

HR AUDIT CHECKLIST



DEVELOPED BY



About the Tool

HR Audit is a crucial process to be followed in all business to know where you stand before you work on what to improve or change. It is important to periodically assess critical areas of people management to ensure compliance, see where you stand against industry standards and compare it with best practices to see if they align.

This template covers critical areas like:

- UAE Labour Law
- Mission & Goals in relation to People Management
- Culture
- Recruiting Team Members
- Job Roles
- Compensation & Benefits
- Onboarding
- Policies & Procedures
- Learning & Development
- Termination & Offboarding

Benefits of the Tool

HR Audits are mostly conducted by an independent third party who specialise in conducting audits. However, we have created this simple and easy to use to self-audit your business to:

- Assures and encourage compliance to applicable laws and regulations
- Get a quick understanding of which critical areas in HR warrant further action.
- Take stock of employee concerns and morale
- Understand where team members are being used to greatest benefit of the company.
- Identifies areas of improvement to promote positive change.

Next Steps

We recommend creating an Action Plan to map out the key actions to be taken in a timely manner.

HR Audit Checklist

Being an employer is an exciting opportunity and a massive responsibility as you will be impacting people’s lives and their families, so it is imperative that your business has a compliant and robust HR set-up.

The tool is a simple audit checklist on how you would rate your business on a scale of 1 – 4* on the specific statements for each HR component; the definitions of the score is as follows:

| 1 | 2 | 3 | 4 |
|--------------------------|---|--|---|
| Oops! I haven’t started! | I have thought about it and have a vague idea | I am clear on this; I just need to document it | I have a clear HR Plan. I am 100% ready to go! |

Its time to Audit Your People Management

| HR Components | Score | | | | Reference Document <i>(tools, templates, etc.)</i> | Audit Observations & Comments |
|---|-------|---|---|---|---|-------------------------------|
| | 1 | 2 | 3 | 4 | | |
| 1. UAE Labour Law – Self Assessment | | | | | | |
| I understand the UAE’s new Labour Law including my duties, obligations and responsibilities as an employer whether in the mainland or freezone. | | | | | | |
| I am fully aware of the consequences of not complying with the Labour Law. | | | | | | |
| Our Employment Offer and Contract are compliant documents that clearly define terms of employment and protects the Employer and Employee | | | | | | |

S&K HR Audit Checklist

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|--|-------|---|---|---|---|-------------------------------|
| | 1 | 2 | 3 | 4 | | |
| 2. Vision, Mission & Goals | | | | | | |
| All team members of the business are aware of the company vision, mission and goals. | | | | | | |
| I am clear on the Mission and goal of the company which can be used to forecast recruitment and staffing needs. | | | | | | |
| I have clear channels of communication and engagement between management and employees. | | | | | | |
| 3. Culture | | | | | | |
| I am clear on the type of culture and working environment within my company. | | | | | | |
| I continuously work on creating an environment where employees feel valued and contribute to the success of the business. | | | | | | |
| 4. Organisation Structure & Job Roles | | | | | | |
| I have a clear Organisation Structure for the business. | | | | | | |
| I have 'Job Descriptions' for each existing and new role, including what qualifications and skills are essential for the role. | | | | | | |

S&K HR Audit Checklist

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|--|-------|---|---|---|---|-------------------------------|
| | 1 | 2 | 3 | 4 | | |
| 5. Recruiting Team Members | | | | | | |
| I have a clear recruitment plan to support the business forecast for the next 2 years | | | | | | |
| I have a clear recruitment process that facilitates selection of an employee in a fair and transparent manner with a positive candidate experience | | | | | | |
| I know where to find the talent (e.g., Job portals, recruitment agencies etc.) to join the team. | | | | | | |
| Talent knows where to find our company and apply for exciting roles in the business. | | | | | | |
| I have set-up screening tools to shortlist candidates and contact them to set up interviews. | | | | | | |
| I am able to assess the suitability of the candidate to the culture of the business and suitability of the role. | | | | | | |
| I am comfortable to reject unsuccessful applicants in a timely and professional manner. | | | | | | |
| 6. Compensation | | | | | | |
| I have prepared a budget based on what we will be paying team members, validated by reliable market salary data. | | | | | | |

