



HR Audit Checklist

General Company Questions

Are you a federal or state government contractor? ☐ Yes ☐ No

Do you know the employment laws and regulations impacting an organization of your size (by number of employees)? ☐ Yes ☐ No

Do you intend to either hire more people or shrink your workforce this year? ☐ Yes ☐ No

Do you have unions subject to a collective-bargaining agreement? ☐ Yes ☐ No

Do you have a regular system for monitoring and auditing your human resources practices to ensure compliance with applicable state and federal regulations? ☐ Yes ☐ No

Have you had any employment practice claims in the last three years including, but not limited to, NLRB, DOL, EEOC, FLSA, state agencies, mediations, arbitrations, administrative hearings, internal grievances, and attorney demands? ☐ Yes ☐ No

Do you have employment practices liability insurance (EPLI) coverage? ☐ Yes ☐ No

Is your management personnel trained in human resources practices and compliance with company policies and the law? ☐ Yes ☐ No

Hiring, Staffing, and Onboarding

Do you have a recruitment process that includes defining the job prior to advertising openings and training hiring managers on the process? ☐ Yes ☐ No

Are your job advertisements compliant with nondiscrimination, equal employment opportunity, and disability regulations? ☐ Yes ☐ No

Do your job descriptions help you comply with the Americans with Disabilities Act (ADA) by setting forth essential job functions and duties? ☐ Yes ☐ No

Do you use a structured interview checklist with legally-compliant interview questions? ☐ Yes ☐ No

Do you have candidates complete an employment application? If so, is the application in compliance with federal, state, and local laws prohibiting employment discrimination, as well as laws regarding background checks, employment and educational verification, criminal records, driving records, credit checks, and job-related testing? ☐ Yes ☐ No

Do you conduct background checks or drug testing prior to making an offer of employment?

Yes No

Are the tests and assessments you conduct job-related and validated based on actual job performance? Yes No

Do you have a procedure to inform applicants of their acceptance or rejection? Yes No

Do you use independent contractors/contingent workers? If so, do you have them sign a contract confirming that their independent business is compliant with all labor, immigration, and tax laws and that the business has liability insurance? Yes No

Do you make sure that you are fully prepared for onboarding new employees by preparing paperwork, people, policies and procedures, performance expectations, getting the workstation ready, assigning a work? Yes No

Employee Relations and General Employment Policies

Do you have an updated employee handbook compliant with federal and state rules for the areas where your company operates? Yes No

Does your employee handbook contain provisions for employment at will and acknowledgment of handbook receipt? Yes No

Do you have an arbitration or mediation agreement for resolving employee claims signed by employees and maintained separately from your employee handbook? Yes No

Do you have a standard process for measuring and reviewing performance with employees?

Yes No

Does your employee handbook contain language that states that the company will not tolerate any form of harassment, discrimination, or other illegal and unethical conduct? Yes No

Does your employee handbook contain an Equal Employment Opportunity policy statement, and is that also included in your employment application and posted in prominent employee areas of your company? Yes No

Do you have a company ethics policy that includes the process for reporting illegal or unethical activity? Yes No

Do you have a standard process for employees to communicate issues of concern (open door policy)? Yes No

Do you have a documented process, designated investigators, and management training for conducting an investigation of sexual harassment, discrimination, or other complaints?

Yes No

Does your employee handbook outline standards of conduct and progressive disciplinary measures?

Yes No

Do you have an established process and managers trained to ensure that company standards are being followed prior to disciplining or terminating an employee? ☐ Yes ☐ No

Does your process include a second level of review prior to taking significant disciplinary action?

Yes ☐ No ☐

In the case of employment terminations, do you have a process in place to manage compliance with final paycheck regulations, required notifications for termination reasons, unemployment and benefits continuation rights, or any other notification, collection of company equipment, and exit interview process? ☐ Yes ☐ No

Total Compensation (Wages and Benefits) and Hours Requirements

Do you have clearly defined employee classifications including, but not limited to, full-time, part-time, temporary, short-term, exempt, nonexempt, regular employee, independent contractor?

Yes ☐ No ☐

Have you ensured that you are paying your exempt and nonexempt employees in compliance with federal, state, and local wage and hour laws? ☐ Yes ☐ No

Do you have systems and communications in place to accurately track time worked, including meal and rest periods, as required under federal and state laws, for purposes of overtime and regulatory compliance? ☐ Yes ☐ No

Do you have a process in place to approve time worked or to make scheduled work time changes (such as requests for time off, make-up time requests or schedule changes)? ☐ Yes ☐ No

Do you have a written policy for absenteeism and punctuality? ☐ Yes ☐ No

Do you have clearly defined paid time off policies (vacation, sick, holiday, other)? ☐ Yes ☐ No

Does your sales compensation program clearly define when a commission is "earned" and what happens to uncollected commissions after an employee leaves the job? ☐ Yes ☐ No

Do you comply with regulatory rules for the employment of minors (work permits, hours of work)?

Yes ☐ No ☐

If you offer group health benefits programs to your employees, do you have Summary Plan Descriptions (SPDs) for the required plans? ☐ Yes ☐ No

Are your benefit plans clearly communicated to eligible employees? ☐ Yes ☐ No

Do your plans that are subject to IRS section 125 (Cafeteria Plans) or Employee Retirement Income Security Act (ERISA) meet the design, notification, nondiscrimination, and recordkeeping requirements of those plans? ☐ Yes ☐ No

Do your benefit and wellness plans comply with the portability and privacy requirements of the Health Insurance Portability and Accountability Act (HIPAA)? ☐ Yes ☐ No

Is your process and communications for participants eligible for health care continuation through the Consolidated Omnibus Budget Reconciliation Act (COBRA) defined? ☐ Yes ☐ No

Are you working with your broker to ensure that your plans comply with the plan design, notification, and recordkeeping requirements under the Affordable Care Act? ☐ Yes ☐ No

Do your retirement plans (pension, 401(k), 403(b)) comply with all ERISA requirements?

☐ Yes ☐ No

Are all of your discretionary bonus and benefits plans defined and communicated? ☐ Yes ☐ No

If you have a severance pay plan, does it comply with ERISA requirements? ☐ Yes ☐ No

Does your severance pay plan require employees to sign a Release of Claims Agreement as a condition to receiving any severance package? ☐ Yes ☐ No

Do you have a policy to manage various leaves of absence, such as pregnancy disability, military leaves, or other types of special time off needs? ☐ Yes ☐ No

Recordkeeping and Compliance Requirements

Do you know what types of personnel records to maintain in your files? ☐ Yes ☐ No

Do you know how long to maintain your personnel records? ☐ Yes ☐ No

Are your personnel files (cloud or paper) secure, with limited access to those on a need-to-know basis? ☐ Yes ☐ No

Do you separate any of your personnel records? ☐ Yes ☐ No

Do you know which postings you need to have on display in common areas for employees and if the posters need to be in another language besides English? ☐ Yes ☐ No

Do you know what required notices you need to provide to your employees and in what languages? ☐ Yes ☐ No

Do you know what notifications you need to file with the appropriate regulatory authorities?

☐ Yes ☐ No