

AUDITOR GENERAL

Halifax Regional Municipality



Follow-up Review – 2022 Audit: Management of Respectful Workplaces

March 2024

March 14, 2024

This ***Follow-up Review – 2022 Audit: Management of Respectful Workplaces***, completed under section 50(2) of the Halifax Regional Municipality Charter, is hereby submitted to the Audit and Finance Standing Committee of Regional Council.

Respectfully,

Original signed by

Andrew Atherton, CPA, CA
Auditor General
Halifax Regional Municipality

Table of Contents

Overall Follow-up Results.....	3
Management of Respectful Workplaces Audit – June 2022	4
Background.....	7
Objective and Scope	7
Contact Information	8

Follow-up Review – 2022 Audit:

Management of Respectful Workplaces



5 of 15
Overall Recommendations
Completed



Management has:

Defined harassment
complaint file documentation
requirements

Assigned responsibility to
oversee HRM business units'
employee engagement
initiatives

Developed a process to help
ensure policy accessible
offline

Developed a process to
monitor workplace violence
incident investigations

Management needs to:

Develop objectives, with
performance measures, for
enhanced workplace culture

Implement quality control
checks on harassment
complaint files

Establish whistleblower policy
and anonymous reporting
tool

Implement a process to
assess if HRM employees
have taken key respectful
workplace training

Establish timelines for
complaint files

Auditor General Halifax Regional Municipality

March 2024

Management of Respectful Workplaces Audit – June 2022

Implementation Status by Recommendation

Recommendation	Business Unit	Status
1. HRM should establish documented objectives, with performance measures, detailing how to achieve the strategic initiative of an enhanced workplace culture.	Human Resources	✗
2. Human Resources and Corporate Communications should develop detailed plans, with timelines, to implement the remaining recommendations from the 2016 and 2019 consultant reports. If management does not plan to implement certain recommendations, this should be documented and communicated to Regional Council as appropriate.	Human Resources	✗
3. Human Resources and Corporate Communications should update the Workplace Rights Harassment Prevention Policy and the Workplace Violence Prevention Corporate Procedure to address issues identified by external consultants, and by this audit. Additionally, implementation timelines should be established.	Human Resources	✗
4. Human Resources and Corporate Communications should work with business units to ensure the Workplace Rights Harassment Prevention Policy is accessible to those without computers, such as posting it in common areas.	Human Resources	✓
5. HRM should assign responsibility to centrally track business unit employee engagement initiatives. This responsibility should include requiring business units to develop formal action plans, ensuring the plans address survey results, and monitoring progress.	Human Resources	✓
6. HRM should implement a whistleblower policy that includes steps on how whistleblowers will be protected and an anonymous reporting tool. The policy and tool should be communicated to all HRM employees and accessible through HRM communication channels.	Chief Administrative Office	✗

7. HRM should implement a process to ensure information received through the anonymous reporting tool is appropriately reviewed and investigated. This should include detailed roles and responsibilities, and appropriate record keeping.	Chief Administrative Office	✗
8. Human Resources and Corporate Communications should implement a process to assess identified workplace issues which fall outside of the scope of an investigation. This should include working with the business unit to ensure issues are addressed as appropriate.	Human Resources	✗
9. Human Resources and Corporate Communications should implement a process to periodically assess whether HRM employees have taken key respectful workplace courses. This should include taking steps to ensure those who have not completed training take it and considering whether the number of course offerings is sufficient.	Human Resources	✗
10. Human Resources and Corporate Communications should establish timelines for harassment complaint intake and investigation, and monitor files that go beyond the standard timeline to determine if additional steps are needed.	Human Resources	✗
11. Human Resources and Corporate Communications should implement file documentation requirements, to help ensure key steps are documented and any investigation and resolution are supported.	Human Resources	✓
12. Human Resources and Corporate Communications should implement quality control checks on harassment complaint files. This should be done by a second person to ensure all necessary documents are filed. A file completion checklist may assist with this.	Human Resources	✗
13. Human Resources and Corporate Communications should monitor violence incidents in the health and safety system to ensure an appropriate investigation is completed and documented.	Human Resources	✓

14. Human Resources and Corporate Communications should implement a process to ensure access to confidential information (physical and electronic files) is updated when individuals change positions or leave HRM.	Human Resources	✘
15. Human Resources and Corporate Communications should implement a process to ensure access to the health and safety information system is updated when employees change positions or leave HRM.	Human Resources	✔

Background

The Office of the Auditor General, Halifax Regional Municipality, follows up audits previously reported by the office after 18 months. These follow-up reviews report the progress management had made implementing changes recommended by the Auditor General.

Objective and Scope

We completed a follow-up review of a report released in 2022.

- Management of Respectful Workplaces Audit

Our objective was to provide review level, or limited assurance, on HRM management's implementation of recommendations from this report. A limited assurance engagement provides a lower level of assurance than an audit. Conclusions are based on reasonability of what management tells us, and limited testing, rather than detailed testing, as would be found in an audit. This allows us to focus limited resources on new audits, while still providing assurance that management is addressing the issues we identified in past audits.

