

Human Resources Audits

What You Don't Know Can Hurt You



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“COMPLIANCE DOESN'T HAVE TO BE HARD.”

~ Auditocity

Agenda



Why are HR Audits Important?



How to conduct an Audit?

Compliance vs Best Practices



Dangers of NOT conducting an Audit



Who needs to Audit their HR Program?



How often should you Audit?



Tools

What is an HR Audit?

Systematic review of an organization's human resources policies, practices, procedures, and systems. An HR Audit is designed to assess compliance with applicable laws and regulations as well as best practices.

A

Review

Reviews laws and best practices

B

Identify

Identifies risks and evaluates effectiveness of the HR program

HR Audits Assess



Recruitment



Onboarding



Performance Management



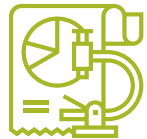
Employee Relations



Comp and Benefits



Regulatory Laws



Training and Development



Strategy



Data

Additional HR Audits Assessments



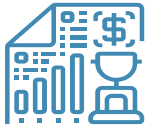
Offboarding



Remote Workers



Compensation Duties Testing



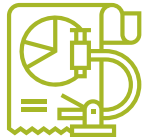
Drug screens and Background Checks



Temp Workers



1099 Treatment



Investigations



ACA



Reporting Systems

Why are HR Audits so Important?



You are responsible
whether you know the
laws and practices or not



Audits gives you a report
of what needs to be
remediated and when



Removes Fear



Saves the company \$\$\$

Who Needs an HR Audit?

YOU DO!!!!!!

A small horizontal bar with a rainbow gradient, positioned below the text "YOU DO!!!!!!".

How to Conduct an Audit?

Enter your subhead line here



Research



Gather



Assess



Find Remediation
Steps

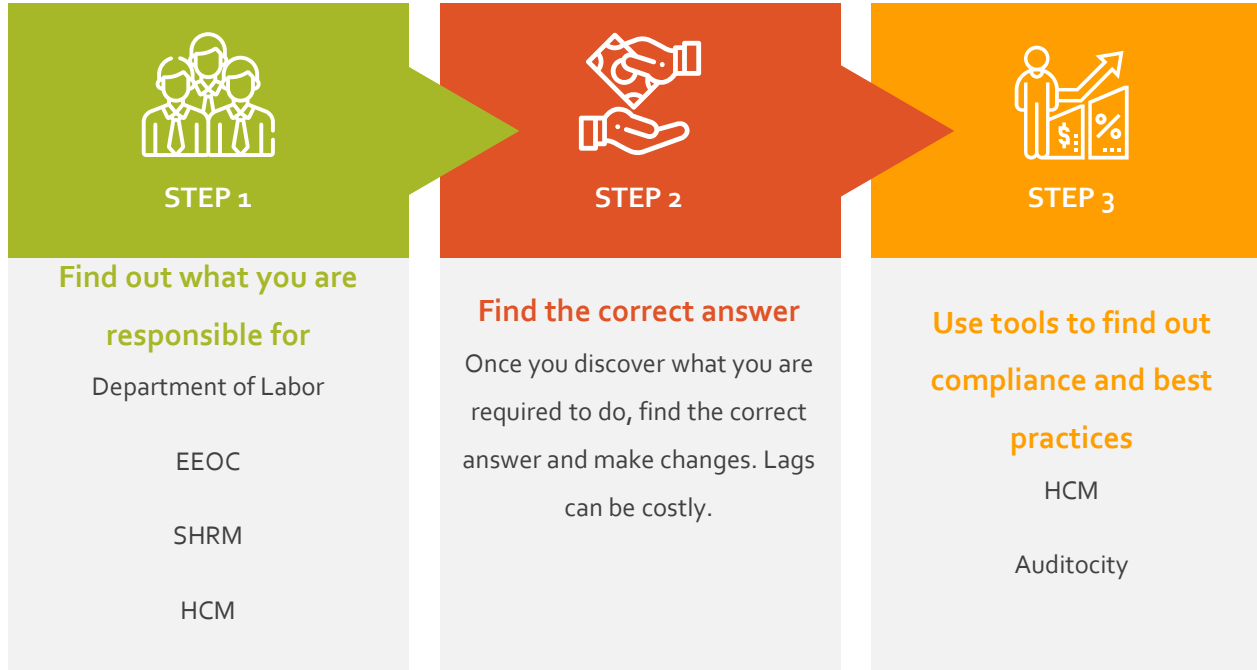


Remediate



Track

Research



How Often Should You Audit?

