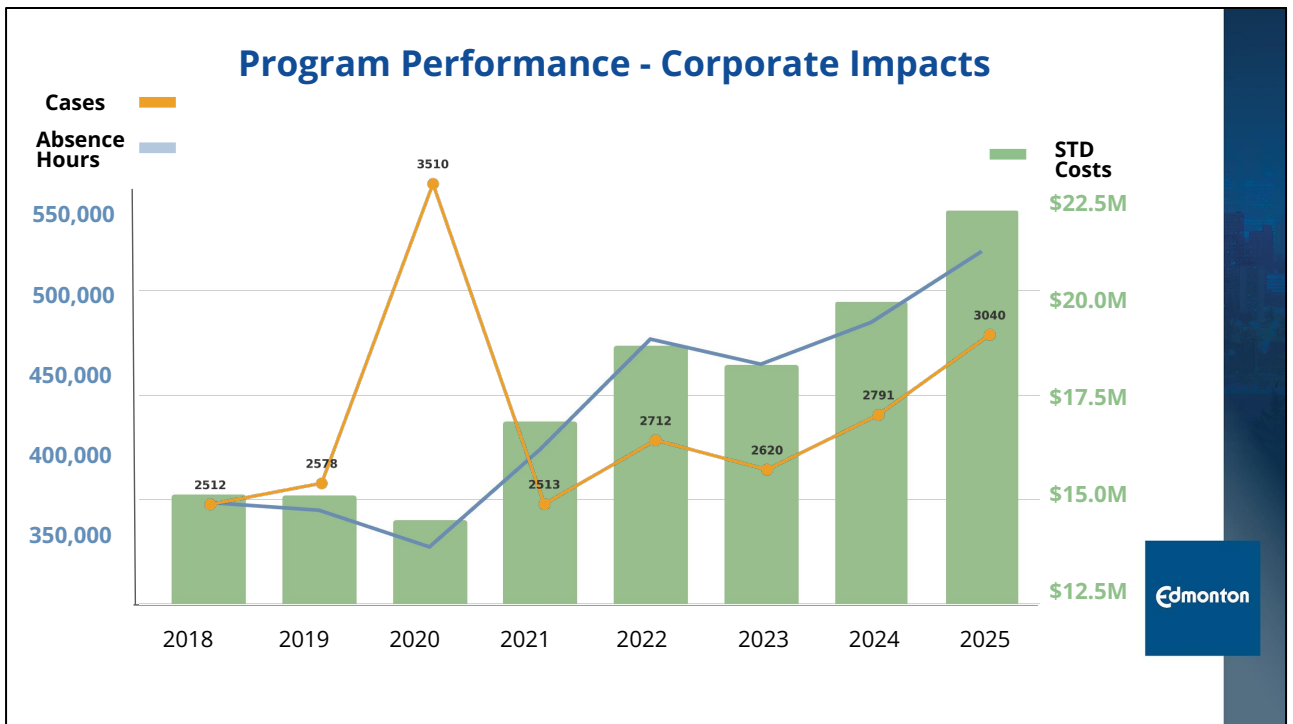
Notwithstanding these changes, plus the lean and unchanged team resourcing, the program's eight year performance has remained stable.

Aside from the pandemic-related spike in 2020, claims volume per 1,000 employees (shown in yellow) have tracked consistently with workforce growth.

More importantly, the absence hours and costs relative to total City hours and payroll costs — shown in blue and green respectively — have also remained steady and within very narrow ranges.

More specifically, absence hours as a percentage of total City hours have remained within half a percentage point while costs as a percentage of payroll have remained within 0.2 per cent. Notably, since peaking in 2022, both results have been declining over the last three years which means that the results are improving.

In relative terms, these measures indicate that non-occupational absence impacts have remained proportionate to overall workforce activity and the program has maintained its operational performance.



Catherine

That said, in absolute terms, we must acknowledge that the cases, total non-occupational absence hours and costs have increased steadily and significantly since 2020 as provided in Attachment 1 of Administration's response report.

Operationally, this is material because when employees are unavailable for work, services still need to be delivered.

In some areas, work can be redistributed or slowed. In others — such as transit, 311, fire, payroll, or bylaw enforcement— positions must be backfilled to ensure continuity of service.

The absences have cascading impacts such as the creation of temporary positions, significant overtime, productivity pressures, management or administrative coordination. All of these are material and increase as absence hours increase.

At the same time, the Abilities Management team is now managing nearly 100 claims per permanent consultant — approximately double our target and the industry best practice.

So while relative indicators validate performance stability, the absolute costs, operational pressure, and workload challenges are real and growing.

This context is important as we move into the audit recommendations because

Audit Recommendations Implementation Plan



Quality Assurance

- Formal documented methodology
- Risk-informed quality validation

June 30, 2026



Modified Duty Evaluation

- KPIs and baseline
- Leverage current projects
- Roles and responsibilities

March 31, 2027



Reporting Enhancement

- Standardized insights dashboard
- Leader accessibility

June 30, 2026



Evaluation Framework

- Maturity Model Framework
- Incorporate into City's EPM framework

March 31, 2027

Edmonton

Catherine

As Denis mentioned, Administration accepts all four recommendations.

We are appreciative of the Auditor's process and the identification of these opportunities to strengthen quality assurance, modified duty effectiveness, reporting, and program evaluation.


Our phased implementation plan will allow us to strengthen these areas and ensure that change is embedded into operations. The proposed sequencing will prevent layering additional work onto a team already managing very high caseloads.

At the same time, our priority is ensuring that the program evolves to meet the operational needs of the organization and limits the direct and indirect cost of non-occupational absence loss.

The City Manager has been clear on Administration's commitment to loss prevention and the responsible stewardship of public resources. In parallel with implementing the audit recommendations, we will develop a broader plan to address total absence impacts — including proactive case management and early intervention, a focus on stay-at-work and accommodations, intervention for high risk and prolonged cases, and operational coordination across business areas.

Our objective is not only to strengthen governance, but to reduce overall loss and

ensure the program is aligned with the City's quality service delivery priority and the principle of financial accountability.



Questions

Administrative Response - Abilities Management Program Audit

Audit Committee
February 25, 2026

Denis Jubinville, A/Chief People Officer
Catherine Sparks, Branch Manager, HR Client Services
Stacie Klimosko, Senior Lead, Abilities Management

Catherine

Again, we thank the Auditor for the feedback and recommendations.

Denis, myself and Stacie Klimosko, our Senior Lead of the Abilities Management program are all available to respond to any questions you may have.