Our approach included discussing implementation with staff; reviewing policies, guidelines and processes; and other procedures we considered necessary.

This limited assurance engagement was conducted in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001 Direct Engagements published by the Chartered Professional Accountants of Canada.

We apply CPA Canada's Canadian Standard on Quality Management 1. Our staff comply with the independence and ethical requirements of the Chartered Professional Accountants of Nova Scotia Code of Conduct.

Contact Information

Office of the Auditor General
Halifax Regional Municipality
33 Alderney Drive, Suite 620
Dartmouth, NS, B2Y 2N4

Phone: 902.490.8407

Email: auditorgeneral@halifax.ca

Website: www.hrmauditorgeneral.ca

X: [@Halifax AG](https://twitter.com/HalifaxAG)

AUDITOR GENERAL

Halifax Regional Municipality



Management of Hiring Practices Audit

March 2024

March 14, 2024

The following audit of **Management of Hiring Practices**, completed under section 50(2) of the Halifax Regional Municipality Charter, is hereby submitted to the Audit and Finance Standing Committee of Regional Council.

Respectfully,

Original signed by

Andrew Atherton, CPA, CA
Auditor General
Halifax Regional Municipality

Table of Contents

Audit Overview	3
Audit Results.....	4
HRM’s Hiring Practices Need Improvement.....	4
Inconsistent hiring policies.....	4
Lack of clear processes and guidance for some hiring activities.....	6
Instances of unsupported hiring decisions in advertised competitions	9
Positions designated for under-represented groups; improvements needed	10
Hiring Processes Not Always Followed.....	11
Recruitment and selection activities not regularly followed; no monitoring	12
Unsupported use of appointments	13
Hiring files missing or poorly documented	14
Not all hiring managers received training	15
Other - Confidentiality.....	16
Access to hiring files needs to be further restricted	16
Confidentiality and conflict of interest forms not always completed.....	17
Background.....	19
About the Audit	20
Appendix 1 – Recommendations and Management Responses.....	21
Contact Information	26

Management of Hiring Practices Audit

HRM lacks clear and transparent practices to guide consistent, fair and equitable hiring



Policies have gaps – opportunities to circumvent fair hiring

Lack of guidance – leads to inconsistent use of policies



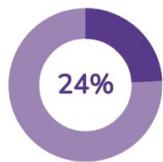
COMPETITIVE HIRING PROCESS

- Concerns with **all 40** competitions tested
- Significant issues with 4 files
- Inadequate monitoring of hiring process

APPOINTMENTS

50%

- 5 of 10 appointments lacked appropriate support for not using a competitive process
- No evidence appointed individuals met qualifications



24%
of hiring managers had not taken hiring training



Inappropriate access to hiring files



46%
of competitions missing confidentiality forms

Auditor General Halifax Regional Municipality

March 2024

Audit Results

HRM's Hiring Practices Need Improvement

HRM lacks clear and transparent processes to guide fair hiring. Fair hiring is important for a number of reasons, including:

- to support diversity and inclusion goals in an organization;
- to ensure transparency in the hiring process; and
- to help ensure the best candidates are hired.

Clear policies and procedures are required to help ensure hiring decisions are based on an individual's skills and abilities, to avoid discriminatory practices and to reduce bias (applying unfair standards when assessing candidates).

There are gaps and inconsistencies in HRM's hiring policies and procedures, and we found instances where senior leaders in the organization made unsupported hiring decisions. It is important that senior leaders lead by example and commit to consistent application of fair hiring in their business areas. Failure to do so, in particular within the leadership of the Human Resources section, undermines any attempts to ensure appropriate processes are used across the Municipality.

Inconsistent hiring policies

HRM has four policies that address fair and equitable hiring practices (union collective agreements may override aspects of these policies). We found inconsistencies and gaps that could be used inappropriately to fill a position without an advertised competition. Later in this report we highlight a number of problems found in our testing that demonstrate the impact of these gaps.

Two policies – fair hiring and employment equity – cover most aspects of fair hiring in the recruitment and selection process. For example, they outline roles and responsibilities and detail what fair recruitment and selection activities should include. We noted the fair hiring policy does not include a section on monitoring or reporting activities. These are important aspects of an effective policy as monitoring and reporting will help identify where improvements are needed and hold business units accountable when implementing the process.

Transparent

• • •

“a clearly defined process that documents how applicants are screened and evaluated against specific criteria and indicates the rationale behind decisions to employ or not employ.”

(Source: HRM's Fair Hiring Policy)

There are two additional policies which cover hiring for non-union positions and filling positions without a competition (appointments). We found some aspects of these policies were not consistent in supporting fair and transparent hiring.