New Regulations



Regulations change constantly. As new regulations are developed, check your current process.

Ex. **Pregnant Workers Fairness Act (PWFA)** June 27th 15 ee

New processes or increase in employee count



When new processes or rules are created, companies should audit all areas related to the new process. Ex. adding a fleet, may trigger DOT. Hiring increases above 50 FTE –ACA; 50 ee within 75 miles FMLA

Maintenance: At least annually



An annual schedule to audit your entire program ensures continuous improvement and a chance to catch mistakes or misses.



Find the Source



Most companies are shocked to discover they are under the EEOC's jurisdiction.

- General Coverage under most protected classes 15 or more employees for at least 20 calendar weeks (this year or last)
- Age Discrimination over the age of 40 if you have 20 or more employees for at least 20 calendar weeks (this year or last).
- Equal Pay Act almost all companies (at least two employees)

Coverage of Business/Private Employers

General Coverage

 [Translate this Page](#) 

If you have a complaint against a business (or some other private employer) that involves race, color, religion, sex (including sexual orientation, gender identity, or pregnancy), national origin, disability, or genetic information (including family medical history), the business is covered by the laws we enforce if it has 15 or more employees who worked for the employer for at least twenty calendar weeks (in this year or last).

Age Discrimination and Coverage

If your complaint involves age discrimination, the business is covered by the laws we enforce if it has 20 or more employees who worked for the company for at least twenty calendar weeks (in this year or last).

Equal Pay Act and Coverage

Virtually all employers are covered by the Equal Pay Act (EPA), which makes it illegal to pay different wages to men and women if they perform substantially equal work in the same workplace.



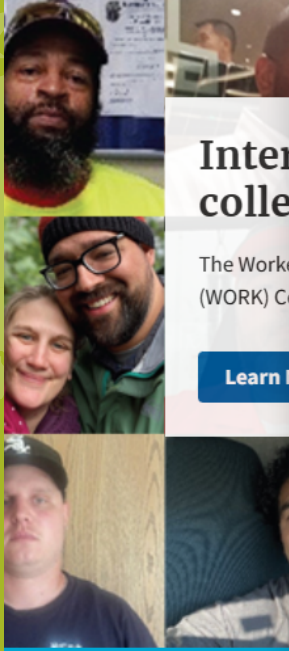
TOPICS ▾

AGENCIES ▾

FORMS

ABOUT US ▾

NEWS ▾



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Agencies

Office of the Secretary (OSEC)

Administrative Review Board (ARB)

Benefits Review Board (BRB)

Bureau of International Labor Affairs (ILAB)

Bureau of Labor Statistics (BLS)

Employee Benefits Security Administration (EBSA)

Employees' Compensation Appeals Board (ECAB)

Employment and Training Administration (ETA)

Mine Safety and Health Administration (MSHA)

Occupational Safety and Health Administration (OSHA)

Office of Administrative Law Judges (OALJ)

Office of Congressional and Intergovernmental Affairs (OCIA)

Office of Disability Employment Policy (ODEP)

Office of Federal Contract Compliance Programs (OFCCP)

Office of Inspector General (OIG)

Office of Labor-Management Standards (OLMS)

Office of the Assistant Secretary for Administration and Management (OASAM)

Office of the Assistant Secretary for Policy (OASP)

Office of the Chief Financial Officer (OCFO)

Office of the Solicitor (SOL)

Office of Workers' Compensation Programs (OWCP)

Ombudsman for the Energy Employees Occupational Illness Compensation Program (EEOMBD)

Pension Benefit Guaranty Corporation (PBGC)

Veterans' Employment and Training Service (VETS)

Wage and Hour Division (WHD)

Women's Bureau (WB)



Laws & Guidance

The types of laws and discrimination that the U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing are outlined in the following overview.

