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Item No. 12.1
Audit and Finance Standing Committee
September 6, 2024
October 9, 2024

TO: Chair and Members of Audit and Finance Standing Committee

SUBMITTED BY: -ORIGINAL SIGNED-
Cathie O'Toole, Chief Administrative Officer

DATE: August 12, 2024

SUBJECT: Action Plan for the Management of Hiring Practices Audit

INFORMATION REPORT

ORIGIN

March 20, 2024, Audit and Finance Standing Committee motion (Item No.13.1.1):

MOVED by Deputy Mayor Deagle Gammon, seconded by Councillor Lovelace

THAT the Audit and Finance Standing Committee request the Chief Administrative Officer develop an action plan to address the recommendations from the Management of Hiring Practices Audit and report back to the Audit and Finance Standing Committee in six months.

MOTION PUT AND PASSED

BACKGROUND

The Municipal Auditor General conducted a Management of Hiring Practices Audit for the period April 1, 2020 to March 31, 2023. This was the first time since the 1996 amalgamation of the former municipal units that hiring practices have been audited. The objective of the audit was to determine if the municipality has consistent, fair, and equitable hiring practices that help establish a diverse and skilled workforce.

The criteria used for the audit 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.

At the conclusion of the audit, the Municipal Auditor General presented 17 recommendations for improvement in the [report](#) dated March 20, 2024, all of which were accepted by Human Resources.

DISCUSSION

Human Resources has assigned a divisional Director within Human Resources to lead the required work to respond effectively to each of the 17 Auditor General recommendations. The work to be done in response varies in complexity, some requiring engagement with other internal key partners and/or research to inform policy updates and business process changes. A detailed Action Plan including current status and anticipated completion dates is included as *Attachment 1 - Action Plan Response to Hiring Practices Audit*. Each recommendation will have its own project plan to ensure the work is moving forward as projected.

Recognizing that the efficiency of hiring processes is an important consideration as we move to implement the recommendations of the Auditor General, the Corporate Performance Excellence team has been engaged to collaborate with Human Resources on this work, specifically:

- Business processes developed in response to the audit recommendations will be reviewed through a performance excellence lens and their expert guidance incorporated to ensure efficiency and effectiveness.
- The development of business processes that require collaboration with other internal key partners will be facilitated by the Corporate Performance team to ensure roles and responsibilities are clearly defined and documented and the cross-functional processes are efficient and effective.

FINANCIAL IMPLICATIONS

Much of the work required to complete the work plan must be completed by staff involved in recruitment. Due to the increasing complexity and demand associated with HRM's recruitment efforts, we will require additional resources to complete the work outlined in the action plan and implementation of business processes to meet the Auditor General recommendations within 18 months. Initial assessment of resource requirements is detailed below; however, these requirements may change depending on the outcome of the process work being done in collaboration with Corporate Performance Excellence.

Preliminary cost of compensation and benefits is approximately \$165,000 for temporary positions and an additional \$255,000 for permanent positions. In addition, there will be costs associated with membership to an HR best practice research group (estimated at \$100,000 per year). This membership is intended to ensure that HR policies remain current and appropriate. Total costs to meet the Auditor General recommendations within the 18-month timeline, are approximately \$520,000, however, ongoing support of the recommendations will cost approximately \$355,000 annually.

The 24/25 portion of these costs (approximately \$250,000) could potentially be partially absorbed into the existing budget of Human Resources; however, the in-year pressure could be the total \$250,000 if other funding sources are not identified. The remaining costs (approximately \$270,000 to address recommendations, plus an additional \$170,600 for ongoing support) will be included in HR's 2025/26 budget submissions. Please refer to the table below for the approximate total breakdown of costs by fiscal year. It is important to note that the ability to meet the recommendations in the 18-month timeline is fully dependent upon access to these additional resources.

Fiscal Year	24/25	25/26	25/26	26/27
Temporary positions (up to completing recommendations)	\$ 79,400	\$ 85,600	\$ -	\$ -
Permanent positions (up to completing recommendations)	\$ 122,600	\$ 132,400	\$ -	\$ -
Permanent positions (for ongoing support)	\$ -	\$ -	\$ 122,600	\$ 255,000
Membership dues (up to completing recommendations)	\$ 48,000	\$ 52,000	\$ -	\$ -
Membership dues (for ongoing support)	\$ -	\$ -	\$ 48,000	\$ 100,000
Total	\$ 250,000	\$ 270,000	\$ 170,600	\$ 355,000
Total for completing recommendations	\$ 520,000			
Total 2025/26	\$ 440,600			

COMMUNITY ENGAGEMENT

No community engagement was required.