- The non-union hiring policy is not clear on when a competition must be held. A competition helps ensure all potential candidates have a fair opportunity to fill the role.
- The policy allows non-union competitions to be posted internally only if there is a qualified pool of internal applicants but provides no further details. If used inappropriately, it provides an opportunity to circumvent a fair hiring process, as internal-only competitions reduce the pool of potential candidates. In addition, hiring from within may not support employment equity goals if there is not a diverse pool of applicants. This should be further clarified.
- The situations outlined in the appointments policy that allow for a position to be filled without a competition are broad and could be misused. For example, one situation that allows an appointment says only, “when a business unit is restructuring” but provides no additional details. An appropriate use of this situation could be to avoid staff being displaced from the organization during a restructuring. Without further clarification, the situation is broad and may be used where a competition would be more appropriate.

Human Resources management indicated during the audit that they believe current policies reflect that managers should have discretion on how to fill vacant positions. While we understand hiring managers occasionally require discretion when filling open positions, we expected policies to:

- set clear guidance on when an appointment rather than a competition is appropriate;
- ensure relevant aspects of fair hiring are still followed; and
- define what documentation is required.

Recommendation 1

HRM should review and update its hiring policies to address areas that are not consistent with fair and transparent hiring, including:

- Monitoring and reporting
- Internal competition vs external competition vs appointment

Management Response

Agree. Human Resources will review and update hiring policies to include clear language regarding the use of internal only competitions, internal/ external competitions, and appointments, as well indicating the requirement for reporting hiring decisions not aligned with hiring policies.

For unionized positions, the hiring processes are outlined in collective agreements, which reflect processes agreed to by the union on behalf of employees. Therefore, we did not assess these further.

Lack of clear processes and guidance for some hiring activities

Human Resources lacks clear processes and guidance for some hiring activities. There are limited procedures to support hiring policies. For many hiring activities, including appointments and screening of applicants, management had to explain the process during our audit. We expected to find clear, documented processes to help guide talent recruiters and hiring managers.

HRM lacks guidance for filling positions without an advertised competition (appointments). There is no documented process to ensure appointments are used consistently, with consideration for fair and equitable hiring. The appointment policy says a business unit is responsible to ensure essential qualifications of the position are met. However, there is no requirement to obtain appropriate support, or to document it and provide this information to Human Resources. There is also no guidance to ensure managers provide written rationale to demonstrate why the position should not be advertised. There is an appointment request template, but the rationale is only aligned with the choice of individual. This is not sufficient to demonstrate why a situation warrants an appointment, nor does it address how management assessed if there is a potential qualified pool of internal/ external candidates. We expected to see a formal process for using the appointments policy that ensures it is not inappropriately used in place of an advertised competition.

Recommendation 2

Human Resources should develop a procedure for using the appointments policy. It should clarify the documentation and rationale required to demonstrate how an appointment aligns with the policy, how individuals are assessed for a position, and how it aligns with employment equity goals.

Management Response

Agree. Human Resources will document a standard operating procedure to guide the use of the appointment policy. The process will include a requirement for hiring managers to articulate why an appointment is appropriate in this situation and how the appointee was determined as an appropriate candidate.

There is a lack of guidance outlining when it is appropriate to hire non-union positions with an internal-only competition. The non-union hiring policy says the hiring manager is responsible for determining if there is a qualified pool of internal applicants. However, Human Resources does not define this or provide guidance for how this should be supported and documented in the hiring files. It is important the hiring process is accessible to all qualified candidates and allows a fair opportunity for these candidates to compete for a position. This is especially important as a government employer. We understand there are situations where an external competition is not appropriate but there should be consistent procedures and appropriate documentation to support an internal-only competition.

We reviewed the non-union hiring data for the audit period and found 12% of competitions were internal only. In addition, 21% of non-union competitions for leadership positions (management and supervisor level) were internal only. Using internal-only competitions limits the pool of candidates and may reduce the opportunity to advance workforce diversity. It is important appropriate steps are taken to ensure the use of an internal-only competition is appropriate and supports employment equity goals.

Recommendation 3

Human Resources should provide further guidance for hiring managers defining when internal-only competitions are acceptable. This should be applied consistently and require support for the decision to be appropriately documented in the hiring file.

Management Response

Agree. Human Resources will conduct best practice research of other municipalities to determine the best approach for HRM with respect to the use of internal-only competitions and apply those best practices to the decision-making process.

We found improved guidance is needed for the selection process used when hiring through a competition. We tested 40 competition files and found many gaps in assessing candidates and completing pre-employment checks.

The screening criteria used to assess candidates were not always clear. There are templates and guidance for some assessment activities. However, there is limited guidance for how to fairly screen candidates throughout the process. If the minimum qualifications for the position outlined a suitable combination of education and experience, we found the recruitment plans did not support how this was to be assessed. In addition, if there were many qualified candidates from initial screening and testing, there was no indication of what criteria were used to determine who

to move ahead in the process. Additional guidance could help minimize bias during the selection process.

