

**VEDP MANAGEMENT ACTION PLAN STATUS**

NUMBER	FINDING	RECOMMENDATION	MANAGEMENT'S RESPONSES	DUE DATE	CURRENT STATUS
H-1 (HR)	<p>DHG researched industry standards and found that according to the "2018 HR Benchmarks Report" issued by Bloomberg Law, the current industry ratio is 1.5 HR staff per 100 workers supported by an HR division. As of the date of our audit, VEDP had 122 employees and VTC 174, for a total of 296 employees supported by two HR staff. Based on this information, the HR division should have at least four employees to fully support the needs of VEDP and VTC employees. This is further supported by the exceptions and lack of documentation found during this audit, and suggests insufficient staff capacity is the root cause of many other issues.</p>	<p>DHG recommends that VEDP should consider the HR staffing industry standards to determine the number of additional HR employees needed. This will help ensure that the division can fully support the organization and better remediate the issues found during this audit.</p>	<p>VEDP concurs with the finding and recommendation, and will:</p> <ul style="list-style-type: none"> <li>Expand VEDP's HR team by adding (1) a new senior-level position focused on "talent management" and related activities and (2) at least one additional support position</li> </ul>	<p>September 30, 2020 (moved from June 30, 2020)</p>	<p>Open</p>
H-2 (HR)	<p>Per discussion with the HR Director, VEDP completes background checks for employees hired in the HR, Fiscal and IT divisions. There were two employees hired from these divisions during the audit period, but VEDP was unable to provide documentation to support that a background check was completed for either of these employees.</p>	<p>DHG recommends that given the sensitive economic and financial information that is handled by VEDP, the EVP and HR Director should determine if other Divisions in addition to Fiscal, HR and IT should have background checks completed such as International Trade, Research, Incentives, etc. We also recommend that HR should develop a written policy to ensure that all employees with access to sensitive information have a criminal background check completed during the hiring process.</p>	<p>VEDP concurs with the finding and recommendation, and will:</p> <ul style="list-style-type: none"> <li>Determine which divisions and/or positions should have criminal background checks completed prior to hiring and update written policies accordingly, including documentation process</li> </ul>	<p>May 31, 2020</p>	<p>Closed</p>

**VEDP MANAGEMENT ACTION PLAN STATUS**

NUMBER	FINDING	RECOMMENDATION	MANAGEMENT'S RESPONSES	DUE DATE	CURRENT STATUS
M-1 (HR)	<p>DHG tested a sample of 10 new hires between July 2018 – September 2019 to determine whether the onboarding process was completed within the initial 30 days from hiring. The following exceptions were found:</p> <ul style="list-style-type: none"> <li>• Four of the onboarding checklists tested were not completed within the initial 30 days from the hiring date. (While the JLARC recommendation does not specify a requirement that onboarding should be fully completed within 30 days, it appears that some VEDP onboarding processes are subject to interpretation as to whether certain activities are “required” or “recommended” to be completed in such a timeline.)</li> <li>• We also found that two small divisions (External Affairs and General Counsel) do not have a specific onboarding program.</li> </ul>	<p>DHG recommends that HR and division leadership should work together to ensure that onboarding for new hires is fully documented to clearly demonstrate the division-specific training provided and that timelines for completion are clearly established. We also recommend that division-specific onboarding programs be created for External Affairs and General Counsel.</p>	<p>VEDP concurs with the finding and recommendation, and will:</p> <ul style="list-style-type: none"> <li>• Review written onboarding materials and make targeted changes where necessary to clarify timelines for completion</li> <li>• Develop process by which HR may extend onboarding timelines when necessary to accommodate business needs of VEDP</li> <li>• Ensure consistent documentation of onboarding activity</li> <li>• Develop division-specific onboarding programs for External Affairs and General Counsel</li> </ul>	May 31, 2020	Closed