- [Federal Laws](#) prohibit workplace discrimination and are enforced by EEOC. These are passed by Congress and signed by the President.
- [Regulations](#) implement federal workplace discrimination laws. They are voted on by the Commission after the public has a formal opportunity to provide comments to EEOC. Find our current regulations, read and comment on proposed regulations, and see our regulatory agenda at the link above.
- [EEOC Subregulatory Guidance](#) expresses official agency policy and explains how the laws and regulations apply to specific workplace situations. These documents include volume II of the EEOC's Compliance Manual, and the enforcement guidance, policy guidance, and policy statements that are filed within it.
- [Rescinded and vacated regulations, guidance and technical assistance](#)
- [Commission Decisions](#) concern a specific charge of discrimination where the Commission votes to express official agency policy to be applied in similar cases by EEOC. They should not be confused with EEOC's federal sector appellate decisions in federal employee complaints of discrimination.

Discrimination by Type

Laws, regulations and policy guidance, and also fact sheets, Q&As, best practices, and other information organized by basis of discrimination.

- [Age](#)
- [Disability](#)
- [Equal Pay/Compensation](#)
- [Genetic Information](#)
- [Harassment](#)
- [National Origin](#)
- [Pregnancy](#)



FEBRUARY 22, 2023

[New York City hotel management company denied employees overtime pay, benefits by misclassifying them as independent contractors](#)

NEW YORK – A federal investigation has recovered \$113,613 in back wages and liquidated damages for 71 employees of a New York City hotel management company that denied them their full-earned wages, including overtime, by misclassifying many of the affected workers as independent contractors.

APRIL 13, 2023

[‘Danger Vu’: Federal inspection again finds Dollar General exits, walkways blocked, boxes stacked unsafely, workers at risk in Texas, Wisconsin](#)

WASHINGTON – At Dollar General stores near Houston and Green Bay, federal workplace safety inspectors found exit routes and walkways blocked – unsafe conditions that make safe and quick emergency evacuation difficult or impossible – that have become common discoveries for years at stores operated by one of the nation’s largest discount retailers.

JANUARY 27, 2023

[US Department of Labor finds Joliet restaurant employed 25 minors in violation of child labor limits, assesses \\$18K in penalties](#)

JOLIET, IL – Federal investigators have found a Joliet restaurant and catering company illegally employed 25 minor-aged workers as bussers, runners and dishwashers after 7 p.m. on school nights and 9 p.m. on weekends, and some more than 18 hours a week, and denied seven other workers overtime for hours over 40 in workweek.

[Search](#)[Reset](#)

Newsroom

[Translate this Page](#)

Welcome to the EEOC's Virtual Newsroom, which offers a wide range of information and materials on the Commission's history, functions, procedures, programs, actions and staff, on the statutes we enforce, and on related research, data and statistics. We encourage everyone to browse and search through our continually updated Press Kit, which provides extensive background and context for virtually any question.

