

HR Compliance Audit Overview

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HR Compliance Audit Overview

A HR Compliance Audit is a great tool to undertake an assessment of your current HR documentation. It will ensure you are compliant with the key provisions of the *Fair Work Act 2009*, mitigating risks associated with non-compliance.

The HR Compliance Audit can be completed on-site or remotely. At the end of the audit, you will be presented with a comprehensive report outlining the review findings and recommendations for areas that can/should be improved.

What's included in a HR Compliance Audit?



Below you will find a detailed overview of what is included as part of the HR Compliance Audit.

Document Review

Integral to any HR audit is the employment contract. Liquid HR will review the employment contract templates currently used by your organisation to ensure compliance with the Fair Work Act 2009.

A sample position description will also be reviewed to ensure compliance with the express and implied obligations of the employment relationship.

Existing HR policies and procedures will be reviewed to further determine your organisations level of compliance and duty of care to mitigate risk. Amendments and recommendations for additional policies will be made for both compliance and best practice purposes.

Records Review

As part of the review, Liquid HR will randomly select and examined a sample of 5 hard or soft copy employee files to determine the completeness and accuracy of a range of information and data. Accurate employee records are a requirement of the Fair Work Act (2009). This aspect of the review supports recommendations to address gaps in your organisations record keeping and improve the data integrity of workflow systems and processes. Employee records include the following:

- General records: documentation that records the employers name, ABN, employees name, commencement date and basis of employment (full time, part time or casual)
- Pay records: the rate of pay paid to the employee, the gross and net amounts paid, details of any incentive based payments, bonus, loading, penalty rate or other monetary allowance
- Hours of work records: a record of hours worked for casual or irregular part time employees, the number of overtime hours worked by all other employees, any written agreements around time off in lieu of overtime and any written agreements related to the averaging of an employees hours of work.
- Leave records: details of leave taken and balances, records of any cashing out of annual leave agreements and or agreements to take annual leave in advance.
- Superannuation records: the amount of contributions made, the date, period and name of fund.
- Individual flexibility agreement records
- Guarantee of annual earnings records
- Termination records: whether the employment was terminated by consent, by notice, summarily, or in some other manner (specifying that manner), if notice was provided and, if so, how much and the name of the person who terminated the employment.

Payslip Compliance

Liquid HR will review a payslip from the latest pay run and check that the payslip format meets the requirements of the Fair Work Regulations.

Workers Compensation Insurance

It is a legal requirement that your organisation keeps accurate and up-to-date workers compensation insurance. Liquid HR will review the current policy against the current state of the organisation to ensure that your organisation is appropriately covered, and it is applying the appropriate WIC code for your industry.

Work, Health and Safety

A review of your WHS documentation to determine if you have:

- a clear policy in place
- a mechanism for consulting with employees in relation to WHS matters
- a mechanism in place to manage WHS risks
- A WHS induction process
- An incident notification and management procedure
- Organisation specific WHS procedures
- An emergency management and first aid procedure
- Training in relation to WHS matters
- A return to work management plan to support injured workers

Looking for more?

HR Performance Audit

We have a 3-day HR Performance Audit, which in addition all of the above, will involve an analysis of the current HR practices, including:

- Recruitment and Selection
- Onboarding
- Managing Performance
- Retention
- Learning and Development
- Remuneration

Modern Award and Pay Review Audit

Our modern award and pay review audit will determine the applicable modern award/s that apply at your workplace. We will identify the relevant classifications and minimum rate of pay,

penalties, overtime, allowances and other monetary entitlements you are legally required to pay under the applicable awards for every employee in your business.

Optional add on: For those looking to manage the risk of underpayment, we can review the wages you have paid all employees over the last 12 months against what the employee should have received under the applicable modern award, to ensure you are not illegally underpaying employees.

Thank you.



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