LEGISLATIVE AUTHORITY

Administrative Order One, the Procedures of Council Administrative Order, at Schedule 2, Audit and Finance Standing Committee Terms of Reference

1. (1) The purpose of the Audit and Finance Standing Committee is to provide advice to the Council on matters relating to audit and finance.

(2) The other purposes of the Committee are to:

(a) fulfill the requirements as outlined in Section 48 of the *HRM Charter*; and

(b) assist the Council in meeting its responsibilities by ensuring the adequacy and effectiveness of financial reporting, risk management and internal controls.

[...]

3. The Audit and Finance Standing Committee shall meet at least twice in each fiscal year as an Audit Committee to:

[...]

(b) carry out the responsibilities of the Audit Committee as outlined in subsection 48(2) of the *HRM Charter*, including

[...]

(iv) reviewing matters arising out of any internal audit that require further investigation, and

(v) undertaking other actions determined by the Council to be the duties of the Audit Committee.

7A The purposes of the Municipality are to

- (a) provide good government;
- (b) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality, and
- (c) develop and maintain safe and viable communities.

48 (2) The responsibilities of the audit committee include

- (a) a detailed review of the financial statements of the Municipality with the Auditor;
- (b) an evaluation of internal control systems and any management letter with the Auditor;
- (c) a review of the conduct and adequacy of the audit;
- (d) such matters arising out of the audit as may appear to the audit committee to require investigation;
- (e) such other matters as may be determined by the Council to be the duties of an audit committee;
- (f) any other matters as may be determined by the Council.

50 (1) The Auditor General is responsible for assisting the Council in holding itself and the Municipality's administrators accountable for the quality of stewardship over the public funds and for achievement of value for money in the Municipality's operations.

(2) The Auditor General shall examine, in the manner and to the extent the Auditor General considers necessary, the accounts, procedures and programs of the Municipality and any municipal body of the Municipality, as that term is defined in Section 461 of the Municipal Government Act, or person or body corporate receiving a grant from the Municipality, to evaluate

- (a) whether the rules and procedures applied are sufficient to ensure an effective control of sums received and expended, adequate safeguarding and control of public property and appropriate records management;
- (b) if money authorized to be spent has been expended with due regard to economy and efficiency;
- (c) if money has been spent with proper authorization and according to an appropriation;
- (d) if applicable procedures and policies encourage efficient use of resources and discourage waste and inefficiency; and
- (e) whether programs, operations and activities have been effective.

(3) In addition to the duties under subsection (2), the Auditor General shall examine those programs, policies and procedures as are requested by the Council to the extent that such examination can be reasonable accommodated.

(4) The Auditor General shall file annually with the Council a work plan of the Auditor General's activities.

(5) The Auditor General shall update the Council on any substantial departure from the work plan.

(6) The Auditor General shall

(a) report annually to the Council in a public meeting;

(b) file such report with the Minister; and

(c) inform the Chief Administrative Officer of the contents of the report in advance of its submission to the Council, except when such report or such contents address issues involving the Chief Administrative Officer.

ATTACHMENTS

1. Attachment 1 – Action Plan Response to Management of Hiring Practices Audit

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Britt Wilson, Executive Director, Human Resources 902.476.8512

Action Plan Response to Management of Hiring Practices Audit

Prepared by:

Human Resources
August 2024

Summary Table

#	Status	Anticipated Completion
1	In progress	January 2025
2	Pending completion of #1	September 2025
3	In progress	March 2025
4	In progress	March 2025
5	In progress	March 2025
6	In progress	September 2025
7	Action 1 & 2 Complete Action 3 In progress Action 4 In progress	August 2024 March 2025 September 2025
8	In progress	December 2025
9	In progress	January 2026
10	In progress	September 2025
11	In progress	March 2025
12	In progress	December 2025
13	In progress	January 2025
14	Complete	June 2024
15	Action 1 In progress Action 2 In progress Action 3 Complete Action 4 Complete	November 2024 March 2025 July 2024 July 2024
16	Action 1 In progress Action 2 In progress	March 2025 September 2025
17	In progress	January 2025

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 only competitions vs. internal/external competitions vs. use of appointments.***

Management Response

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 as indicating the requirement for reporting hiring decisions not aligned with hiring policies.

Action Plan for Recommendation 1:

- 1.1 Research similar policies in other public sector organizations across Canada to inform updates to the Appointment Policy, Fair Hiring Policy, Hiring Policy to address the issues raised in the audit.
 - **Current status:** Currently collecting best practice research through outreach to other public sector organizations. HR is purchasing a corporate membership with an HR best practice research organization, similar to the corporate membership currently used by the IT department, to provide subject matter expertise and support.
Anticipated completion date: January 2025.
- 1.2 Develop Standard Operating Procedure (SOP) for reporting hiring decisions that do not align with hiring policies to the Executive Director, Human Resources.
 - **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: January 2025.

