

## **HUMAN RESOURCES AUDIT**

Human Resources audits are used to evaluate HR policies and practices. An audit can help evaluate the effectiveness of programs and services; the delivery of these programs and services by HR; and opportunities to either enhance, change or remove programs and processes.

An audit is used to determine what processes are strong, and what processes will need attention. An HR audit is used to identify problems and find solutions in an attempt to address problems before they become unmanageable. It is an opportunity to assess what an organization is doing right, as well as how things might be done differently, more efficiently or with reduced costs. It can be used to create a plan for development of an HR department's functions.

Some of the benefits of conducting an HR audit may include the following:

- Keep the HR department's mission and goals in sync with the organization's needs and long-term business strategy.
- Ensure legal compliance (which should decrease settlement expenses and legal fees).
- Identify and prioritize opportunities for improvement, as well as areas of potential future risk.
- Improve efficiency and productivity so that the department can better serve employees and customers.
- Identify root problem areas and fix them before they become more widespread.
- Find cost-reduction opportunities.
- Improve employee communications and morale and help establish better credibility and perceptions of top management.
- Implement and stay current with best practices.
- Provide a reality check in order to identify and correct any gaps between what is intended and what is actually being delivered.
- Increase the commitment of professionals within the HR department to seek change and focus on continuous improvement.

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## Human Resources Audit Components:

### 1. Determine Scope of Audit & Develop Audit Questionnaire:

An HR audit checklist, covering standard HR functions in 20-plus categories, will be reviewed with the client prior to the start of the audit and customized based on client's needs.

### 2. Data Collection:

Data collection is the actual process of reviewing specific areas to collect data about the company and its human resources practices. The audit questionnaire will be used as a roadmap to review the specific areas identified in the questionnaire. A portion of the audit will be conducted at the client's site of business.

### 3. Results Feedback:

The data will be summarized in written format and feedback provided to the client.

### 4. Action Plan:

A recommended Action Plan will be created. It will include findings separated by order of importance—high, medium and low. The Action Plan will include recommendations on future staffing considerations and will be reviewed with the client.

### 5. Continuous Improvement

At the conclusion of the audit, it is important for your company to engage in constant observation and continuous improvement of the company's policies, procedures and practices so that the organization never ceases to keep improving. The Audit Report will enable your company to embark on this improvement journey.

The provision of the additional services recommended as part of the Results Feedback and Action Plan are not included in the scope of the audit.

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“It takes humility to seek feedback. It takes wisdom to understand it, analyze it, and appropriately act on it.”

--Stephen R. Covey in *First Things First*

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