

## **HR Processes: Self-Audit Checklist**

Make notes or check off items that your organization has; consider establishing those that don't exist. Not all these are applicable to all the Organizations. Discretion of the auditor is required to check the local laws and enforcements and add/modify this checklist appropriately. This checklist is only an example.

### **Employee Communications and Documents**

- Employee files: How are employee files organized? Who is responsible for employee files? Who has access? Are confidential files, such as those containing health information or I-9 forms, kept separate?
- Employee handbook or employment policies: Is there an employee handbook/manual? Is it current and legally compliant? Is it appropriate and relative for the size and scope of your business operations? Is an employment-at-will statement included? Is a no-harassment policy included? Is a no-discrimination policy included? Do employees sign a receipt/statement saying they understand they are covered under the contents? Are supervisors trained in administering the policies?
- Employee communications: Is there an employee newsletter/e-mail? Are there bulletin boards and a policy on who can use them? Is there a complaint/grievance process in place? Is there an employee suggestion process? Are employee surveys ever conducted? How often? Are results communicated back to employees? Are exit interviews done? Is the information acted upon?
- Legally required posters/notices: Has a review of the local laws the company need to follow been done? Are the appropriate posters available for employees to see?
- Documents: Are confidentiality statements or conflict of interest forms being used? Are they needed based on your business structure?

### **Recruitment, Employment and Selection**

- Recruitment processes and sources: How does the company find applicants? Who conducts the interviews? Have interviewers been trained? Are the methods/sources effective in getting qualified candidates?
- Selection processes: Are hiring processes and decisions documented? Is valid and reliable, nondiscriminatory testing being used? Are background investigations and reference checks being done?

- Necessary forms, applications, etc.: Is the employment application legally compliant focusing only on job-related data collection? Do offer letters list compensation based on pay dates (weekly, monthly, NOT annually)?
- Job descriptions: Are there written descriptions of job duties and responsibilities for all positions? Are they current and accurate? Are all items related to job content and essential functions? Do they list the physical requirements of the job? Do employees participate in the development and review of their job descriptions? Is there a process in place to review and update them periodically?

### **New-Hire Orientation**

- Is there a company new-hire orientation? Do departments do orientations? Does management follow up with new hires to check on how they are doing in their new jobs?

### **Compensation and Wage Administration**

- Pay processes: How are pay rates determined? How are jobs classified as exempt versus nonexempt? Is the process legally compliant? Is there an annual increase process? How are increases determined: tenure, performance, skill-based?
- Consistent pay standards: Is equal pay provided for equal work? Are pay rates both externally and internally equitable? Are pay rates competitive? Does the company comply with pay laws when paying current and terminated employees? Are there procedures for recommending and approving salary adjustments?
- Compensation system: Is there a system of formal salary structures that sets pay rates for each job? Is there a stated position to market? Is outstanding or exceptional performance recognized and rewarded? Is there a formal salary budget process?
- Incentive plans: Are there bonuses or incentive payouts? Are there plan documents describing how the plans operate? Is incentive information communicated to employees? Is there a formal program to measure actual performance for short-term incentive purposes?
- Time management: How is time recorded and monitored? Is there an attendance policy and procedure? Is there a no-call/no-show policy? How is payroll notified of excessive absenteeism? Is there a reward for good attendance?

### **Benefits**

- Paid time off: Is there a policy regarding paid time off, vacations, holidays, sick days, personal days? Is there an accrual policy or system for paid time off?

- Leaves of absence: Is there a stated leave of absence policy? What does it cover? How do employees apply for a leave? Who must approve leaves? How are leaves tracked? Is there compliance with laws pertaining to military leave, family and medical leave, pregnancy leave, disability leave, workers' compensation leave?
- Optional insurance benefits: What benefits are provided: health, life, dental, vision, employee assistance program, disability? Which are company provided and which are voluntary? When do benefits become effective? What premium contributions are required of employees? Who is eligible for coverage? Are there summary plan descriptions? Are flexible benefits offered?
- Retirement benefits: Is there a pension plan? Is there a PF contribution? Is there gratuity plan?
- Required benefits: Is information available to employees regarding workers' compensation policy and procedures?
- Reward and recognition: Is there an employee recognition and/or reward program? Are there regular rewards for attendance, quality, customer service, sales, savings or efficiency recommendations, hiring anniversaries, community activities, etc.? Are these applied fairly and consistently?

### **Safety and Wellness**

- Processes: Are there a safety policy and procedures that provide standards appropriate to the company/business? Is regular safety training done? Is an OSHA log maintained? Is there a process in place to respond to emergencies or violence? Are the required and appropriate first-aid supplies available to employees?
- Wellness: Are CPR/first aid training or procedures provided? Does the company provide blood sugar screenings, blood pressure screenings, cholesterol screenings? Is medical information kept private and confidential? Is information on diet and exercise provided? Are there facilities for exercise or working out? Are safeguards in place to ensure the safe use of exercise facilities?

### **Employee Training and Development**

- Workforce metrics: Are costs of hiring and turnover rates tracked? Are flexible work arrangements available/offered: job sharing, flextime, cross-training, telecommuting?
- Employee training: What kinds of training are provided? How are employees selected for training? Is pay for technical training courses, licenses, certification and/or tuition reimbursement provided?

- Supervisory/management training: Are your supervisors new or experienced? Are regular supervisory training courses available?
- Employee development: Do employees receive career counseling or feedback? Are there dual career tracks? Is there a succession plan?

### **Performance and Behavior Feedback Processes**

- Coaching and discipline: Is there a progressive discipline process/policy in place? Are there general work rules covering items such as attendance, absence, tardiness, theft, alcohol and drug use, insubordination, confidentiality, harassment, hours of work, meals and other breaks, smoking, dress code and personal appearance, hiring of relatives, ethics, conflicts of interest, outside employment, use of phone, Internet, e-mail and voice mail, safety, violence, etc.? Are supervisors trained on how to coach and administer discipline?
- Performance appraisal: Is there a performance appraisal process? Is there a periodic appraisal of performance for all employees with the results documented on a performance appraisal form? How often do employees receive formal, written performance feedback? Do employees participate in the process? Are supervisors trained on how to conduct effective performance appraisals? Is the appraisal used to determine salary increases, pay grades, etc.?

### **Termination**

- Termination forms and processes: Are terminable offenses documented? Are there written termination procedures? Who is responsible for conducting terminations? Are there pay and benefits policies regarding terminated employees? Is there a system for responding to unemployment claims? Is there a rehire policy?

### **Human Resource Responsibilities**

- Administration: Is someone designated to be responsible for human resource management? Is there a HR manager and/or an HR department? Are HR responsibilities carried out by employees in other departments? Are any HR responsibilities outsourced? To whom? Is there an HR strategic plan? Are individuals responsible for HR administration regularly trained in HR-specific competencies?