

For Consideration

Ensuring Ethical, Fair & Compliant **AI** Hiring

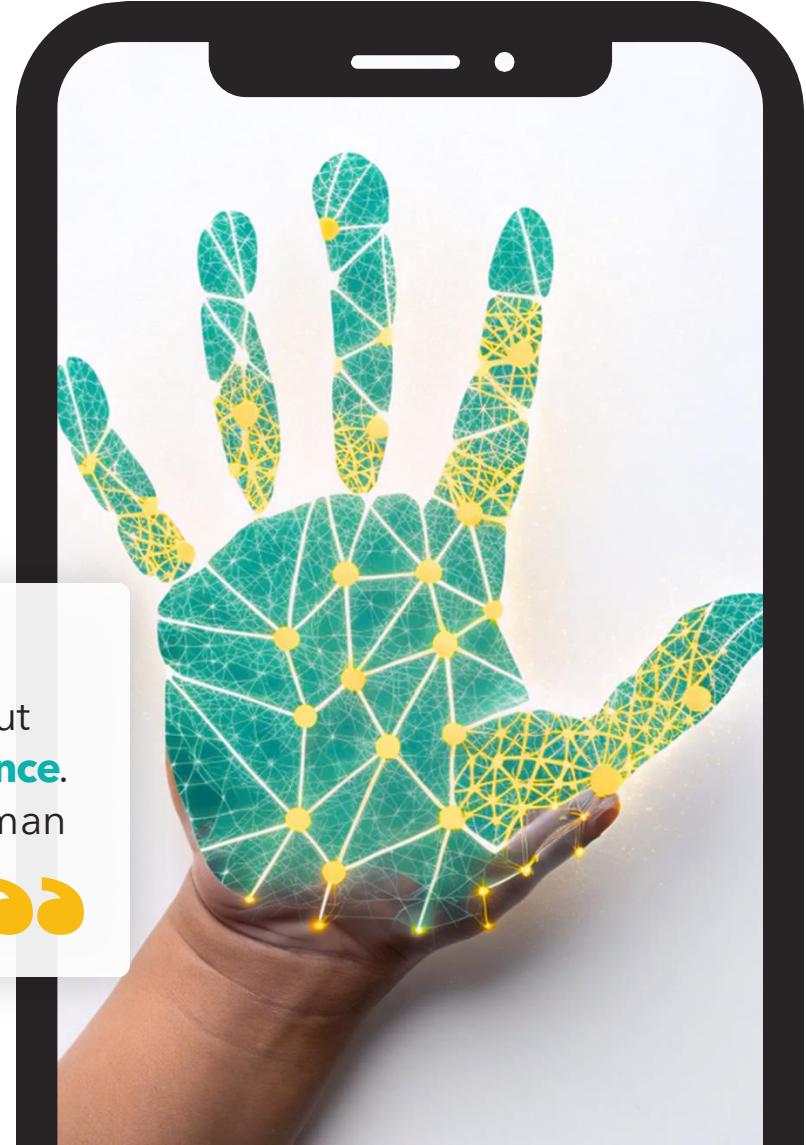
Independent Audit Services by CHC Consulting
Psychologists. Technologists. Actionable Insights



“

Ethical AI isn't just about code – it's about **conscience**. Fair hiring starts with human accountability.

”





OUR MISSION

To unlock human performance potential by delivering actionable insights and practical interventions that empower organisations to thrive with engaged, and values-aligned people

Why Ethical AI in Hiring Matters

1

AI is reshaping how organizations identify, assess, and hire talent.