There was also inconsistent use of pre-employment checks, such as reference checks, and a lack of formal guidance for when they are required. Human Resources has reference check questions for hiring managers, but it is not clear when reference checks for internal candidates should be completed. For the 10 internal-only competitions tested only one had references checked. This may be a reasonable approach to internal hirings but should be clarified to ensure consistency.

There is no documented process to confirm candidates meet the educational or licensing requirements of a position. Human Resources management told us this information is obtained in the hiring process for specific licenses and certifications, but they do not check educational requirements, such as a university degree. We found 36 competitions required specific education or licensing requirements, but only two files had the information documented. We expected there to be a consistent process to ensure candidates meet all conditions of employment prior to making an offer of employment.

Bias



Prejudice in favour or against a person or a group, compared with another, that usually could be considered unfair. It is characterized by being free of critical thinking. Implicit bias can be defined as the ingrained habits of thought that, when left unchecked, lead to errors in how we perceive, remember, reason, and make decisions.

(Source: HRM's Fair Hiring Policy)

Recommendation 4

Human Resources should develop and implement a procedure to guide hiring managers in documenting screening and assessment criteria prior to assessing applicants, and in appropriately documenting screening rationale.

Management Response

Agree. Human Resources will document a standard operating procedure to guide hiring managers in the screening process and the required documentation for screening rationale.

Recommendation 5

Human Resources should develop and implement a procedure to define requirements and guide hiring managers in completing and documenting pre-employment checks, including credentials, licenses, and references.

Management Response

Agree. Human Resources will document a standard operating procedure to guide hiring managers to complete required pre-employment checks, including confirmation of credentials, required licenses, and references.

Instances of unsupported hiring decisions in advertised competitions

There were instances of unsupported hiring activity by those responsible for the fair hiring policy, including Human Resources and senior leaders. While we had concerns with all 40 competition files tested, we found significant issues in four files. For these four files, we determined the hiring decision was not supported by the criteria and selection tools used to evaluate applicants.

- Two non-union manager roles – individuals hired did not meet the minimum qualifications of the position. In addition, the assessments documented in the files did not indicate they were the highest-assessed candidates.
- Non-union manager role – assessment documented in the file did not support selecting the candidate that was hired.
- Non-union competition for a senior management role – competition was internal only but there was no assessment of candidates. Human Resources told us there were two qualified candidates, but there was no documented assessment to confirm this. The CAO at the time directed Human Resources to hire one of the candidates without an interview or further assessment.

Our audit was not designed to assess the performance of individuals hired. The results are based only on our testing of HRM's hiring practices.

Human Resources management told us that the determination of the top candidate comes from a discussion between Human Resources and the hiring manager on all factors of the competition. However, there was no documentation in the files to support these discussions and nothing showing what other factors were considered. This approach exposes HRM to the risk of bias interfering with hiring decisions, and could limit the consistent application of fair hiring practices. It is important for those responsible for the hiring process to demonstrate consistent commitment to fair hiring practices.

Recommendations 1 and 9 will address this issue. In monitoring the hiring process, Human Resources should ensure they address concerns with hiring decisions.

Positions designated for under-represented groups; improvements needed

HRM can hire for positions with priority given to qualified candidates who identify in an employment equity group. This is a good practice and allows hiring to target areas of under-representation in the organization to help increase diversity. However, there are improvements needed to improve the effectiveness of this and to further advance diversity in the organization.

We tested 10 preferred and designated competition files and found qualified, self-identified candidates moved through the process and were hired for each. However, the files lacked information on if the positions were promoted to relevant communities or groups and if there was a diverse interview panel. These are important aspects which help ensure the hiring process attracts as diverse a pool of candidates as possible and provides an inclusive environment which encourages candidates to share their experiences and perspectives.

Employment Equity Competitions

• • •

Preferred – qualified individuals who self-identify in an Employment Equity group(s) will be considered first. If there are no successful candidates from an Employment Equity Group(s), a candidate who has not identified may be selected.

Designated – only qualified individuals who self-identify as being from an Employment Equity group will be considered.

(Source: HRM's Fair Hiring Policy)

Human Resources does not maintain or use equity data to help address areas of under-representation in the organization. We reviewed the non-union competition data and found 10% of competitions were listed as designated or preferred. Without equity data, we cannot assess if these competitions address areas of under-representation.

Human Resources reported 42% of hires in 2022-23 were from employment equity groups, which was an increase from prior years. However, this statistic is not meaningful to inform whether employment equity goals are being achieved. For example, it does not show if the individuals hired were for positions where they are under-represented. It also does not break down positions by leadership, non-union and union positions.

The purpose of an employment equity program is to increase representation of under-represented groups in the workforce. It is important diversity is represented in all areas of an organization, and not just in certain business areas or within entry-level positions. Without data showing the current state in those areas it is not possible to assess whether hiring practices are helping to improve the situation or not.

Recommendation 6

Human Resources should develop a process to ensure preferred/ designated positions are promoted to appropriate communities and/ or groups.

