ACACIA **HR** solutions

HR AUDIT
✓CHECKLIST
2025

HUMAN RESOURCE AUDIT CHECKLIST (Novice)

Welcome to our comprehensive HR Audit Form, designed to help you review your HR processes. This checklist covers both legally mandated and best practice HR procedures, ensuring that your organization not only remains compliant with current regulations but also implements recommended strategies for competitive advantage.

Comprehensive HR includes strategy, infrastructure and compliance. HR strategy is the high-level plan for managing the workforce to meet business objectives. HR infrastructure is the set of tools, processes, and systems that support the execution of the HR strategy.

HR compliance ensures that HR activities are conducted within the bounds of legal and regulatory requirements. While they are distinct concepts, they are interrelated, as a well-designed HR strategy should be executed through a robust HR infrastructure, and both should operate within the framework of HR compliance to ensure legality and fairness in HR practices.

HR Strategy:

- **Definition**: HR strategy refers to the long-term plan and vision for how an organization intends to manage its workforce to achieve its business goals. It involves aligning HR practices with the overall business strategy.
- **Purpose:** HR strategy focuses on attracting, developing, and retaining talent that supports the organization's objectives. It encompasses workforce planning, talent acquisition, performance management, employee engagement, and succession planning.
- **Examples:** An HR strategy might involve initiatives such as diversity and inclusion programs to foster innovation, or a talent development plan to ensure the organization has the skills it needs for the future.

HR Infrastructure:

- **Definition:** HR infrastructure encompasses the foundational framework and systems that support HR functions within an organization. It includes policies, processes, technology, and practices that enable HR to function effectively.
- **Purpose:** The HR infrastructure provides the tools and mechanisms necessary to implement the HR strategy. It involves things like HRIS (Human Resource Information System), recruitment and onboarding processes, compensation and benefits administration, and performance management systems.
- **Examples:** HR infrastructure involves creating and managing job descriptions, implementing employee onboarding procedures, maintaining records of employee performance, and administering compensation and benefits packages.

HUMAN RESOURCE AUDIT CHECKLIST (Novice)

HR Compliance:

- **Definition:** HR compliance refers to the adherence to labor laws, regulations, and industry standards in HR practices. It ensures that the organization's HR activities are in line with legal requirements to avoid legal issues and potential liabilities.
- **Purpose:** The primary goal of HR compliance is to mitigate legal risks. This includes complying with employment laws, regulations related to compensation and benefits, workplace safety, anti-discrimination laws, and more.
- **Examples:** HR compliance involves actions like staying up-to-date with changes in labor laws, conducting fair and unbiased hiring processes, and maintaining accurate employee records for tax and legal purposes.

The checklist is meant to be just that, a review of the item and a note of whether it is in place, needs review or needs to be created. Items marked with an * are of legal significance and should be remedied immediately. This form can be modified to fit your business situation, industry or state. If an area does not apply to your business, consider it in place and mark one more thing off your list.

Description	In Place	Need to Create	Needs Review
*Ban the Box (state specific			
*EEOC Policy			
*OFCCP Compliance (federal contractors)			
Prohibited Interview Questions (salary added now in states where illegal). All managers trained?			
Background Checks			
Employer Brand (strategy in place)			
Recruiting Strategy (in place)			

HUMAN RESOURCE AUDIT CHECKLIST (Novice)

HRIS System
This list covers items to review for companies with an HRIS or payroll system.

Description	In Place	Need to Create	Needs Review
System setup properly?			
All purchased features fully developed			
Manual processes transitioned to HRIS (onboarding, reviews etc)			
Proper maintenance of employee files in system (hires, terminations, pay changes etc)			

Compensation

One of the largest areas where employers get in legal trouble, the following section covers compensation practices.

Description	In Place	Need to Create	Needs Review
*Employee Time Keeping			
*FLSA (employees classified properly)			
*Meal and Break periods (laws vary by state)			
*Minimum Wage (laws vary by state and city)			
*Overtime Payments (laws vary by state)			
Overall Payroll Admin (secure, error free)			
*Salaried Workers (paid correctly)			
*Tax Withholdings			
*Travel Time (employees compensated appropriately)			
Compensation Strategy			
Pay Disparity			
Specialty Programs (interns, independent contractors etc)			

Benefits & Perks

The area most affected by size of business, this section addresses benefits and perks.

Description	In Place	Need to Create	Needs Review
*Benefit Administration (ACA compliance, proper pre-tax handling of premiums etc)			
*Family Medical Leave Act (FMLA)			
*State Leave Laws (sick leave required in several states)			
*Other Leave Laws Required by State			
401(k) Administration (ERISA Compliant)			
Holiday Pay			
Rewards & Recognition Programs			
Time Off (vacation, PTO)			
COBRA			

Onboarding

This section covers those items employees need once they join the company.

Description	In Place	Need to Create	Needs Review
*File Retention Guidelines			
*I-9 Compliance			
*New Hire Tax Forms and other ppwk			
*New Hire Reporting (varies by state)			
*Workers' Compensation			
*Workplace Posters			
Preventing Sexual Harassment Training (may be required in your state)			
OSHA Training (may be required in your industry)			
Workplace Violence Prevention Plan and Training (may be required in your state)			
Other Compliance Training (diversity and inclusion)			
Employee Grievance Procedure			
Employee Handbook (with baseline required policies)			

Onboarding continued

Description	In Place	Need to Create	Needs Review
Employee Training and Development Programs			
Job Descriptions			
Leadership Development Programs			
Safety/Training Manuals			

Performance Management

Once the employee is onboard, their ongoing performance management includes the following.

Description	In Place	Need to Create	Needs Review
Outside Counsel (someone you can call when needed)			
Sexual Harassment Complaint Process and Investigation Procedure (as required by your state)			
Documentation (are issues documented)			
Employee Surveys			
Performance Management Process			
Performance Review Process			
Progressive Discipline			