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| I have a well defined compensation and benefits framework that allows us to attract and retain our team members. | | | | | | |
| 7. On-Boarding | | | | | | |
| I have completed the legal set up of my company to be able to bring new team members on-board including Establishment Card, Quota etc.? | | | | | | Medical insurance |
| I am able to process visa requirements, for new team members and maintain a positive onboarding experience. | | | | | | |
| I am well prepared to receive new team members at the office, including setting them up with a workstation, computer/laptop etc. | | | | | | |
| I understand the Labour Law requirements on maintaining Employee Records for all new hires. | | | | | | |
| I am prepared with an induction briefing for new hire(s) to understand more about the company, the expectations of their role etc. | | | | | | |
| 8. Policies & Procedures | | | | | | |
| I have documented basic HR policies of our company including Leave & Absence Management, Time & Attendance, Health & Safety etc. | | | | | | |

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| I have a clear policy on Code of Conduct, Disciplinary, Employee Relations and Managing Grievances. They are published for reference for all team members. | | | | | | |
| I have documented procedures for recruitment, sickness absence management, etc. | | | | | | |
| 9. Learning & Development | | | | | | |
| I have clearly identified the training needs of my team and have a plan in place to support those needs (e.g., Customer Service Excellence training). | | | | | | |
| 10. Off-Boarding | | | | | | |
| If a team member chooses to leave or I choose to terminate a team member, I understand the process of managing their exit from a legal perspective (severance calculation & payment, visa cancellations process etc.) | | | | | | |
| I clearly document and record all relevant information pertaining to each employee throughout the employee's life with the Company that can be used to support any issues that may result in a defending the outcome in the court of law. | | | | | | |

So, how did you do?

| | |
|------------------------------------|--|
| <p>Mostly 1's & 2's</p> | <p>Honesty is the best policy! This simply means that it is important to get started on the HR journey to ensure the success of your business. With a bit of help and guidance, you can be well on your way!</p> |
| <p>Mostly 2's & 3's</p> | <p>Solid Start! It is time to put pen to paper and document and HR Action Plan. Now it is time to execute! Will you be doing this yourself or have you identified a resource? Remember, this is an exciting journey that needs to be continuously reviewed and updated to stay competitive.</p> |
| <p>Mostly 3's & 4s</p> | <p>Well Done on making a great start to strategically preparing all things HR for your business. You have a significant opportunity to continue the good work to ensure success of your business.</p> |
| <p>Mostly 4's</p> | <p>Congratulations! It seems like you have made great strides as employer to ensure new and existing team members enjoy a positive employment experience. Now its time to continuously improvement so the business never ceases to retain its most valuable asset, its people. Designate a member of your team to ensure all that your business is protected, and well on its way to maintain its employer of choice in your industry.</p> |

What We Can Do For You?

An independent third-party evaluation assures stakeholders, investors, and management that HR is a business enabler that follows regulations and provides appropriate support. Through this service, we can help you:

- Interviews with key stakeholders and focus group to assess perception of HR effectiveness.
- Review existing HR Policies and Procedures to ensure they are streamlined, current in terms of regulations, technology and industry best practice.
- Assess the HR function against best practices across industries to help assess whether your business is an “Employer of Choice”.
- Evaluate HR Policies and Procedures across Employee Life Cycle and determine whether they support the business plan and their strategic direction, vision and mission.
- Focus on core HR functions and instruments such as HR Policies & Procedures, Employee Handbook, and HR Systems to assess their alignment with the short and long-term business goals.
- Review employee files, Learning records and other related documents.

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- Review online and offline systems to assess functionality and sustainability to HR and business requirements. Prepare and provide a comprehensive report summarizing the findings and recommendations to support it.
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Disclaimer

This tool is meant to provide general guidelines and should be used as a reference to improve people management. However, this is not a legal document. Therefore, S&K HR Consulting will not assume any legal liability that may arise from the use of this tool.



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