Management Response

Agree. Human Resources will document a standard operating procedure outlining the process to share information regarding all HRM positions, with particular note of sharing those that are preferred/ designated with the relevant communities.

Recommendation 7

Human Resources should develop a process to ensure appropriate steps are taken to encourage diverse interview panels for preferred/ designated competitions.

Management Response

Agree. Human Resources will document a standard operating procedure outlining the process and steps to be taken to encourage diverse interview panels for preferred/ designated competitions.

Recommendation 8

HRM should identify necessary workforce equity data and develop a plan to collect and maintain it, analyze and assess trends, and use this information to inform plans to address areas of under-representation in the organization.

Management Response

Agree. Human Resources will engage with the Office of Diversity & Inclusion and the Information Technology business unit to develop a plan to collect the data in accordance with applicable legislation. Understanding that workforce equity data is based on self-identification information that is voluntary for employees to provide, and typically collected at a high-level so as not to identify individuals, there are limitations to the use of the data.

Hiring Processes Not Always Followed

HRM is not following many aspects of its hiring processes. Many files tested did not have appropriate rationale or documentation for the hiring process. For advertised competitions, many aspects of recruitment and selection were not followed. In addition, we found some positions filled through the appointments process were not supported. It is important hiring decisions comply with policies and can be supported.

Recruitment and selection activities not regularly followed; no monitoring

Competition files did not always demonstrate a fair hiring process was followed. In addition, there is no monitoring of hiring activities. We noted earlier in this report that policy direction around these processes was lacking, and the results detailed below show the importance of clearer direction for staff to follow.

For a sample of 40 advertised competitions, we found many aspects of a fair recruitment and selection process were not followed. All competitions had at least one problem identified, and there was one competition, within Human Resources, with no documentation retained. While some files had a recruitment plan, they were brief and had incomplete details. The assessment of candidates was not well documented at the initial screening, testing, or interview stages of the competition. In some files, there was no information as to why some qualified candidates moved forward in the process while others did not. There were also inconsistencies in completing reference and other pre-employment checks.

Sample Results – Recruitment and Selection Process

Hiring Process Steps	No. of Files Complied*
Recruitment plan developed	14/40
Initial screening of applicants documented	22/40
Testing criteria, results and selection documented	9/18
Consensus interview scoring completed	24/38
Reference checks completed	19/36
Professional/ licensing checks completed	2/36

*Note: Not all steps of the hiring process were required for all 40 files.

Human Resources does not monitor the hiring process to ensure it is fair, consistent and complies with hiring policies. Management told us there is no formal monitoring of hiring activities, instead staff guide hiring managers through the process. However, management also said Human Resources staff are not involved in each step of the recruitment and selection process. They would not be able to determine if all aspects of the file are fair or compliant with policy. We expected Human Resources to monitor hiring activities to ensure policies are followed, and to help minimize the risk of bias and discriminatory practices.

Recommendation 9

Human Resources should develop and implement a process to monitor hiring activities to ensure they are fair, consistent, and comply with relevant policies and procedures.

Management Response

Agree. A quality assurance process will be documented which includes review of a random sampling of hiring files/ hiring activities each month to ensure compliance with relevant policies and procedures.

We noted that all 40 competitions tested allowed applicants to self-identify in designated groups and notified applicants of their right to request accommodations. This helps promote employment equity and supports designated groups. HRM also provides online tools and resources to applicants on its hiring process. While these are positive aspects of the recruitment process, it is also important HRM continues to demonstrate a fair process is followed in the activities detailed above.

Unsupported use of appointments

The appointments process was used to fill some positions where an advertised competition process may have been more reasonable.

We tested 10 positions filled without a competition. In all 10 cases, there was no support for how the individual met the qualifications of the position. Four files did not have an appointment request letter completed and there was no other documentation to support filling the position through the appointment process.

We detailed earlier in this report our concerns with the poor definition and lack of clarity around when appointments can be used. The results of our testing show the impact failing to provide staff with sufficient direction can have. In our sample, we had concerns with five positions hired through the appointment process.

- Two positions were listed as temporary but were either filled permanently, or have been extended for years, without holding a competition. The individuals hired had not successfully competed in a recent competition.
- Two positions were filled by appointment with “business unit restructuring” identified as the reason. However, in both cases these were new positions and the individuals’ current roles were not being eliminated due to the restructuring.
- One senior management level position was filled by appointment. The position was previously filled through an internal-only competition. We have two specific concerns with this process. First, for a senior management position, we would typically expect an

external competition to ensure the broadest possible pool of candidates. Second, there was no documentation to support the appointment.

For the remaining 5 files, we accepted the circumstances around the appointment were reasonable.

Recommendation 10

Human Resources should monitor the appointment process to ensure it complies with the policy. This should include documenting an appropriate rationale for an appointment and including evidence the individual meets the minimum qualifications of the role. This information should be documented and retained in a hiring file.

Management Response

Agree. A quality assurance process will be developed which includes review of positions filled by appointment in a specific period to confirm the appointment complies with policy.