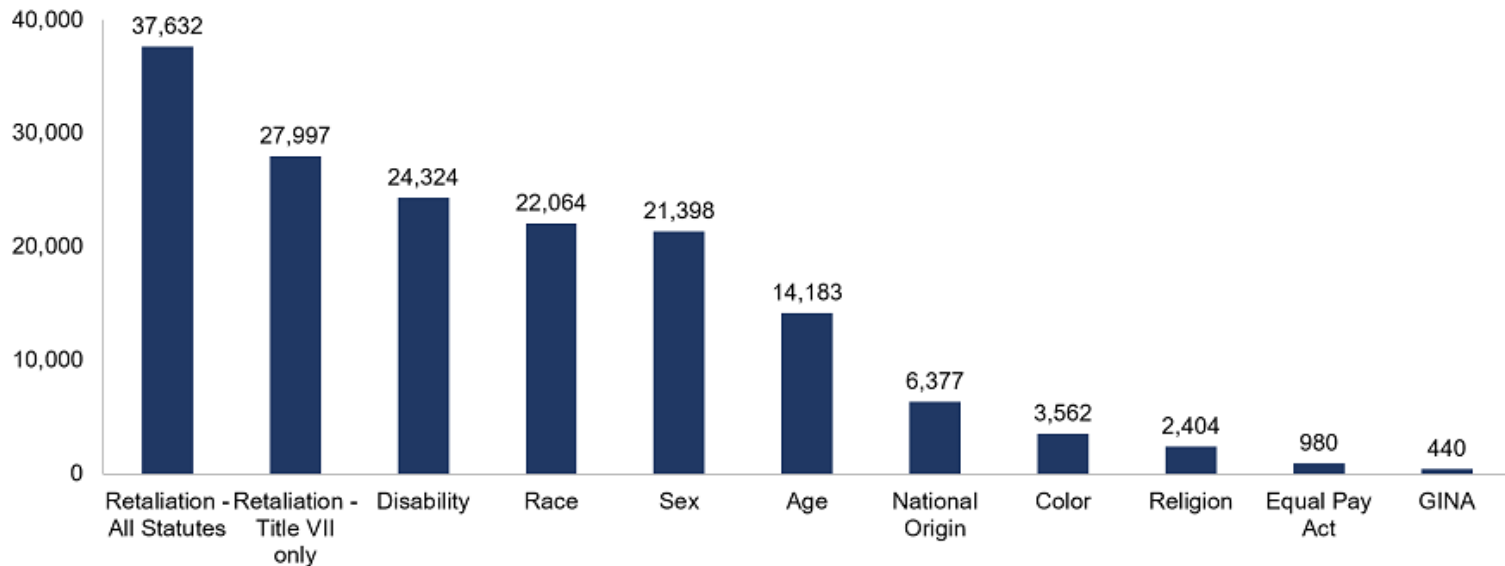
To contact The Office of Communications, please phone 202-921-3191 or send an e-mail to newsroom@eoc.gov. Please note, this e-mailbox is intended for reporters, news producers, those writing for news publication and broadcasts, and other people working on news programs or stories.

If you are seeking information about the EEOC, please call 1-800-669-4000 or e-mail info@eoc.gov.

Displaying 1 - 24 of 6651 results

Title	Date
A.V.I. Sea Bar & Chophouse Restaurant to Pay \$55,000 in EEOC Pregnancy Discrimination Lawsuit	April 14, 2023
EEOC Sues Domino's Franchise for Racial Harassment, Constructive Discharge	February 02, 2023
Joe & The Juice Resolves Sex Discrimination Charge	February 02, 2023
EEOC Hearing Explores Potential Benefits and Harms of Artificial Intelligence and other Automated Systems in Employment Decisions	January 31, 2023
Pierrette McIntire Named as EEOC's New Chief Information Officer	January 30, 2023
McDonald Oil Company to Pay \$400,000 to Settle EEOC Sexual Harassment Lawsuit	January 25, 2023
Updated EEOC Resource Explains ADA Requirements for Individuals with Hearing Disabilities in the Workplace	January 24, 2023
Excentia to Pay \$100,000 to Settle EEOC Disability Suit	January 19, 2023
Burger King Franchise to Pay \$60,000 to Settle EEOC Sexual Harassment and Retaliation Suit	January 19, 2023
Orchard Company to Pay \$127,500 to Settle EEOC Sexual Harassment Lawsuit	January 17, 2023
Pneuline Supply Settles EEOC Disability Discrimination Case	January 17, 2023
North Memorial Health to Pay \$180,000 to Resolve EEOC Disability Discrimination Lawsuit	January 13, 2023
Comment Period Open for EEOC Strategic Enforcement Plan	January 10, 2023
Hiland Dairy to Pay \$140,000 to Settle EEOC Disability Discrimination Suit	January 06, 2023
McDonald's Franchise to Pay Nearly \$2 Million to Settle EEOC Sexual Harassment Lawsuit	January 06, 2023
Williamsburg Hometown Iga Sued by EEOC for Religious Discrimination	December 27, 2022
Red Roof Inns, Inc. Will Pay \$43,188 to Settle EEOC Disability Discrimination Suit	December 27, 2022
American Piping Inspection to Pay \$250,000 to Settle EEOC Race Discrimination and Retaliation Suit	December 23, 2022
EEOC and CCS Facility Services Conciliate Sexual Harassment Finding	December 22, 2022