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

Human Resources will document an SOP to guide the use of the appointment policy. This process will include a requirement for hiring managers to articulate why an appointment is appropriate in this situation and how the appointee was determined to be an appropriate candidate.

Action Plan for Recommendation 2:

Dependency: Update to the Appointment Policy.

- 2.1 Develop an SOP for use of the Appointment Policy including any templates, forms, or supporting documents.
- **Current status:** Pending completion of Recommendation 1.
Anticipated completion date: September 2025

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

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.

Action Plan for Recommendation 3

- 3.1 Conduct best practice research of other municipalities and apply the best practices.
- **Current status:** Currently collecting best practice research through outreach to other public sector organizations. HR is also purchasing a corporate membership with an HR best practice research organization, similar to the corporate membership currently used by the IT department, to provide subject matter expertise and support.
Anticipated completion date: March 2025

Recommendation 4

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

Management Response

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

Action Plan for Recommendation 4

- 4.1 Incorporate steps in the Staffing Plan SOP that include a discussion on whether the hiring manager will accept equivalent/education experience applicants into selection process.
- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: March 2025

- 4.2 Develop an SOP to determine and document equivalencies to be applied in the screening process for non-union positions.
- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: March 2025
- 4.3 Develop an SOP for applicant screening, considering collective agreement language for unionized positions.
- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: March 2025

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

Human Resources will document an SOP to guide hiring managers to complete required pre-employment checks, including confirmation of credentials, required licenses, and references.

Action Plan for Recommendation 5

- 5.1 Develop an SOP for pre-employment checks for external hires and internal hires.
- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: March 2025

Recommendation 6

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

Management Response

Human Resources will document an SOP outlining the process to share information regarding all HRM positions, with particular note to sharing those that are preferred/designated with the relevant communities.

Action Plan for Recommendation 6

- 6.1 Develop an SOP for sharing all HRM job opportunities with employment equity groups/communities and service providers supporting these groups/communities.
- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: September 2025
- 6.2 Develop an SOP for identifying, sharing, and promoting HRM job opportunities posted as

preferred or designated with the associated employment equity groups/communities and service providers supporting these groups/communities.

- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: September 2025

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

Human Resources will document an SOP outlining the process and steps to be taken to encourage diverse interview panels for preferred/designated competitions.

Action Plan for Recommendation 7

- 7.1 Develop hiring panel member training and promote this training to employees who self-identify as members of an employment equity group.
- **Current status: Complete.** Hiring Panel training developed and ready for roll out.
Anticipated completion date: Completed August 2024
- 7.2 Maintain a list of employees who have hiring panel member training, including any self-identification data provided.
- **Current status: Complete.** Process developed as part of training will be tracked.
Anticipated completion date: Completed August 2024
- 7.3 Incorporate steps in the Staffing Plan SOP that include a meaningful discussion on the value of posting a position as preferred/designated.
- **Current status:** Multiple SOPs, currently in development, align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: March 2025
- 7.4 Develop an SOP for creation of hiring panels that incorporate a diversity and inclusion lens in the selection process, encouraging hiring managers to seek diverse interview panels for competitions preferred/designated.
- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: September 2025

Recommendation 8

Human Resources 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

Human Resources will engage with the Office of Diversity & Inclusion/ANSAIO 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.

Action Plan for Recommendation 8

- 8.1 Review Employee Central system functionality with IT for the collection of self-identification data, and use of the data disclaimer with Access & Privacy.
- 8.2 Develop process for employees who are not connected to HRM systems (e.g., bus operators) to voluntarily submit self-identification information for entry into HRM systems.
- 8.3 Once data is collected, determine plan to maintain, analyze, assess trends, and to address areas of under-representation in the organization.
 - **Current status:** In progress.
Anticipated completion date: December 2025

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

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.

Action Plan for Recommendation 9

- 9.1 Determine optimal fair hiring criteria and a checklist to assess hiring activities.
 - **Current status:** Research being conducted
Anticipated completion date: January 2026
- 9.2 Determine method for selecting random files - by business unit, recruiter, employee group, etc.
 - **Current status:** Process research being conducted.
Anticipated completion date: January 2026

- 9.3 Determine number of files to be reviewed monthly and by whom.
- **Current status:** Process research being conducted.
Anticipated completion date: January 2026
- 9.4 Determine process for identifying and reporting deficiencies and to whom.
- **Current status:** Process research being conducted.
Anticipated completion date: January 2026
- 9.5 Determine process for loop back to confirm issues have been corrected.
- **Current status:** Process research being conducted.
Anticipated completion date: January 2026

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

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.

Action Plan for Recommendation 10

Dependency: Update to the Appointment Policy and SOP for use of policy is documented.