Hiring files missing or poorly documented

There is poor hiring file documentation and Human Resources does not have a process to review and check whether files are complete. For 38 of the 40 competitions tested, we had to request missing documentation to understand the hiring process. There were also no files maintained for eight of the 10 appointment hires we tested. We had to request support for all appointments to understand the process. There was no record of how three appointed positions were filled as they were not listed in the online recruitment system. We expected Human Resources to maintain files, and ensure they include key documentation to support all hiring decisions.

In November 2023, Human Resources advertised a new position which would be responsible for auditing competition files to ensure file checklists are completed.

Recommendation 11

Human Resources should create and retain hiring files for all positions filled in HRM.

Management Response

Agree. Human Resources will document a standard operating procedure outlining the process for creation of a hiring file for all positions filled in HRM.

Recommendation 12

Human Resources should create a record in the online recruitment system for all positions filled in HRM.

Management Response

Agree. A quality assurance process will be developed which includes review of all positions filled in a specific period against staffing requisition records in the Applicant Tracking System (currently BrassRing) and to address gaps as required.

Recommendation 13

Human Resources should implement quality control checks on hiring files to ensure all necessary documents are included.

Management Response

Agree. Human Resources will document a quality assurance process which includes review of all closed hiring files to ensure complete documentation is in the file and to address gaps in documentation as required.

Not all hiring managers received training

Human Resources has mandatory training for hiring managers which covers information on hiring policies and fair and equitable practices. There is also diversity and inclusion training which is mandatory for all employees. However, not all hiring managers had taken the training. We sampled 25 hiring managers and found:

- Six (24%) had not taken hiring manager certification training.
- Eighteen (72%) had not taken diversity and inclusion overview training.

We noted three hiring managers who had not taken either of the two mandatory trainings.

There is no monitoring to confirm hiring managers have completed relevant training prior to participating in the hiring process. Human Resources management told us they provide an overview of the hiring process with new hiring managers. However, this is informal, and no evidence is maintained to show it has happened consistently, nor to show what was covered. There are also relevant hiring materials on the employee intranet. We reviewed the two mandatory courses and found they have content covering important areas including bias, merit-based hiring, diversity and inclusion, accessibility, and roles and responsibilities. Hiring managers should be aware of their role in implementing hiring policies and supporting fair and equitable hiring practices.

Recommendation 14

Human Resources should implement a process to ensure hiring managers have adequate training on hiring policies and processes.

Management Response

Agree. Human Resources has a current training program and offers it regularly in the corporate training calendar. The Fair Hiring Policy requires leaders to attend this training. It is the responsibility of business unit leadership to ensure they have completed their mandatory training.

A Learning Management software system will be implemented (late 2024/25) that allows for tracking of this information. Until the LMS is implemented, Talent Recruiters will confirm whether the Hiring Manager has completed the required training as part of the pre-hiring process. If they have not, the Talent Recruiter will recommend the hiring manager register for the next available training date in the Training Calendar. If there is no opportunity for the Hiring Manager to attend in advance of the interviews in that hiring process, the Talent Recruiter will offer a one time, one on one condensed training session. This is not intended as a substitute for Hiring Managers attending the full training session.

Other - Confidentiality

Access to hiring files needs to be further restricted

We found access to hiring files was not restricted to only those staff responsible for recruiting. We identified 22 employees who had access to the electronic recruitment folder that did not require it for their job. This access was removed when we brought it to management's attention. Hiring files include sensitive information on applicants. This information should be secured and only available to those involved in filling the position.

In addition, we identified access issues with the online recruitment system. Human Resources said there is no process to monitor hiring system access, but they approve granting access requests through IT. We reviewed the user accounts and found:

- Four employees had access to the hiring system that did not require it for their job.
- Eleven active system accounts. These accounts are used to help manage the system and are not associated with a particular user. As they typically have more access to the system, they pose a security threat and should be inactive when not in use.

There were also issues with access roles in the system. Human Resources did not have information on the roles. We reviewed a sample of key access permissions and identified the following issues:

- Four access roles had permissions that may allow users to see hiring files created by other business units.
- Fifty-nine users whose access roles may not be reasonable for their job.

We expected Human Resources to regularly monitor and review access to hiring files to ensure employees only have access to information that is necessary for their role.

Recommendation 15

Human Resources should implement a process to regularly monitor access to hiring files and the online hiring system and limit it to only those who require it for their jobs.

Management Response

Agree. Human Resources will document a standard operating procedure, in consultation with IT and Corporate Security, outlining the process for notification to these groups to disable access to electronic and hard copy hiring files, and implement a regular review process to confirm access has been removed as required.

Recommendation 16

Human Resources should review the access roles in the online hiring system to determine if permissions are appropriate. If they are not appropriate, they should be updated.

Management Response

Agree. Human Resources will document a standard operating procedure, in consultation with the IT business unit, outlining the process for regular review of hiring system access and updating role-based permissions as required.

