

# HR Audit Checklist

## Wage and Hour

### **1. Are you confident that all your exempt employees are properly classified?**

- I didn't know there were special requirements to make an employee exempt.
- Yes, we make sure our exempt employees pass the Department of Labor's duties test for their position to be exempt from overtime.
- I think so, but I'm not entirely sure.

### **2. Are you properly tracking and paying all time worked, including overtime, by non-exempt employees?**

- Yes, I track overtime on a weekly basis, and I am confident in my timekeeping and recordkeeping system.
- I don't feel confident in our current methods and think we could use help with this.
- We do our best, but our systems may not be foolproof.

## □ Compliance

### **1. Do you feel good about your I-9s being completed and stored correctly?**

- I think we've done the right things, but I'm not totally sure.
- Yes, I'm an I-9 rock star. We are careful about checking employment verification documents, are using the latest form, and keep our I-9s filed separately from our other personnel records.
- Please, please, please don't give USCIS our address.

### **2. Does your organization have an employee handbook?**

- Yes, but I'm not sure when it was last reviewed or how familiar our leaders are with it.
- No handbook here. We are flying by the seat of our pants!
- Yes, and we've reviewed it in the last year to make sure it complies with federal, state, and local laws and accurately reflects our actual practices.

### **3. Do you know what posters and notices you are required to have in your workplace?**

- We need more than just the minimum wage poster.
- There are so many—I put up those I hear about.
- Yes, and we order a new poster that is compliant with state, federal, and local laws each time it is updated.

## Discrimination

### **1. Does your organization have a policy against harassment and a way for employees to report it without fear of retaliation?**

- We have an anti-harassment policy, but no formal method for reporting issues.
- Yes, we have a clear anti-harassment policy, a detailed compliant procedure, and a commitment to follow through on all concerns.
- We don't address harassment specifically, but we assume that all employees will be on their best behavior at work.

### **2. Do you provide harassment prevention training?**

- Yes, we require it for our leaders.
- No, we aren't interested in mitigating this kind of risk.
- Yes, we require it for all employees.

## □ Benefits

### **1. Do you know if the Affordable Care Act's employer mandate or so-called "play or pay" rules apply to you?**

- Our company is small, even though we're owned by a large company, so we're exempt.
- We never have close to 50 employees, even counting part-timers, so the "play or pay" rules don't apply to us.
- Most of our workers are part-time so we can disregard the "play or pay" rules.
- Yes, we know the rules and know that they apply to us.

### **2. If you offer a health plan to your workers, do you know how HIPAA's privacy rules apply to you?**

- We have documented policies and procedures to comply with HIPAA and we distribute notices to employees about their privacy rights.
- We're not in the healthcare industry so HIPAA doesn't apply to us.
- The insurance carrier handles HIPAA so we don't have to do anything. Right?

## □ Discipline and Termination

### **1. Do your managers formally document performance and behavior issues?**

- Admittedly, we've had trouble on the documentation front.
- Our managers are pretty good about documenting major performance issues, but we don't always get things written down and in employee files.
- Yes, our managers do an excellent job with respect to documenting performance issues and administering disciplinary action consistently.

### **2. Do you have a standard process for measuring and reviewing employee performance?**

- Yes, we have an annual performance review program.
- Yes, we have a bi-annual, or more frequent, performance review program.
- No, we don't have an official review program.

### **3. Do you understand the risks associated with termination?**

- We're an at-will employer, so we can terminate employment at any time and for any reason.
- Yes. Every termination comes with some risk. We work to minimize risk by consistently applying our policies and thoroughly documenting performance issues.
- The biggest risk is that an angry ex-employee will try to sue for wrongful termination, and there's not much we can do about that.