

### Sample Checklist for HR Audit

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| Q. | How is the staffing requirement determined and how does the recruitment head be assured of the accuracy and reliability of the requirement?                                                                               |
| A. |                                                                                                                                                                                                                           |
| Q. | How is the skill requirement for the technical personnel determined and how this data is used to ensure that the right persons with requisite skills are employed?                                                        |
| A. |                                                                                                                                                                                                                           |
| Q. | Is there a budget for the recruitment activity, and how is the cost spent on each recruitment activity like campus recruitment, visit to outstation locations measured and whether any cost-benefit analysis carried out? |
| A. |                                                                                                                                                                                                                           |
| Q. | How effectively are resources — technical personnel and others tracked on a day to day basis and how are staff on bench (without work) — tracked? Whether any in-house projects are given to staff on bench?              |
| A. |                                                                                                                                                                                                                           |
| Q. | Are the staff and project managers/ supervisors appropriately organised and structured to facilitate the allocation of responsibilities and adequate lines of communication?                                              |
| A. |                                                                                                                                                                                                                           |
| Q. | Are all staff aware of their responsibilities and how is this achieved?                                                                                                                                                   |
| A. |                                                                                                                                                                                                                           |
| Q. | Are surplus staff on projects identified and redeployed to achieve optimum utilisation of resources?                                                                                                                      |
| A. |                                                                                                                                                                                                                           |
| Q. | Would failure to meet timelines and/or quality targets be promptly identified and how is this evidenced ?                                                                                                                 |
| A. |                                                                                                                                                                                                                           |
| Q. | How is management assured that all required resources are made available on timely basis by recruitment ?                                                                                                                 |
| A. |                                                                                                                                                                                                                           |
| Q. | What mechanisms are in place to ensure that all overtime payments are valid, authorised and correctly accounted for through payroll systems ?                                                                             |
| A. |                                                                                                                                                                                                                           |
| Q. | What mechanisms are in place to ensure that payments made to technical personnel when they travel to other places are properly accounted for since there is a changeover from factory to onsite employment?               |
| A. |                                                                                                                                                                                                                           |

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| Q. | What measures prevent fraudulent manipulation of time-sheets and also the data-base where these time-sheets are stored ?                                                        |
| A. |                                                                                                                                                                                 |
| Q. | Is there a staff turnover problem and what measures are in place to monitor and minimise the turnover of employees ?                                                            |
| A. |                                                                                                                                                                                 |
| Q. | How does management ensure that all required equipment like computers, table space, softwares, etc. are provided and that staff comply with the prevailing safety regulations ? |
| A. |                                                                                                                                                                                 |

### Checklist required for Purchase Verification

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| <i>1. Have purchasing authority limits been established, and what mechanisms prevent such limits being exceeded?</i>                                                                                                            |
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| <i>2. Are adequate purchasing procedures in place and what processes ensure that they are maintained up-to-date?</i>                                                                                                            |
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| <i>3. How can management be assured that purchase orders are issued only from authorized sources?</i>                                                                                                                           |
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| <i>4. What mechanisms prevent the processing of purchase orders without established policy conditions?</i>                                                                                                                      |
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| <i>5. Are all purchase orders formally justified and suitably authorized, and how is this evidenced?</i>                                                                                                                        |
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| <i>6. Are purchase orders adequately supported with sufficient details, descriptions, specifications, prices, delivery location and freight terms in order to ensure that the precise requirements of the business are met?</i> |
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| <i>7. What processes prevent the despatch of inaccurate, incomplete or ambiguous purchase orders?</i>                                                                                                                           |
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| <i>8. What processes prevent the raising and despatch of duplicate purchase orders?</i>                                                                                                                                         |
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| <i>9. What mechanisms ensure that optimal quantities of goods are ordered to support the operational requirements of the business?</i>                                                                                          |
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| <i>10. What mechanisms ensure that all sub-sequent purchase order amendments are valid, authorised and correctly applied?</i>                                                                                                   |
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| <i>11. What mechanisms are in place to prevent over-ordering of items?</i>                                                                                                                                                      |
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| <i>12. How are potential vendors selected and what prevents the use of poor quality vendors?</i>                                                                                                                                |
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| <b>13. How can management be certain that the purchasing function fully researches the optimum sources for their requirements?</b>                                                                                                                                                                                                            |
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| <b>14. Are vendors adequately and independently assessed for 'approved' status, and what prevents staff/vendor misuse of the process?</b>                                                                                                                                                                                                     |
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| <b>15. Are accurate and up-to-date records of approved/suitable vendors maintained, and what mechanisms prevent either unauthorised or invalid access or amendment of such records?</b>                                                                                                                                                       |
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| <b>16. Is the performance of vendors monitored against all requirements and expectations so that unsuitable, unreliable or poor quality suppliers can be promptly identified and appropriate action taken? Further, whether there is a suitable vendor rating mechanism and vendors are intimated of their ratings every six months/year?</b> |
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| <b>17. Would management be alerted if there was either undue preference being given to a specific vendor, an unreasonable demand, being placed on any one vendor or the potential for an unethical relationship being established between a vendor and purchasing management?</b>                                                             |
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| <b>18. Is there adequate liaison between the purchasing function and all other affected activities (i.e. production, sales, stock control, etc.) and how are problems and conflicts avoided?</b>                                                                                                                                              |
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| <b>19. Does the purchasing function maintain an adequate awareness of market conditions, prices, etc. in order to ensure the placement of orders at the optimum price?</b>                                                                                                                                                                    |
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| <b>20. How can management be sure that all available discounts are suitably exploited?</b>                                                                                                                                                                                                                                                    |
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| <b>21. Where applicable, are all relevant purchase versus leasing options adequately appraised to ensure that the most advantageous purchase terms are utilized?</b>                                                                                                                                                                          |
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| <b>22. How can management be certain that all the required quality and standards for supplied goods are</b>                                                                                                                                                                                                                                   |

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| <b>23. <i>Would the supply of sub-standard, inadequate or poor quality goods be detected?</i></b>                                                                                                              |
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| <b>24. <i>Are all rejected and returned goods correctly identified and a suitable credit claimed and accounted for?</i></b>                                                                                    |
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| <b>25. <i>How can management be certain that all the goods ordered and invoiced have in fact been received on time?</i></b>                                                                                    |
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| <b>26. <i>Are the processes of ordering, accounting and receiving goods adequately segregated to prevent staff malpractice?</i></b>                                                                            |
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| <b>27. <i>Where goods are obtained from over-seas suppliers, how can management be certain that all the relevant import and foreign exchange regulations have been identified and correctly addressed?</i></b> |
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| <b>28. <i>Are management provided with accurate, timely and relevant information on purchasing activities to support their decision-making, etc.?</i></b>                                                      |
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