Charge Receipts by Basis FY 2020



Please note that individuals often file charges claiming multiple types of discrimination, therefore the sum of the discrimination bases will exceed total charges filed.

*Charge data includes all charges filed by individuals in the private sector and state and local government workplaces; it does not include discrimination complaints in the federal sector.

**For all definitions of terms please go to: <https://www.eeoc.gov/enforcement/definitions-terms>.

Dangers



Fines and Fees



Bad PR

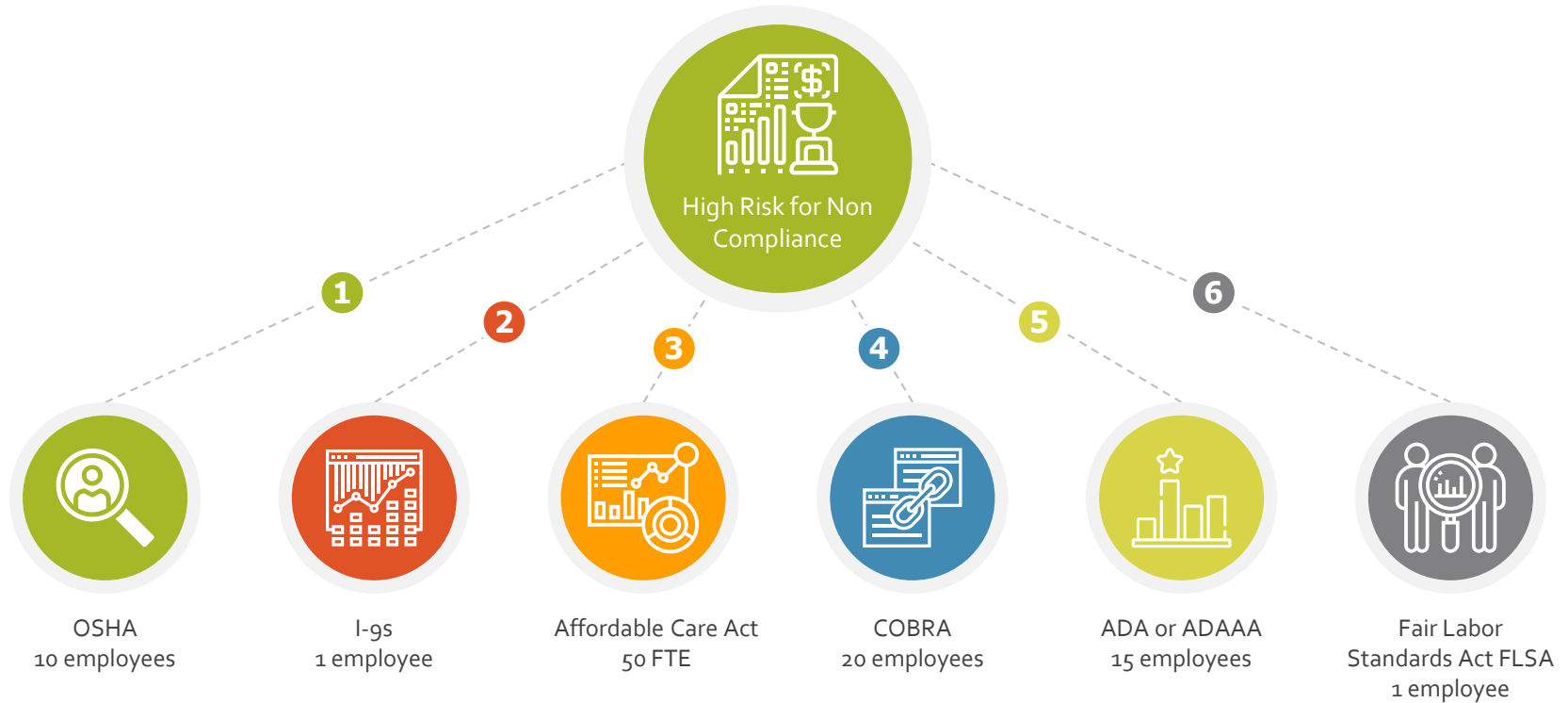


Recruiting Difficulties



Loss of Trust

High Risk for Non Compliance



OSHA Fines

2022 Penalty Adjustments	
Type of Violation	Penalty
Serious Other-Than-Serious Posting Requirements	\$15,625 per violation
Failure to Abate	\$15,625 per day beyond the abatement date
Willful or Repeated	\$156,259 per violation

FLSA Fines

Type of Violation	Penalty
Willful or Repeated (civil, but can be criminal under willful)	\$1,000 per violation
Child Labor	\$10,000 per violation

I-9 Fines

2022 Penalty Adjustments	
Type of Violation	Penalty
Paperwork related First Offense – Substantial or uncorrected technical errors	\$252 to \$2,507 per violation
Second Offense	\$1,161 to \$2,322 per violation
Recruiting, referral, and rehiring violations Unauthorized workers	\$627 to \$5,016 per violation. Subsequent up to \$26,076 per violation.

ACA Fines

Type of Violation	Penalty
Failure to file 1095-C forms if filed after August 1 of following year	\$290 per return
Intentionally disregards the filing responsibilities	\$580 per return per eligibility year since 2015.

ADA and ADAAA Fines

2022 Penalty Adjustments	
Type of Violation	Penalty
First Offense	\$75,000 per violation
Second Offense	\$150,000 per violation