2

But **risks** around bias, transparency, and compliance are rising

3

In the US, new laws (NTC Local Law 144) and EEOC scrutiny are accelerating demand for **independent validation**

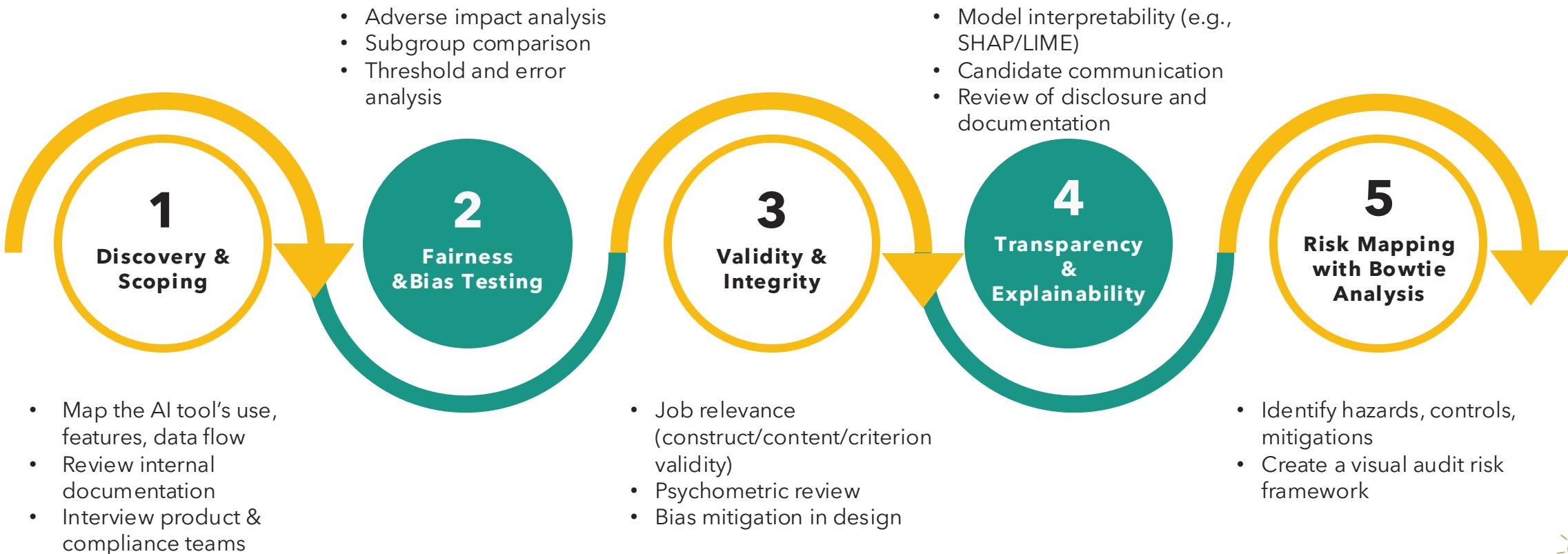
What We Audit

We assess five critical pillars:

- 1 Fairness & Bias ➤ Subgroup performance, 4/5ths rule, threshold parity
- 2 Transparency ➤ Explainability, disclosure, auditability
- 3 Validity & Job Relevance ➤ Scientific evidence, job fit, construct alignment
- 4 Psychological Integrity ➤ Testing standards, ethical use, bias control
- 5 Privacy & Consent ➤ Data handling, opt-in clarity, informed use



Our 5-Phase Audit Methodology



Why CHC Consulting?

1. Global Standards. African Rigor.

We operate with the same professional, legal, and ethical benchmarks used in the U.S. and Europe – but with the added depth of experience in **resource-conscious, diverse, and highly regulated hiring environments**.

2. Home of the World's Most Regulated Psychometric Professionals

South African **psychometrists and psychologists** are among the most stringently regulated globally. This gives us unmatched expertise in **test fairness, validity, and human rights-based hiring**, now applied to AI systems.