## VEDP MANAGEMENT ACTION PLAN STATUS

NUMBER	FINDING	RECOMMENDATION	MANAGEMENT'S RESPONSES	DUE DATE	CURRENT STATUS
M-2 (HR)	<p>We tested 18 job description samples and determined the following:</p> <ul style="list-style-type: none"> <li>Two of the 18 (11%) job descriptions did not have a review sign-off by October 1<sup>st</sup>, 2019.</li> </ul> <p>It should be noted that all 18 samples had a job description as required in the JLARC action plan. Management stated job descriptions were reviewed. However, since there is no documentation, this could not be verified.</p> <p>We also inspected the supervisor performance evaluation template and concluded that VEDP does not evaluate all supervisors to specifically ensure that job descriptions are completed and / or updated and distributed to VEDP employees by Oct 1<sup>st</sup> of each fiscal year. Only VP performance evaluations include a specific section to evaluate that job descriptions are reviewed annually.</p>	<p>DHG recommends that management should implement a systematic process to track and document annual job description reviews even if no changes are needed. All reviews should be completed within the established deadline of Oct 1<sup>st</sup> each fiscal year.</p> <p>DHG also recommends that the template for supervisor performance evaluations be updated to evaluate supervisors on their adherence to the completion of job descriptions by Oct 1<sup>st</sup> of each fiscal year.</p>	<p>VEDP concurs with the finding and recommendation, and will:</p> <ul style="list-style-type: none"> <li>Update HR processes such that division leaders (VPs) provide sign-off documentation that position descriptions for all staff in their division have been reviewed (and updated if necessary) by October 1 of each year.</li> </ul> <p>Since VP performance evaluations already include a specific section to evaluate that job descriptions are reviewed annually, this management response means that other supervisor performance evaluation templates will not require any changes to address this recommendation.</p>	May 31, 2020	Closed

### VEDP MANAGEMENT ACTION PLAN STATUS

NUMBER	FINDING	RECOMMENDATION	MANAGEMENT'S RESPONSES	DUE DATE	CURRENT STATUS
M-3 (HR)	VEDP did not have supporting documentation to show that supervisors attended the annual supervisor training during FY19 (However, HR provided calendar invites documenting where supervisors were invited to attend the training). Additionally, the "Supervisor Training 2019" material did not cover performance evaluations for non-new employees, nor disciplinary action to train supervisors on how to enforce VEDP policy with staff that do not follow procedures (However, VEDP hired a consultant to conduct performance management training in June 2018 and attendance was documented for this training).	DHG recommends that the supervisor training material should be updated to cover employee's performance evaluations and disciplinary actions as covered in sections 2.4 and 3.1 of the HR P&P Manual. We also recommend that VEDP use a Learning Managing System (LMS) to systematically track all training completion and attendees for all VEDP employees.	VEDP concurs with the finding and recommendation, and will: <ul style="list-style-type: none"> <li>• Update supervisor training materials to cover P&amp;P relating to employee performance evaluations and disciplinary actions</li> <li>• Develop a system to consistently document attendance at the annual supervisor training</li> </ul>	May 31, 2020	Closed
M-4 (HR)	We inspected the HR P&P and the Employee Handbook and determined that these documents were last reviewed and updated in 2010 and 2016, respectively. Additionally, key HR related matters such as teleworking, relationships at work and social networking were not included in either the HR P&P or the Employee Handbook.	DHG recommends that the HR P&P and Employee Handbook should be reviewed and signed-off on an annual basis by the HR Director to ensure all processes are up-to-date. We also recommend that VEDP should create a policy for teleworking, relationships at work and social networking.	VEDP concurs with the finding and recommendation, and will: <ul style="list-style-type: none"> <li>• Develop procedures for annual review and updates for the HR P&amp;P and Employee Handbook, including sign-off by the HR Director</li> <li>• Incorporate existing teleworking guidelines into the formal HR P&amp;P and Employee Handbook</li> <li>• Develop and incorporate policies for relationships at work and social networking</li> </ul>	May 31, 2020	Closed