- 10.1 Consult HR Systems & Reporting to develop quarterly reporting of positions filled via appointment.
- 10.2 Determine process for identifying and reporting deficiencies and to whom.
- 10.3 Determine process for follow up action on any appointment that does not comply with policy.
- **Current status:** Currently collecting best practice research through outreach to other public sector organizations. HR is also purchasing a corporate membership with an HR best practice research organization, similar to the corporate membership currently used by Information Technology, to provide subject matter expertise and support.
Anticipated completion date: September 2025

Recommendation 11

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

Management Response

Human Resources will document an SOP outlining the process for creation of a hiring file for all positions filled in HRM.

Action Plan for Recommendation 11

- 11.1 Develop an SOP that outlines the requirement to enter a staffing requisition for approval for all positions filled. Process should include how to identify extension of incumbent in term positions and how to identify positions that are filled by appointment or other than a competition process.
- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: March 2025

Recommendation 12

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

Management Response

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.

Action Plan for Recommendation 12

- 12.1 Consult HR Systems & Reporting to develop quarterly reporting of positions filled and comparison to records in the applicant tracking system to identify gaps.
- **Current Status:** Multiple SOPs currently in development; will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: December 2025
- 12.2 Determine process for reporting deficiencies and to whom.
- **Current Status:** Multiple SOPs currently in development; will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: December 2025
- 12.3 Determine process for follow up action on any hiring process that does not have a corresponding record in ATS to correct deficiencies.
- **Current Status:** Multiple SOPs currently in development; will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: December 2025

Recommendation 13

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

Management Response

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.

Action Plan for Recommendation 13

- 13.1 Develop an SOP and a check list that outlines the required documentation in every competition file. Process should include any exceptions to the required documentation for positions that are filled by appointment or other than a competition process.
- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: January 2025

Recommendation 14

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

Management Response

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 (LMS) 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 attend 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 to attend the full training session. Interim process can be implemented based on current training records tracking. This may need to be updated when the LMS goes live and/or when there are changes to the training delivery medium.

Action Plan for Recommendation 14

- 14.1 Consult HR Systems & Reporting to develop quarterly reporting of hiring managers who have not completed Hiring Manager Certification (HMC) training to be provided by Talent Acquisition team.
- **Current Status:** Manual Reporting now in place; will be updated once new systems are online.
Anticipated completion date: Manual reporting process completed June 2024. System

update anticipated September 2025.

- 14.2 Create an SOP for regular reporting of outstanding HMC training and to whom.
- **Current Status:** Manual process in place – reporting to Executive Directors; will be updated once new systems come online.
Anticipated completion date: Manual reporting process completed June 2024. System update anticipated September 2025.
- 14.3 Determine process for follow up action on HMC training completed within a specified time after reporting.
- **Current Status:** Manual process in place, reporting to Executive Directors; will be updated once new systems come online.
Anticipated completion date: Manual reporting process completed June 2024. System update anticipated September 2025.

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

Human Resources will document an SOP, in consultation with IT and Corporate Security, outlining the process for notification to these groups to disable access to electronic and hard copy files, and implement a regular review process to confirm access has been removed as required. Employee Central system limitations and/or workflow consideration may be a factor, as well as responsiveness of IT. Corporate Security resources to the proposed process changes.

Action Plan for Recommendation 15

- 15.1 Engage with HR Systems & Reporting and IT Service Desk to document current state process and identify opportunities for improvement/efficiencies.
- **Current status:** Process documentation currently under way.
Anticipated completion date: November 2024
- 15.2 Create an SOP for quarterly review of access to electronic hiring files, including verification of follow up action to disable access.
- **Current status:** Process documentation currently under way.
Anticipated completion date: March 2025
- 15.3 Engage with Corporate Security to document current state process and identify opportunities for improvement/efficiencies.
- **Current status: Complete.**
Anticipated completion date: Completed July 2024
- 15.4 Create an SOP for quarterly review of access to physical hiring files, including verification of follow up action to disable access.

- **Current status: Complete.**
Anticipated completion date: Completed July 2024

Recommendation 16

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

Management Response

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

Action Plan for Recommendation 16

- 16.1 Engage with IT to review current role-based permissions and update position access profiles as required.
- **Current status:** Engagement process started.
Anticipated completion date: March 2025
- 16.2 Create an SOP for quarterly review of system access, including verification of follow up action to disable access.
- **Current status:** Will commence after engagement process completed.
Anticipated completion date: September 2025

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

Human Resources will document an SOP 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.

Action Plan for Recommendation 17

- 17.1 Incorporate steps in the Staffing Plan SOP that include a discussion on the requirement for the hiring manager and each panel member to sign the confidentiality and conflict of interest form for every hiring process/competition file.
- **Current status:** Multiple SOPs, currently in development, will align with joint process improvement project underway with Corporate Performance team.
Anticipated completion date: January 2025