

Are HR Audits Meant to be Punitive?



When one thinks of ‘audits’, it commonly has a harsh, punitive connotation to it where you think of auditors coming into your office and digging into your records to find out what you did wrong, requiring explanations causing a lot of anxiety, and you are essentially “guilty until proven innocent” if we put it loosely. That is totally understandable where finance is concerned, however, is that what the human resources audit also entails? Of course not. Whilst financial audits provide credibility to financial statements and ensure that the organisation’s accounts are a true representative of what is and are fair. The SABPP HR audit unit recognised in August 2014 after the successful launch of the HRM Standards and the aim is to ensure that every organisation in South Africa is audited against the National HRM Standards. SABPP verifies that the outcomes derived from the audit is based on quantitative measures but also qualitative recommendations that are fair and suitable to the organisation’s needs.

The HRM standard is complimented by a comprehensive competency model and the HR audits are driven by the 13 HR standard elements and competency model, to evaluate the activities of the HR function by evaluating individual’s contributions and/or activities and their alignment to the strategy. The key word is ‘alignment’, the HR audit aims to add value to the sustainability of organisations this means assisting organisations to meet the stakeholders’ expectations, gaining competitive advantage, and improving economic performance. According to the SABPP HR Audit Tribune (2015), one of the key benefits of the HR audit for organisations is that management can be assured of the readiness of their HR Departments to support the business strategy. Moreover, investors, funders, shareholders, suppliers, and financial

auditors, are also assured that the human capital risks in their organisation are understood and effective systems (controls) are in place to manage them.

To continuously develop organisations for the future and not just for the current era, SABPP aims to communicate this throughout the organisation, the members, the clients, and alliances. One way of practically doing so is through utilising the HR audit unit. The HR Audit will assist organisations to effectively identify and address gaps with the assistance of the SABPP Assessment Tool; effectively manage people risks through sound governance, additionally, an organisation would be stepping on to continue developing their HR function, and ultimately the organisations Return on Investment. One of the highlights from a successfully audited organisation that gave feedback on the improvements observed post the HR audit, stated that "Human Resource personnel now understand the importance of their role in the organisation, the integration of Human Resource systems can give more reliable, accurate and instant reports, the importance of costing every HR activity to prove its financial impact on the bottom line, there is greater inter-departmental cooperation through service-level agreement to facilitate change and/or OD interventions, and encourages greater employee participation in the identification of risk." With that said, there is 'no one size fits all', nevertheless, the SABPP HR audit works on customised fits for everyone and will fit the needs of every organisations by helping to build the right competencies where required without punishing the HR function of organisations.