3. We've Solved for Complexity Others Overlook

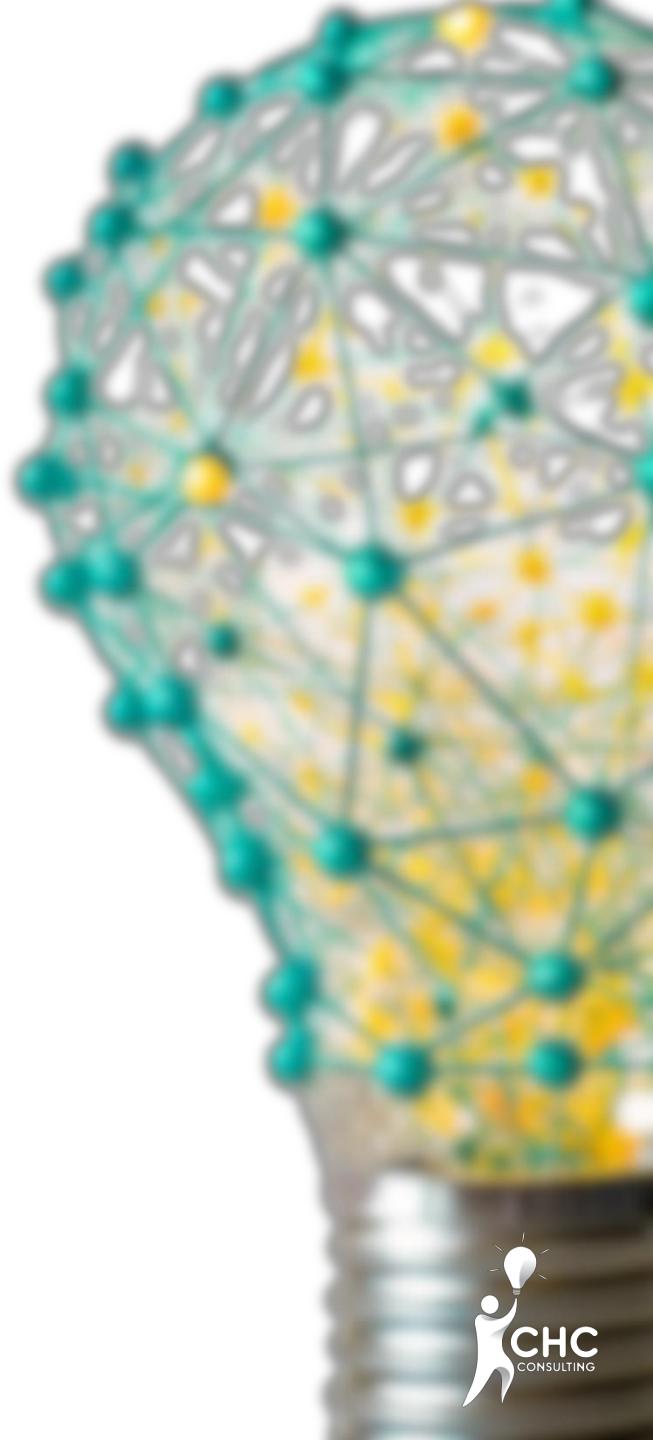
Working across Africa, we audit AI solutions in **multi-lingual, multicultural, and mobile-first markets** – stress-testing fairness in a way few Western firms can match.

4. Unbiased, Independent, and Outside the Silicon Bubble

As a global firm outside the tech epicenters, we bring a **neutral lens**, focused not on VC hype but on **rigorous, human-first compliance and ethics**.

5. Cost-Effective Without Compromising Quality

We offer **world-class auditing at globally competitive pricing**, giving you best-in-class expertise without bloated consulting overheads.



What You Receive



Full Audit Report



Summary Certificate of Ethical Readiness



Risk & Remediation Roadmap



Estimated Timeline: 3 - 4 weeks



Optional: Re-Audit and Ongoing Support

Your Audit Team



Founder & CEO CHC Consulting **CLAYTON DONNELLY, MCOM (Industrial Psychology)**

Clayton is a registered industrial psychologist with the HPCSA. He holds British Psychological Society certification in Occupational Assessment. With a 15-year track record in assessment design, development and implementation, he leads the CHC Consulting. He has worked extensively across industries and continents.



Lead: Assessment & Technology **JENNA SMIT, BCOM HONS (HRM)**

As a registered and experienced psychometrist with the HPCSA, Jenna provides exceptional service and support to client. Jenna is also currently completing her qualifications to qualify as an industrial psychologist. Her research has focused on the predictive superiority of SJTs for selection in South Africa.



