

Human Resources Audits Prove To Be An Effective Risk Management Tool

One of the largest investments an organization makes is in its employees. As organizations grow and evolve, often Human Resources policies and procedures lag behind and are a last area of concern. Experience has repeatedly shown that the most progressive employers do not wait for an unanticipated employee situation, when it may be too late, to discover they are not in compliance with regulations, or that they have left themselves at risk due to incomplete or outdated policies. Employers who conduct Human Resource audits position themselves to proactively address situations before costly and time-consuming consequences arise.

A Human Resource audit may vary based on an organization's needs. Frequent components of an audit consist of:

- Policy and Document Updates
 - Review employment applications, offer letters, and other hiring documents.
 - Audit record retention policies and practices for legal compliance.
 - Assess employee handbooks and other existing employment policies.
 - Analyze employment agreements, termination letters, and severance arrangements.
 - Identify gaps between written policies and procedures and actual practice.
- Employee Classification Analysis Review Job Descriptions.
 - Evaluate classifications of individual workers for purposes of:
 - Independent contract versus employee status; and
 - Overtime exemption.
 - Audit personnel files and payroll practices for legal compliance.

Having high quality, up-to-date Human Resources policies and procedures ensures that the investment made in employees is productively leveraged, managed properly, and in compliance with frequently changing labor and employment laws and regulations. All employers should seriously consider using experienced labor and employment law legal counsel to assess compliance with applicable employment laws and regulations and reduce the risk of employment disputes.

Information concerning Bond's Human Resources Audit and Compliance Training Services can be found [here](#).

To learn more, contact [Larry P. Malfitano](#) at 315.218.8331 or lmalfitano@bsk.com.



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