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