

How to conduct an HR Audit

Author: Newturn Wikirefu . December 2019

The Human Resources Audit is a panacea for all human resources related problems.

What is the Human Resources Audit?

The scope of human resources function has dramatically changed and that has compelled the human resources department to establish and administer a host of policies and practices many of which have compliance *ramifications*. The compliance implications influence the productivity and profitability of the entire organisation. *A Human Resources Audit is a comprehensive process that seeks to objectively and systematically examine the policies, procedures, documentation, systems and practices* with respect to an organisation's HR function. An effective Human Resources Audit should pinpoint the gaps between "what is and "what should be or "what could be". The audit can be split into:

Compliance Auditing: This involves the systematic comparison of human resources practices against policy and legal requirements.

Continuous Improvement Auditing: is the systematic process of identifying gaps in human resources performance between what is and what could be or what should be.

The Importance of Human Resources Audit in an Organisation

There are so many reasons why an HR Audit should be done and these include among other reasons:

- It helps to assess the HR Function's legal compliance with all statutory requirements as stipulated in the labour Act
- It helps any organisation to assess the gap between the current HR function and the desired best possible human resources practices
- It helps an organisation to realise its human resources goals and objectives in line with overall organisational strategy
- It helps to check if the organisation's human resources function is utilized to its maximum potential
- It helps to examine the extent to which human resources procedures, policies, rules and regulations are in tandem with best human resources practices.
- The current strengths and weaknesses of your human resources department will be unearthed
- It assists an organisation in maintaining compliance with constantly changing labour rules and regulations
- It assists any organisation to reduce the risk of lawsuits and other forms of human resources related risks.

What is the scope of Human Resources Audit?

The areas that should be audited include but not limited to:

- Human Resources Strategy
- Recruitment and Selection
- Succession Planning
- Employee Relations Strategy
- Compensation and Benefits
- Employee retention
- Job Evaluation
- Organisational Culture
- Organisational Structure

What are the key deliverables of a Human Resources Audit?

The main deliverables of a human resources audit are:

- A Project inception report outlining the parameters and deliverables of the HR AUDIT
- Measurement of the degree to which compliance or lack thereof is taking place
- A checklist of questions to be asked per each respective policy under scrutiny
- A list of policies to be scrutinized
- A list of records to be assessed
- A Change Readiness and Implications Assessment
- HR Audit Implementation and Sustainability Plan
- Recommendations that should be informed by the findings from the audit
-

On the basis of the above discussion, one is inclined to say that if properly conducted a Human Resources Audit pinpoints how the human resources department unlocks value in an organisation.

Newturn Wikirefu is the Talent Acquisition Manager at Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm.

Phone +263 4 481946-48/481950/2900276/2900966 or cell number +0784 597343 or email: newturn@ipcconsultants.com or visit our website at www.ipcconsultants.com

<https://thehumancapitalhub.com/articles/How-To-Conduct-An-HR-Audit>