HR DIVE

Start where you are: 7 tips for a successful self-audit

"The point of the audit is not to see every missed step; it's to find any kind of trend you can work to resolve," Spring Consulting Group SVP Teri Weber told HR Dive.

By Katie Clarey

Published Oct. 7, 2019

Editor's note: Katie Clarey is one year into covering HR and continues to educate herself and readers on the building blocks of the field with her series, Back to Basics. If you're new to HR (or just need a little refresher), follow along as she speaks with experts and lays out the basics of federal employment law. She can be reached at kclarey@industrydive.com.

HR professionals shouldn't let bad luck determine when they start an audit, according to Spring Consulting Group SVP Teri Weber. It could be that agencies like the U.S. Equal Employment Opportunity Commission or the U.S. Department of Labor initiate an audit; but don't wait until "they've pulled your number," she said.

Instead, HR departments should allow employee complaints to trigger internal audits, she said. It's likely HR won't need to wait long to field a few complaints that point to a larger issue, and that's a good thing. "The time is probably now before someone comes knocking on your door," Weber told attendees at the 2019 Disability Management Employer Coalition (DMEC) Annual

Conference in August. "Be prepared. Do your due diligence and get ready."

To take Weber's advice, HR departments will need to understand what an audit is and how to perform one internally. "An audit is an evaluation against predetermined criteria in its most basic form," Weber told HR Dive in an interview following the conference. "You can audit anything, from disability and absence to your own life goals."

A self-audit enables HR departments to improve by pinpointing the changes that are holding them back. "The point of the audit is not to see every missed step; it's to find any kind of trend you can work to resolve," she told HR Dive. But that doesn't mean an organization needs to be near perfection to engage in an audit: "Everyone needs to start where they are." As HR departments carry out multiple self-audits, they can elevate their standards to improve whatever function, process or procedure they have been auditing.

Shortages in bandwidth and resources may keep HR departments from performing self-audits, Weber said. The benefits they produce, however, may encourage HR pros to make the time and manpower available. The findings of self-audits will educate team members, Weber said. Self-audits will emphasize the importance of compliance. And, while they'll illuminate problem areas, they will help teams understand their starting point and define their path forward. Finally, "a self audit is controlled. You get to decide," Weber said at the conference. "That's not the case with the DOL or EEOC."

The following self-audit steps are based on information Weber presented at the DMEC conference.

1. Fill in the self-audit 'madlib'

To start a self-audit, HR departments need to pick a subject. "You can think about it like a madlib. What do I want to audit my program for? Fill in the blank," Weber said. An HR department may want to make its organization more compliant, for example. "If you're coming at it with that lens, then your predetermined criteria are things like: did I send out my rights and responsibilities for [the Family Medical Leave Act]?; Do I have a policy?; Are managers making termination decisions by checking with us?"

Once the focus of the audit has been chosen, leaders need to make a manageable but thoughtful plan and communicate it to the team, Weber said. The plan should follow a simple pattern: audit, find the change, make the change and assess.

2. Dig through documentation

Technology has made it easier for employees to access policies, but company intranets can also bury documentation that escapes regular updates and causes confusion later on. Weber's solution? Catalog everything. "Once you do it once, you'll know where things are and be able to update them," Weber said. This process may reveal the need to create policies, which allow employers to defend their standards, Weber said. Weber noted that she sees trainings as a part of documentation: "If there is a discrepancy between training and policy, which one is right?"

3. Tour the facility

The self-auditing team will need to tour the office with an unbiased mindset to see problems they may view as a normal part of the

workplace on any other day. They should scan the office walls to make sure they spot required posters among office decor. They should ensure no confidential information is left out in the open.

This step provides a good moment for HR departments to talk to different teams and receive feedback on whatever they're auditing. "You're not going to make a change over everything they talk about, but they're probably your biggest resource in terms of a self-audit," Weber said. "They know about the employee who has a legitimate gripe because something was handled poorly."

4. Look over communications

Weber recommended employers comb through the communication chains coming out of exchanges in which employees were denied their requests. "Those communications can be telling," she said.

"Question everything about the process to see if there was a different or better way."

5. Hunt for process gaps

One process may involve several people, teams and systems. When that's the case, find where an employee's request or task could get lost and "close those ends up," Weber said. "We're never going to be 100% of the way there, but try your best."

6. Analyze your data

Organizations may send data out to other institutions. They may receive data. They'll use data for payroll, benefits, leave requests and more. "Query this," Weber said. "Is this data accurate?"

7. Carry out a 'detailed' claim review

The last step is the most important one, Weber said. "There's no substitute. If you want to truly audit your plan, you have to do this," Weber said. Identify the employee claims in question and sort through all of their details. "When you get to this, you'll be in a good position to succeed."