

HR Performance Audit Overview

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HR Performance Audit Overview

A HR Performance 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.

In addition to the above, it will assess your current HR practices against our HR Matrix to identify areas for improvement.

The HR Performance 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 Performance Audit?

Compliance



Assessment of your HR Practices against our HR Matrix

Level	Recruitment & Selection	Onboarding	Managing Performance	Learning & Development	Employee Relations & Compliance	Remuneration & Benefits	HR as a Business Partner
4	Sourcing and recruitment based on business strategy and considered talent assessment	Organisation wide program customised to each departments requirements delivered over a 6-12 month period. Mechanism to review employee experience	Managers take on coaching role, with resources and commitment from the business to assist	Structured development programs seen as a business enabler. Training matrix utilised	Building leadership capability and accountability for employee relations. A proactive approach to compliance	Remuneration and benefits as a considered driver for high performers, engagement and retention	HR understood to be a key strategic component for business success. HR at the forefront of business vision
3	Clearly defined recruitment process, utilising predictive methods to select candidates based on meritocracy	Organisation wide onboarding program with engaging content delivered across the first 90 days of employment	Managers across the business understand this to be a critical aspect of their role and conduct regular formal and informal sessions with staff	Considered individual training in consultation with manager on a regular basis. Business and team needs taken into account	A consultative approach to employee relations. Continuous review of the organisation's compliance requirements	Clear and communicated remuneration framework. Understanding of increase process, bonuses etc... Benefits in place to attract and retain.	HR seen as a key business driver. Management level advice given and a considered
2	Basic clarity of role requirements and responsibilities. Candidates assessed against criteria	Vast majority of content is delivered on day 1. Informal program delivered <u>ad hoc</u> by managers	Mixture of management competence across the business. Broad structure for guidance	Semi-regular group/individual training undertaken. Mainly perceived as a 'should do' initiative	Adequate HR documentation, but lacking genuine understanding of application	General consistency across the business. Increases based on relationships & perceived effectiveness. No/ little employee benefits.	Generalist HR support, largely focusing on administrative functions.
1	Reactive approach to filling roles. Limited structure to recruitment process	No onboarding process for new hires. Ad hoc approach with no consistency. Limited to completion of new hire paperwork	Inequitable, with a lack of process and resources to facilitate managing performance	Ad hoc training requests considered. Small training budget across the business	Limited understanding of employment legislation and compliance requirements	No remuneration framework. Salaries offered based on arbitrary decisions by managers	No HR representation. Considered an administrative function and devolved to line managers

Below you will find a detailed overview of what is included as part of the HR Performance 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

Review of your HR practices

Through interviews with key stakeholders and a review of current processes and documentation, Liquid HR will undertake an analysis of the current HR practices, including:

Recruitment and Selection – an analysis of how talent is currently recruited in the organisation, which will involve a review of:

- the recruitment process, including how a vacant role is identified and whom is responsible
- The medium in which vacancies are advertised, including the cost and effectiveness of this
- Whether the organisation has a current way to track and maintain contact with external talent
- Recruitment documentation, including phone screening guides, interview questions and reference checks
- The offer process, including how the remuneration for the role is determined, whether this is benchmarked to the industry and how the role is offered to the candidate

Onboarding – an analysis of how new team members are introduced to the organisation, which will involve a review of:

- Any communication to a new team member prior to their commencement in the role
- The onboarding process currently in operation – including a review of what happens when a new team member currently joins the organisation, comparing this to HR best practice.

Managing Performance – an analysis of how performance is currently managed in the organisation, which will involve a review of:

- How any performance issues/concerns are currently addressed, including a review of current performance documentation utilised (discussion records, warning templates etc)
- 5 random samples of performance documentation currently on file and whether this documentation would meet the required standards of the Fair Work Act 2009, should the performance issue proceed to termination
- The performance appraisal process and guidelines, including performance appraisal documentation
- How goals/KPIs are currently set for team members to determine if these are linked to the broader organisational objectives
- How leaders are provided with feedback on their performance and opportunities for further growth

Learning and Development – an analysis of the organisations current Learning and Development which will involve a review of:

- The current learning and development processes in place, including how learning and development opportunities are identified and offered to employees
- Any learning and development initiatives currently offered
- Any potential opportunities to improve the learning and development offer

Remuneration and Benefits – an analysis of the organisations current remuneration and benefits structure which will involve a review of:

- How remuneration is currently determined, including a review of the current remuneration framework and policies
- Any market benchmarking that has been completed by the organisation
- How remuneration is determined for any internal promotions or transfers
- The perceived value of any benefits that are currently offered to employees and recommendations for any additional benefits that could be considered to have a positive impact on engagement and retention
- Any bonus/incentives currently in place and whether this is clearly documented and communicated to employees

Looking for more?

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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