



What is an HR Audit?

It is a process we carry out that enables you to fully understand how effective all of your current people processes are. Initially we will arrange to meet with you to discuss and review the following areas:

- HR practices, policies and procedures
- Leadership/Management style and culture
- Recruitment Processes
- Compensation and benefits
- Health and safety
- Training and development
- Succession planning
- Employee relations
- Communication processes
- Organisational processes

Once we have the feedback from you, the information is analysed and a report is produced to outline key priorities and offer suggestions and actions for the future.

We use a colour coded system to rate areas for review in order of importance, as follows:



- Red being the areas we believe should have immediate attention/action

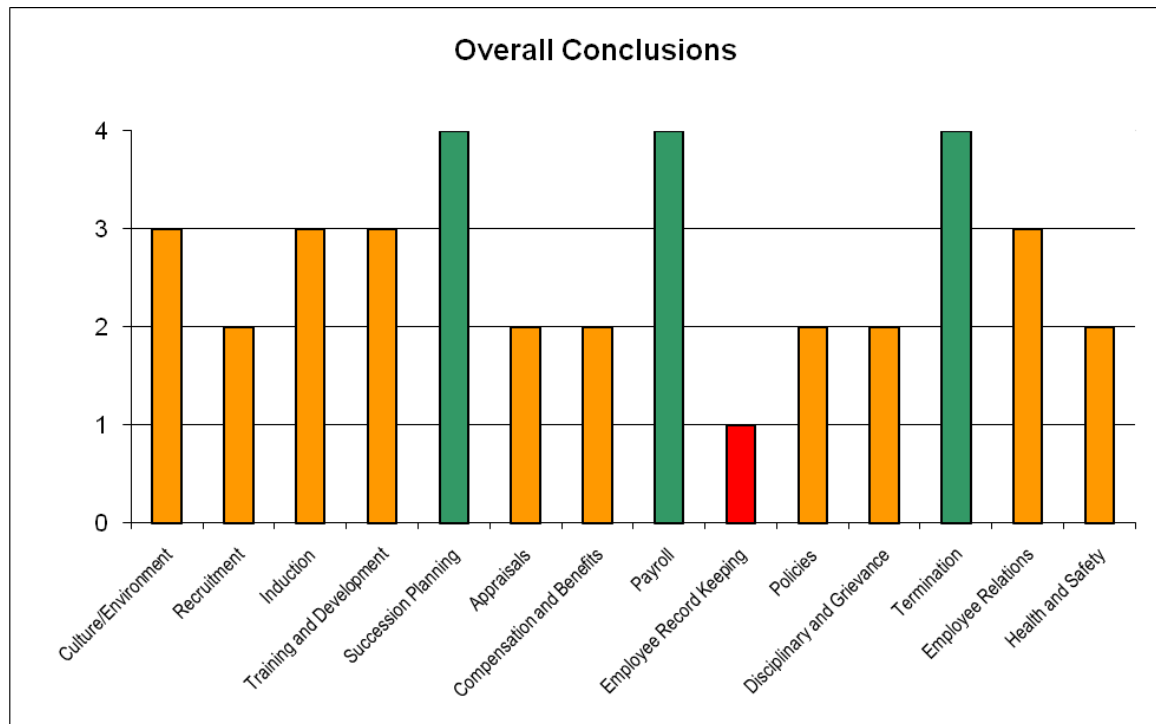


- Amber less urgent action needed



- Green where we believe no or little action is needed.

The report also includes a summary graph of our findings. An example of this is below:



Rating Scale:

- 1 Immediate action required (red)
- 2 Action required within 6-12 months (amber 2)
- 3 Longer term requirement 12 months + (amber 3)
- 4 No action required (green)

The consolidated data gathered provides a unique report giving insights into what's currently working in your organisation and more significantly what areas may need urgent attention in order to comply with employment legislation. In addition, the report will also suggest what could be better to improve the performance of leaders, teams and individuals.

It prioritises these into areas which most urgently need to be addressed, thereby helping you to formulate your HR plan.

Benefits - Why is the audit and subsequent report important for you the client?

To check that:

Your employee handbook and employment policies are up to date

Handbooks and policies can often lay dormant in organisations with out of date information which leads to confusion amongst managers and employees about what procedures to follow and whether they are accurate. By ensuring this information is up to date, your managers and employees will be clear about employee entitlements and company expectations.

Contracts of employment are up to date

Are your contracts of employment legally correct and do they contain all the relevant clauses? Having up to date contracts can cut out potential disputes with your employees and help them understand their employment rights. Our audit may also highlight the need for you to think about harmonising terms and conditions if you have a number of different contracts for employees.

You are complying with employment legislation

Changes often occur to employment legislation so by making sure you are up to date and complying with current legislation, your legal exposure is reduced. The risks if you do not comply may be claims against the company for breach of contract / failure to comply with statutory provisions, for example.

Morale is at a good level

Happy employees tend to enjoy their jobs more and take pride in what they do which in turn improves productivity and quality. High morale will increase your competitiveness as employees will be more engaged, willing to work harder and be more committed to your company's goals.

Your recruitment practices/tools are effective

Some employment legislation applies during recruitment and selection so by reviewing your practices we can make sure you are not at risk of non compliance. There may also be suggestions we can make on existing practices to help with recruiting the right employee. For example, how does the company advertise a job, respond to candidates and select a new employee.

Your salaries and benefits are reasonable, competitive and both externally and internally fair

Are you attracting and retaining the right people for your business? You may require some help assessing whether you are offering market rates that attract the right candidates and paying existing employees a competitive rate. Employee retention/turnover may be affected by these factors.

Your health and safety practices are effective

Protecting the health, safety and welfare of your employees is essential not only in moral terms but also legally and financially. In human terms it helps reduce employees' pain and suffering and it also helps ensure your business is successful/sustainable and legally compliant.

You have processes in place to manage staff performance and development

The benefits to be gained from effectively managing staff performance and development are tremendous. It can impact on a number of areas such as morale, staff retention, productivity and quality of output. Setting goals, making sure expectations are clear and providing frequent feedback helps people perform more effectively.

Employee relations and communications are effective

Good two way communication can help to build the psychological contract, in which employees feel valued by their employer and the employer values (and is seen to value) their employees' contributions. This in turn promotes better performance, employee retention and positive emotions towards work.

We can assist you with putting together a robust HR plan to address any weaker areas and link HR practices to business planning.

We will arrange to meet with you again to review the report and agree key actions. Following this meeting we will send you a cost proposal outlining the HR areas to be addressed, the project details and hourly/daily rate charged by People Business.