

Labour Standards Self-Audits

The Opportunity

Nova Scotia's Labour Standards Code sets minimum employment standards for all provincially regulated businesses. Most inquiries or complaints to the Labour Standards Division deal with basic employment issues including overtime, holiday pay and payroll deductions.

Labour Standards is staffed by 15 officers, who respond to thousands of work-related complaints each year. It takes a lot of time and effort to check out all these complaints. Several years ago, the division found itself bogged down. It could not deal quickly enough with the increasing volume of complaints. Available officers were not able to give the speedy help employers and workers needed and deserved.

When delays stretched into months, the division recognized there was a problem – and they fixed it. Staff found more efficient ways of enforcing employment laws with existing resources. With careful planning and hard work, the Labour Standards officers worked through the backlog within a year.

The division then launched new measures to promote fuller, more efficient compliance with labour laws and regulations. One of the first measures it adopted was a labour standards self-audit system.

The Response: Labour Standards Self-Audits

The Labour Standards Division began sending self-audit packages to workplaces in 2003. These packages provide employers with easy-to-understand information about their obligations to employees. Employers are asked to verify their compliance with the law, after correcting any problems they identify through the self-audit process. The packages also ask employers to return copies of labour policies, agreements and contracts to the division.

The audits have three functions:

- They help employers understand and apply the Labour Standards Code.
- They help educate employers about their obligations to workers.
- They provide the Labour Standards Division with valuable workplace information.

This non-invasive process gives employers the tools they need to improve compliance. In many cases, the self-audit is enough to correct problems. The self-audit is one example of the tools Labour Standards uses as part of its compliance strategy.

At first, Labour Standards sent self-audit packages to employers only when responding to anonymous complaints. More recently, the division targeted selected industries with self-audits. Employers have largely responded favourably to these packages. Employers have thanked the division for sending employment standards information as it gives them a chance to correct mistakes without costly and disruptive investigations. We have also heard from employers that the self-audit process levels the competitive playing field by asking all companies to send back the same employment information.



How Self-Audits Improve Competitiveness and Compliance

Self-audits improve compliance by making it easier for businesses to understand and obey labour laws. This helps create a level playing field by ensuring that all employers are regulated equally.

Self-audits help the Labour Standards Division meet its two main responsibilities: enforcement and education. First, all employers must comply with all relevant laws. Secondly, Labour Standards has a responsibility to make sure that employers know, understand and comply with the legislation. It must also help workers know and understand their basic workplace rights.

The self-audit packages clearly spell out employers' obligations to their employees. They also lay out simple instructions about exactly which documents employers need to send to Labour Standards. In this way, the process makes it easy for employers to understand and follow labour laws and regulations.

Labour Standards estimates that 75 per cent of complaints arise when employers do not know employment laws or understand how they are applied in the workplace. By filling this information gap, the self-audit process helps employers avoid problems. It also saves them time and money. An employer's self-audit can prevent disruptive future workplace visits, audits, investigations or prosecutions. And by directing its efforts primarily at non-unionized, lower-paid workers, Labour Standards protects a more vulnerable sector of workers.

Self-audits make more efficient use of staff time and division resources. In this way, Environment and Labour saves the government – and taxpayers – time and money.

Where can I get more information on self audits?

To learn more about the self-audit initiative, contact Bill Grant, team leader.
Telephone: (902) 424-3549
E-mail: grantwa@gov.ns.ca

For general information, call the Labour Standards inquiry line at 1-888-315-0110. You can also visit:
www.gov.ns.ca/enla/employmentrights/

About the Competitiveness and Compliance Initiative

The self-audit initiative supports the objectives of the Competitiveness and Compliance Initiative (CCI). The CCI is a key part of *Better Regulation - Everyone's Business*, the Government of Nova Scotia's far-reaching plan for improving regulation in the province.

Environment and Labour is the main regulatory department in Nova Scotia. Through the CCI, the department is changing the way laws are designed, communicated and enforced in Nova Scotia.

The CCI is a multi-year and systematic approach to making sure that our regulatory programs meet the needs of Nova Scotians. In short, the CCI is working to make a brighter future for our people, economy, environment and communities.

Where can I get more information on the Competitiveness and Compliance Initiative?

Find out more about the CCI at its Web site at:
www.gov.ns.ca/enla/cci



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