

HR Compliance Audit Checklist

- Employment Application and Background Check
 - Ensure that the application contains appropriate language to minimize exposure to negligent hiring and employment-at-will liability
 - Review the application to confirm that it complies with applicable non-discrimination laws
 - Confirm compliance with rules pertaining to criminal background inquiries, including ban-the-box laws, credit check laws, federal and state Fair Credit Reporting Act laws, and industry-specific regulatory background check rules
 - Ensure compliance with applicable salary history inquiry bans

- Interviewing
 - Review scripts, guidelines, lists, or forms for interviewing applicants to ensure that only permissible questions are asked
 - Ensure that managers are consistent in the questions they ask of interviewees

- Offer Letters and Employment Contracts
 - Review offer letters and employment contracts to prevent the creation of express or implied agreements of permanent employment
 - Confirm the offer letter is contingent upon successful completion of any applicable tests (criminal background, credit checks, drug test, etc.)

- Company Handbook
 - Review or create handbooks and manuals to ensure compliance with applicable federal, state, and local laws, including updates to relevant laws
 - Confirm that handbook minimizes exposure regarding employment-at-will and other federal and state laws governing the workplace
 - Consider whether separate handbooks or local practices sections are appropriate for employees working or living in other locations

- Job Descriptions
 - Ensure that job descriptions accurately explain job functions and distinguish essential from nonessential functions
 - Confirm that job descriptions accurately reflect the day-to-day functions of the applicable job

- Employee Eligibility

- Ensure that I-9 forms are filled out for every person hired, and kept for three years or one year following termination of employment, whichever is longer
- Ensure I-9 forms are kept away from employee personnel files and in a locked cabinet in a locked room

- Payroll
 - Review classification of employees as exempt or non-exempt to ensure compliance with wage and hour laws and payment of overtime
 - Confirm that no employees are misclassified as contractors
 - Ensure compliance with federal, state, and local laws pertaining to wage payment, including timing of paychecks

- Personnel Files
 - Review personnel files to ensure they are appropriately maintained
 - Ensure that there are sound procedures to control access to personnel files and protect the confidentiality of personally identifying information
 - Confirm that your organization complies with any applicable personnel file laws

- Manager and Staff Training
 - Ensure all employees are trained regarding their rights and responsibilities under applicable equal employment opportunity laws, policies, and the organization's complaint procedure
 - Train managers with respect to harassment and general liability avoidance
 - Ensure all employees participating in the hiring process are trained on illegal interview questions and how to handle complex situations

- Salary, Bonus, Other Compensation, and Performance
 - Review salary, bonus, compensation, and performance information, including pay bands, frequency, and timing of salary reviews, correlation of increases to performance, and performance evaluation procedures
 - Ensure compensation practices are explained clearly