

## CONDUCTING AN HR AUDIT



Almost everyone understands and knows what an audit is in today's world. The word audit scares most people because they usually come from the Internal Revenue Service of companies and individuals. When the IRS decides to audit an individual or a business it means that they are skeptical as to whether or not the party involved reported the proper amount of information when filing taxes. Other audits can be done, usually by a company of one of its departments or of an employee, for various reasons. Financial audits are not the only type of audits around today. Many companies are beginning to perform human resource audits of their HR departments. When HR audits are conducted, the company should be looking at the HR policies, practices, and procedures in place at the business. These audits should be done by professionals in the company before an outside company is brought in to do the same thing. By doing it in-house first, the company will be prepared for the findings of the outside audit. After the outside audit has been conducted, the company should take the information found and use it to rewrite or update their company policies, procedures, and laws. An inside audit can help an HR department find problems before an outside company performs the audit, lessening the blow that can come from an audit. HR audits typically help companies comply with federal regulations and laws for how the workplace is handled and employees are disciplined for their actions. When you look at different industries across the country, such as the financial industry, they operate under the Generally Accepted Accounting Principles (GAAP). The human resource industry does not have anything close to these principles, which means the financial industry is one step ahead of the HR industry in that respect. when it comes to designing HR policies, a company should put together procedures and policies that are specifically tailored to that company. Your company can look at the procedures and policies used by other companies in their industry but should not copy those items verbatim. Those policies and procedures might not work in your company's office. An excellent way to keep your human resource department up to date with the changes in the workplace these days is to read white papers, books, and review academic research of companies in your company's industry. This will allow your HR department to see what other companies are doing and how to improve your company's procedures. Another option is to attend trade organization shows, HR events, and other corporate events that describe how to handle HR situations. It might not hurt to speak with colleagues from your industry to see what they are doing in their office when it comes to human resource options and procedures.

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