## VEDP MANAGEMENT ACTION PLAN STATUS

NUMBER	FINDING	RECOMMENDATION	MANAGEMENT'S RESPONSES	DUE DATE	CURRENT STATUS
M-5 (HR)	<p>We assessed the performance evaluation process and determined that evaluations were not consistently completed in a timely fashion. VEDP had 93 employees eligible for a performance evaluation. Of those 93, only eight (9%) employees had their performance evaluation completed by the original due date of September 30, 2019. However, 62 (67%) were complete by December 2019 following extensions authorized by HR.</p>	<p>DHG recommends that the EVP, HR Director and division leadership should work together to ensure that performance evaluations are completed timely by Sept 30<sup>th</sup> of each fiscal year. All performance evaluations should be documented timely and communicated to employees to ensure that VEDP employees receive timely feedback.</p>	<p>VEDP concurs with the finding and recommendation, and will:</p> <ul style="list-style-type: none"> <li>• Leverage EVP to ensure consistent completion and documentation of performance evaluations by September 30 following each fiscal year</li> <li>• Maintain process by which HR may extend performance evaluation deadlines when necessary to accommodate business needs of VEDP</li> </ul>	<p>September 30, 2020 (moved from June 30, 2020)</p>	Open
M-6 (HR)	<p>DHG assessed the interview and selection process for new hires and concluded that there is a lack of consistent documentation around the screening, interview and hiring process at VEDP. The following issues were noted:</p> <ul style="list-style-type: none"> <li>• One of five samples tested did not have any interview notes recorded.</li> <li>• Three of the five samples had incomplete interview notes and scoring sheets, since not all members of the interview panel completed their interview notes and scoring sheets.</li> </ul> <p>According to section 1.3 of the HR P&amp;P, all interviews should be documented "including interview notes, final selection report and reference checks". The P&amp;P also indicates that applicant screening should be completed by the HR</p>	<p>DHG recommends that hiring P&amp;P should be enforced to ensure that HR, division leadership and middle management are fully documenting the screening process, interview notes, candidate selection and rationale for the hiring decision. This will help protect VEDP in the event of a potential lawsuit related to the hiring process.</p>	<p>VEDP concurs with the finding and recommendation, and will:</p> <ul style="list-style-type: none"> <li>• Review and make appropriate updates to HR P&amp;P sections relating to applicant screening processes and interview documentation (e.g., potentially require summary sheet instead of interview notes to better support candidate selection and rationale for hiring decisions)</li> <li>• Leverage EVP when necessary to ensure consistent implementation of related activities</li> </ul>	<p>May 31, 2020</p>	Closed

### VEDP MANAGEMENT ACTION PLAN STATUS

NUMBER	FINDING	RECOMMENDATION	MANAGEMENT'S RESPONSES	DUE DATE	CURRENT STATUS
	division. However, for one of the five samples selected the screening process was completed by the hiring manager in the Economic Competitiveness division.				
L-1 (Incentives)	The performance agreement is drafted by VEDP's General Counsel and is done after the necessary approvals are given following due diligence. Completion of the pre-approval document may take significant time and the status of the document is not recorded in Salesforce.	We recommend that the status of the performance agreement be documented in Salesforce.	VEDP concurs with the finding and recommendation, and will: <ul style="list-style-type: none"> <li>• Modify Salesforce to enable tracking of the status of performance agreements</li> <li>• Ensure consistent tracking of the status of performance agreements in Salesforce</li> </ul>	June 30, 2020	Closed
JLARC #13	VEDP established annual training for BI staff as recommended by JLARC. VEDP stated in their remediation plan that BI management will document during year-end performance reviews whether staff have completed training. However, it does not appear that staff are evaluated on whether this training was completed since the position descriptions that drive performance evaluations do not discuss training completion. Therefore, this JLARC finding appears to be partially implemented.	We recommend that training completion is listed as a requirement in BI employee position descriptions. BI employees would then be evaluated on these requirements.	VEDP concurs with the finding and recommendation, and will: Amend the VP of Business Development's position description and annual evaluation to include organizing and ensuring completion of annual training for relevant BI staff	May 31, 2020	Closed