COBRA Fines

Type of Violation	Penalty
Failure to offer or comply	IRS \$100 tax per day per person or \$200 tax per day per family.

Audit Poll

Poll Conducted with 1433 Paycor Business Users

- **57%** of participants have attempted to conduct an HR Audit.
- **74%** of participants don't know where to start an HR Audit.
- **59%** of participants admitted they were non-compliant on Department of Labor regulations.
- **96%** said they will use was a tool that helps them conduct and track HR Audits.

April Virtual Summit 2023

HR Audits: What You Don't Know Can Hurt You

Facilitated by Auditocity



I desperately need a tool that could help me figure out what I'm supposed to do in HR.

--- Survey Responder

Solutions

Sign Up for Updates:

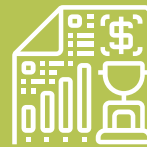
Sign up for Department of Labor Updates, SHRM, HRCI, HCMs, Auditocity.

Stay Organized

Ensure your policies and practices are up to date and meet the needs of the business.

Make Auditing a Cost of Doing Business

Each member of your team should be accustomed to processes being reviewed for accuracy, consistency of use, and effectiveness



Solutions

Ask for Help

When in doubt, reach out to professionals.

In Conclusion



Become a student of compliance and best practice needs for your company



Learn what questions need to be asked, then learn the answers. DOL, EEOC, SHRM, HRCI, HCMs, Auditocity are all great tools.



Gather your policies, procedures, and practices



Audit what you do and how it's done. Are they aligned with what your resources directed? Are you at risk?



Remediate things that need correction. Prioritize things that cause harm to the employees or company.



Utilize tools that make auditing simple and trackable.



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