Confidentiality and conflict of interest forms not always completed

The confidentiality and conflict of interest form, which is required for all interview panelists, was not completed for many files. We found 17 of 37 competitions with an interview panel did not have completed forms. This was a recommendation from a 2016 consultant report to hold hiring managers accountable for ensuring the process is free from nepotism (hiring friends and family). It is also important interview panelists understand their responsibility in maintaining confidentiality during the hiring process. While our work was not specifically designed to detect

nepotism in hiring or breaches of confidentiality, it did not indicate any concerns related to these issues. However, we expected to see the form completed for all competitions.

Recommendation 17

Human Resources should ensure all hiring managers and interview panelists complete the confidentiality and conflict of interest form. These should be retained in the hiring file.

Management Response

Agree. Human Resources will document a standard operating procedure outlining the requirement for hiring managers and interview panel members to complete and sign the confidentiality and conflict of interest form each time they participate in a hiring panel, and to retain these in the hiring file.

Background

Human Resources is a business unit responsible for guiding HRM’s human resource practices. The business unit has four divisions: Employee Relations, Total Rewards, Employee Wellbeing, and Talent Management. In October 2022, most hiring responsibilities moved from Employee Relations to Talent Management. HRM business units are responsible for hiring decisions in their service areas. Within Talent Management, the Talent Acquisition team guides and supports business units through the hiring process. The Employee Relations division supports business units with the appointment process.

Hiring practices consist of recruitment and selection activities. Recruitment activities include developing a recruitment plan that considers diversity and inclusion along with screening and assessment criteria that will be used to assess candidates, posting the employment opportunity in the online hiring application, and receiving candidate applications. Selection activities include pre-screening candidates who meet the minimum qualifications of the position, assessments (e.g., tests), interviews, pre-employment checks and offers of employment.

Human Resources has four hiring policies: fair hiring, employment equity, non-union hiring, and appointments. Unionized positions must follow the hiring process outlined in their collective agreements.

About the Audit

We completed a performance audit of hiring practices. Our role is to express an independent audit opinion of this area. The audit scope was limited to recruitment and selection processes. It does not include: workforce planning, compensation, retention, and onboarding.

The objective of the audit was to determine if HRM has consistent, fair, and equitable hiring practices that help establish a diverse and skilled workforce.

We developed the criteria for this audit. These were discussed with, and accepted as appropriate by, Human Resources management. Criteria used were:

1. Policies and processes should adequately address and support fair, equitable and confidential hiring practices.
2. Recruitment and selection activities should comply with hiring policies and procedures.
3. Key personnel should have adequate training and tools to comply with hiring policies and procedures.
4. Hiring practices should be monitored to ensure consistency in the hiring process.

Our audit period was April 1, 2020 – March 31, 2023. Information from outside the audit period may be considered.

Our audit approach included: interviews with management and key personnel in Human Resources, and other business units as necessary; examination of recruitment files and other documentation on a sample basis; and review of internal policies, procedures, and programs

This audit was conducted in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001 Direct Engagements published by the Chartered Professional Accountants of Canada.

We apply CPA Canada's Canadian Standard on Quality Management 1. Our staff comply with the independence and ethical requirements of the Chartered Professional Accountants of Nova Scotia Code of Conduct.

Appendix 1 – Recommendations and Management Responses

Recommendation 1

HRM should review and update its hiring policies to address areas that are not consistent with fair and transparent hiring, including:

- Monitoring and reporting
- Internal competition vs external competition vs appointment

Management Response

Agree. Human Resources will review and update hiring policies to include clear language regarding the use of internal only competitions, internal/ external competitions, and appointments, as well indicating the requirement for reporting hiring decisions not aligned with hiring policies.

Recommendation 2

Human Resources should develop a procedure for using the appointments policy. It should clarify the documentation and rationale required to demonstrate how an appointment aligns with the policy, how individuals are assessed for a position, and how it aligns with employment equity goals.

Management Response

Agree. Human Resources will document a standard operating procedure to guide the use of the appointment policy. The process will include a requirement for hiring managers to articulate why an appointment is appropriate in this situation and how the appointee was determined as an appropriate candidate.

Recommendation 3

Human Resources should provide further guidance for hiring managers defining when internal-only competitions are acceptable. This should be applied consistently and require support for the decision to be appropriately documented in the hiring file.

Management Response

Agree. Human Resources will conduct best practice research of other municipalities to determine the best approach for HRM with respect to the use of internal-only competitions and apply those best practices to the decision-making process.

Recommendation 4

Human Resources should develop and implement a procedure to guide hiring managers in documenting screening and assessment criteria prior to assessing applicants, and in appropriately documenting screening rationale.

Management Response

Agree. Human Resources will document a standard operating procedure to guide hiring managers in the screening process and the required documentation for screening rationale.

Recommendation 5

Human Resources should develop and implement a procedure to define requirements and guide hiring managers in completing and documenting pre-employment checks, including credentials, licenses, and references.

