

End of Year Auditing of HR Practices

By

Anne-Marie L. Storey, Esq.

As 2010 ends, it is a good time for employers, particularly those without specialized human resource managers, to assess and audit employment practices. The following are some general suggestions for doing so.

Make sure all of the required notices are posted in a conspicuous place accessible to all employees and, in some cases, applicants. The posters should also be replaced with updated versions when available.

Review your employee handbook. Ensure that it is up-to-date with any changes that took place during the year. At the same time, re-evaluate whether the policies as written require any changes or updating. For instance, if an employer experienced a layoff in 2010, it should check to see if it is still subject to certain laws that apply only to employers of a certain size.

Ensure that all employees hired during 2010 have had sexual and other prohibited harassment training. Although the state law requiring such training only applies to employers with 15 or more employees, it is advisable to have at least an initial training on the rules for all employees, regardless of the employer's size.

Evaluate the way in which personnel information is kept. Make sure the files are complete and maintained properly. The information should be accessible only to those with a legitimate reason to see it. The file should contain, at a minimum, disciplinary records, performance evaluations, the signed acknowledgement of the handbook, equal employment opportunity policy, a statement of employment at-will, and policies against sexual and other prohibited harassment. Medical information, which is part of the file by law, should be located in a separate and confidential place.

Ensure that all wage and hour requirements are being met. If qualified employees are working overtime, be certain they are being properly paid. Re-evaluate any individual classified as an independent contractor to ensure that person is not actually an employee.

These are just a few suggestions of many. Taking some time now to perform the self-audit or to have counsel do so may save significantly on time and money in 2011.