Senior Consultant **EYAL BEN-SHIR, BA (Psychology)**

Eyal's 10 year experience and knowledge as a psychometrist (HPCSA) in both assessment development and technical support is matched by his total enthusiasm for the field of talent assessment. His experience spans across industries and countries.



Consultant **LEE-ANNE HANCOCK, BSOCSCI HONS (Psych)**

Lee-Anne's extensive experience working within corporate for 13 years, coupled with her newly found qualifications as a psychometrist (HPCSA) provide the team with contextual support on the account.



Senior Consultant **NICOLA JANSEN VAN VUUREN, MA (Psychology)**

Having a solid grounding in research and the technical aspects of psychometrics, Nicola blends her quantitative research skills, her experience as a qualified psychometrist, and passion for efficient assessment to deliver excellent expert service and advice.



Next Steps

1. Schedule a scoping call to understand your tool and context
2. Agree on scope and access
3. Audit begins – results delivered in 3-4 weeks
4. Debrief and support follow-up

AI in hiring holds immense promise – but only if it's designed and used responsibly.

An independent ethical audit is more than a checkbox – it's your commitment to fairness, transparency, and human dignity.



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MOVING INSIGHT TO ACTION

APPENDIX A

Detailed **AI Audit** Methodology

1. Discovery & Scoping

We begin by mapping the AI system's architecture and use within the hiring process:

- Identify the purpose and role of the AI tool (e.g., screening, ranking, video analysis)
- Understand data sources, features used, and human-in-the-loop decision points
- Review internal documentation: design specs, data flows, and model objectives
- Interview key stakeholders (tech, compliance, product, HR)



Appendix A: Detailed Methodology

2. Fairness & Bias Analysis

We conduct **quantitative fairness testing** to detect any potential adverse impact on protected groups (aligned with EEOC and OFCCP guidelines):

- **Adverse Impact Ratio (4/5ths Rule)**
- **Subgroup performance analysis** across gender, ethnicity, age (where available)
- **False positive/negative rate analysis** by demographic
- **Threshold analysis** to examine decision boundary disparities
- Optional: Simulated candidate data to test edge cases

3. Validity & Integrity

We assess the scientific defensibility of the AI system:

- **Construct alignment:** Are the traits or competencies assessed relevant to job performance?
- **Criterion validity:** Is there evidence that the tool predicts job outcomes?
- **Content validity:** Are assessments or scoring mechanisms job-relevant?
- **Psychometric soundness:** Review of item design, scoring, and test fairness
- **Bias minimization in design:** Use of neutral language, culturally sensitive prompts, etc.

This is led by registered **industrial-organizational psychologists and psychometrists**, ensuring the system meets professional testing standards.



4. Transparency & Explainability

We evaluate how clearly and honestly the AI system can be understood and explained:

- **Model explainability:** Are outputs interpretable by non-technical users?
- **Candidate transparency:** Is the AI use disclosed, and is consent obtained?
- **Auditability:** Can past decisions be reviewed and justified if challenged?
- **User documentation:** Assessment of communication materials, scoring guides, FAQs

Where possible, we apply techniques like **SHAP values**, **LIME**, or **counterfactual explanations** to assess model interpretability.



5. Risk Mapping & Controls

We synthesize findings into a **Bowtie Analysis**, a visual framework that maps potential failure points and mitigations:

- **Hazards** (e.g., bias amplification, privacy breach, legal liability)
- **Preventative controls** (e.g., data audits, review cycles)
- **Detective controls** (e.g., regular fairness testing)
- **Recovery actions** (e.g., candidate appeal processes)

This risk visualization supports internal governance and stakeholder assurance.





THANK YOU

A group of four business people—two men and two women—are shown from behind, standing on a balcony and looking out over a city skyline at sunset. The sky is a warm orange and yellow. A large, semi-transparent white rectangle is overlaid on the image, containing the words 'THANK YOU' in a bold, white, sans-serif font.