Management Response

Agree. Human Resources will document a standard operating procedure to guide hiring managers to complete required pre-employment checks, including confirmation of credentials, required licenses, and references.

Recommendation 6

Human Resources should develop a process to ensure preferred/ designated positions are promoted to appropriate communities and/ or groups.

Management Response

Agree. Human Resources will document a standard operating procedure outlining the process to share information regarding all HRM positions, with particular note of sharing those that are preferred/ designated with the relevant communities.

Recommendation 7

Human Resources should develop a process to ensure appropriate steps are taken to encourage diverse interview panels for preferred/ designated competitions.

Management Response

Agree. Human Resources will document a standard operating procedure outlining the process and steps to be taken to encourage diverse interview panels for preferred/ designated competitions.

Recommendation 8

HRM should identify necessary workforce equity data and develop a plan to collect and maintain it, analyze and assess trends, and use this information to inform plans to address areas of under-representation in the organization.

Management Response

Agree. Human Resources will engage with the Office of Diversity & Inclusion and the Information Technology business unit to develop a plan to collect the data in accordance with applicable legislation. Understanding that workforce equity data is based on self-identification information that is voluntary for employees to provide, and typically collected at a high-level so as not to identify individuals, there are limitations to the use of the data.

Recommendation 9

Human Resources should develop and implement a process to monitor hiring activities to ensure they are fair, consistent, and comply with relevant policies and procedures.

Management Response

Agree. A quality assurance process will be documented which includes review of a random sampling of hiring files/ hiring activities each month to ensure compliance with relevant policies and procedures.

Recommendation 10

Human Resources should monitor the appointment process to ensure it complies with the policy. This should include documenting an appropriate rationale for an appointment and including evidence the individual meets the minimum qualifications of the role. This information should be documented and retained in a hiring file.

Management Response

Agree. A quality assurance process will be developed which includes review of positions filled by appointment in a specific period to confirm the appointment complies with policy.

Recommendation 11

Human Resources should create and retain hiring files for all positions filled in HRM.

Management Response

Agree. Human Resources will document a standard operating procedure outlining the process for creation of a hiring file for all positions filled in HRM.

Recommendation 12

Human Resources should create a record in the online recruitment system for all positions filled in HRM.

Management Response

Agree. A quality assurance process will be developed which includes review of all positions filled in a specific period against staffing requisition records in the Applicant Tracking System (currently BrassRing) and to address gaps as required.

Recommendation 13

Human Resources should implement quality control checks on hiring files to ensure all necessary documents are included.

Management Response

Agree. Human Resources will document a quality assurance process which includes review of all closed hiring files to ensure complete documentation is in the file and to address gaps in documentation as required.

Recommendation 14

Human Resources should implement a process to ensure hiring managers have adequate training on hiring policies and processes.

Management Response

Agree. Human Resources has a current training program and offers it regularly in the corporate training calendar. The Fair Hiring Policy requires leaders to attend this training. It is the responsibility of business unit leadership to ensure they have completed their mandatory training.

A Learning Management software system will be implemented (late 2024/25) that allows for tracking of this information. Until the LMS is implemented, Talent Recruiters will confirm whether the Hiring Manager has completed the required training as part of the pre-hiring process. If they have not, the Talent Recruiter will recommend the hiring manager register for the next available training date in the Training Calendar. If there is no opportunity for the Hiring Manager to attend in advance of the interviews in that hiring process, the Talent Recruiter will offer a one time, one on one condensed training session. This is not intended as a substitute for Hiring Managers attending the full training session.

Recommendation 15

Human Resources should implement a process to regularly monitor access to hiring files and the online hiring system and limit it to only those who require it for their jobs.

Management Response

Agree. Human Resources will document a standard operating procedure, in consultation with IT and Corporate Security, outlining the process for notification to these groups to disable access to electronic and hard copy hiring files, and implement a regular review process to confirm access has been removed as required.

Recommendation 16

Human Resources should review the access roles in the online hiring system to determine if permissions are appropriate. If they are not appropriate, they should be updated.

Management Response

Agree. Human Resources will document a standard operating procedure, in consultation with the IT business unit, outlining the process for regular review of hiring system access and updating role-based permissions as required.

Recommendation 17

Human Resources should ensure all hiring managers and interview panelists complete the confidentiality and conflict of interest form. These should be retained in the hiring file.

Management Response

Agree. Human Resources will document a standard operating procedure outlining the requirement for hiring managers and interview panel members to complete and sign the confidentiality and conflict of interest form each time they participate in a hiring panel, and to retain these in the hiring file.

Contact Information

Office of the Auditor General
Halifax Regional Municipality
33 Alderney Drive, Suite 620
Dartmouth, NS, B2Y 2N4

Phone: 902.490.8407

Email: auditorgeneral@halifax.ca

Website: www.hrmauditorgeneral.ca

X: [@Halifax AG](https://twitter.com/HalifaxAG)