

**Human Capital Executive**

# **Human Resource Audit Proposal**

**Submitted to Hidalgo County**

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# HR Audit Proposal

## Rationale

Human Resource (HR) departments are a critical component in the success of each organization. No other department can impact the employee experience as much as the HR department. However, should policies and procedures not be adhered to in a consistent manner, companies can be held liable for the mismanagement of policies or employee complaints. Public and private organizations throughout the world are utilizing human resource audits to improve systems, thereby, improving productivity and increasing the organization's Return on Investment (ROI). Organizations are also using human resource audits to spotlight areas of weakness and possible non-compliance with federal regulations.

On a frequent basis, business journals are reporting staggering amounts that courts are awarding to individuals who have filed lawsuits against their employer. In 2007, the Equal Employment Opportunity Commission received 26,663 charges of retaliation discrimination and resolved 22,265. Their annual report reflected that \$124 million was awarded to the charging parties and aggrieved individuals obtained through litigation.

In addition, the Department of Labor, the National Labor Relations Board, and other federal agencies continue to sanction organizations with harsh penalties for not maintaining compliance with federal and state regulations and policies as reflected in the Employee Handbook. Many of these lawsuits could have been prevented if companies would have maintained structured and consistent human resource policies and procedures.

The July 2008 Texas Employment Law Newsletter referenced Hagen v. EchoStar Satellite\_F3rd\_(5<sup>th</sup> Circuit 2008). The case revealed that EchoStar failed to follow through on a complaint alleging non-compliance with the Federal Labor Standards Act (FLSA). The 5<sup>th</sup> Circuit agreed that when the company's managers failed to adequately and consistently investigate an employee complaint, the employee's rights under the law were compromised. The lack of action ultimately led to an adverse action. Not only was the company liable for the lack of follow-through, but the manager was also liable on a personal level.

## Needs

In an environment where companies are maximizing their resources and minimizing expenses, HR audits are an excellent tool to highlight non-compliance issues and decrease the likelihood of potential labor lawsuits.

**An audit of each Precinct's organizational structure and protocols and practices can serve as an excellent tool to determine compliance with local, state, and federal regulations and determine the quality and consistency of employment procedures.**

**The purpose of this proposal is to communicate how an HR Audit can serve as a tool to increase the effectiveness in the recruitment and retention of human capital as well as the employee relations process.**

**Through a multi-phase process, the HR Audit will be used to 1) Assess current systems and make recommendations for upgraded processes, 2) Provide training to Managers on required federal and state mandates, and 3) Conduct random departmental audits to ensure compliance. Each phase will culminate with a confidential and written summary that will be forwarded to each member of Commissioner's Court.**

**Upon completion of each phase, Commissioner's Court may discuss which elements can be infused and formalized into regularly scheduled processes.**

**To initiate this recommended HR Audit, each Precinct may be audited in phases, beginning with Precinct One. Upon completion of all phases, additional Precincts may be incorporated into subsequent HR Audits, at the discretion of the respective Precinct Commissioner..**

**Phase I of the Human Resource Audit will reflect the reorganization and consolidation of Precinct One (1). The audit will be comprised of a four-step process including Information Gathering, Evaluation, Analysis, and Action Planning. A series of discussions will take place with Precinct One Commissioner Sylvia Handy, the Hidalgo County Human Resource Director, and Precinct One employees to assess needs. Data will be compiled to ensure that each position has the appropriate job title, list of specific responsibilities, and how the position meets the overall needs of Precinct One.**

**Phase II of the Human Resource Audit reflects the Training and Development component for Precinct One. National Human Resource journals report that almost 50% of Companies do not offer adequate training and development opportunities. Additional studies show that employees are not benefitting from management support to enhance individual development and career growth.**

**Organizations which do provide structured professional development have enhanced employee productivity and staff morale. In addition,**

retention rates are increased and turnover cost are minimized. To maximize the HR Audit, training will be designed to formalize consistent and high quality implementation of HR protocols throughout Precinct One.

Based on the Needs Assessment conducted during Phase I, training will be designed and offered to employees within Precinct One.

Phase III of the Human Resource Audit will reflect continued discussions with supervisors in Precinct One, compliance audits, and developmental training. By incorporating this phase, Precinct One will engage in a proactive design, serving as the infrastructure to enhance human capital.

The time frame for these visits will take place quarterly after Phase II and Phase III have been completed.

# **Precinct One-Phase I HR Audit, Assessment, Recommendations**

## **Scope of Audit:**

- A. Analyze HR Department Protocols and Resources to reorganize and consolidate positions to increase productivity and efficiency.**
- **Assess Precinct One Organization and HR Protocols**
  - **Assess Employee Job Descriptions and Responsibilities**
  - **Assess Precinct Mission Statements in coordination with County Mission Statement**
  - **Assess Precinct One Recruitment and Selection Process**
  - **Assess Precinct One On-boarding/New Employee Orientation**
  - **Assess Federally Required Posters/Notices in Precinct One Facilities**
  - **Assess Precinct One Compliance with Policies**
  - **Assess Precinct One Compliance with Federal regulations (USERRA, HIPPA, FMLA) as well as State and Local policies**
- B. Assess Precinct One Personnel files for Accuracy**
- **Compliance with I-9 Documentation**
  - **Compliance with Sexual Harassment Policy**
  - **Compliance with Random Drug Testing Policy**
  - **Compliance with IT Policy**
  - **Compliance with Affirmative Action Plan**
  - **Maintenance of Employee Data**
- C. Develop and Submit Written Recommendation to reorganize and consolidate positions to increase productivity and efficiency.**

## **Phase III Compliance Visits**

**A) Develop a schedule to conduct quarterly visits with Precinct One to discuss the following:**

- **Results of Surveys**
- **Maintenance of Employee Data**
- **Address HR issues**
- **Review Recruitment and Retention Processes**

**B) Determine federally-required poster compliance at the Precinct One facilities**

**C) Conduct HR Training for Supervisors on the following topics:**

- **Documenting Time**
- **Employee Leave**
- **Sexual Harassment**
- **Federal and State Labor Laws**

**D) Develop and Submit Written Summary of Activities and Findings**

## **Budget and Timeline for Phase I, II, and III Precinct One**

<b>Phase I (HR Audit)</b>	<b>4Weeks</b>	<b>\$2,000.00</b>
<b>Phase II (Training &amp; Dev.)</b>	<b>4 Weeks</b>	<b>\$1,000.00</b>
<b>Phase III (Compliance Visits)</b>	<b>3 Quarters</b>	<b>\$1,000.00</b>
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	<b>TOTAL</b>	<b>\$4,000.00</b>



**CERTIFICATION INSTITUTE**

**SOCIETY FOR HUMAN RESOURCE MANAGEMENT**

Hereby Certifies That

**Maria L. Trevino-Ochoa**

having met with distinction the high standards of education, experience  
and demonstrated knowledge established by this Institute,

has been certified as a

**Professional in Human Resources**

Witness the signatures of the duly authorized officers of this Institute:

ATTEST:

7/1/2008 - 6/30/2011  
PERIOD OF CERTIFICATION

6/25/2005  
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