

# HR AUDIT PROGRAM

## AUDIT PROCESS

### STEP 1: AUDIT SUBJECT MATTER SELECTION

- ✓ Leadership direction
- ✓ Senior-level management direction
- ✓ Priority rating assigned following risk analysis
- ✓ Agency suggestions
- ✓ Special requests from other DAS divisions or HRSD sections
- ✓ HR Audit Advisory Group recommendations

**Note: Steps 2 through 4 typically take three to six months to complete.**

### STEP 2: PLAN AUDIT

- ✓ Create a preliminary audit schedule.
- ✓ Meet with other Division or Department staff to gain information pertinent to the review, as appropriate.
- ✓ Conduct surveys or other research that will indicate the appropriate audit scope and purpose definition.
- ✓ Send electronic message to HRList subscribers announcing preparation for upcoming audit, providing the preliminary audit schedule, and requesting input on potential impacts to agency operations allowing two weeks for response.
- ✓ Agencies identify potential impacts on agency operations that need to be considered during the upcoming audit and feedback on the preliminary audit schedule.
- ✓ Draft preliminary audit plan identifying the audit purpose, scope, methodology, level of risk for each audit element, the appropriate corrective action and follow-up requirements, and audit database configuration.
- ✓ Perform system review (i.e., determine if data is available in PPDB or OSPS).
- ✓ Draft the audit review process including data to be used to perform review and tools proposed for use during course of the audit.
- ✓ Obtain concurrence of the HR Audit Advisory Group on preliminary audit plan including process, schedule, data to be used, and tools.
- ✓ Obtain concurrence on the preliminary plan from the HRSD Administrator.
- ✓ Post audit plan and audit tools on HR Audit Program website.
- ✓ Pull a random data sample appropriate for meeting the audit purpose, scope, and methodology.
- ✓ Finalize database for capturing audit findings and prepare data collection documents.

### STEP 3: PERFORM AUDIT

- ✓ Send agencies an initial letter requesting documentation or information needed to perform audit -- allowing a minimum of two weeks to respond.
- ✓ Perform employee interviews, review of documentation or files located at the agency, and/or review documentation submitted in response to the initial letter.
- ✓ Compile information gathered during the review process.
- ✓ Discuss preliminary findings, circumstances that are unusual or outside the scope of the audit, and potential final report conclusions and recommendations with subject matter experts and/or HR Audit Advisory Group, as necessary or appropriate.
- ✓ Notify agencies of preliminary findings and if applicable request additional information to support agency action or decision -- allowing a minimum of two weeks to respond.
- ✓ Review additional information received from agencies in response to preliminary findings.
- ✓ If no information is received from agency, or additional information does not support a change of the preliminary finding, contact agency human resource management representative to discuss the findings.
- ✓ Develop individual agency corrective action plans and follow-up procedures based on the Element Risk Assessment and Agency Compliance Code Guidelines and prepare agency notification of final findings.

#### **STEP 4: REPORT FINDINGS**

- ✓ Notify agencies included in the audit of their individual final findings and provide agency-specific corrective action plan and follow-up procedures, if any.
- ✓ If findings indicate further review of a specific agency or of the audit subject is warranted (based on Corrective Action Plan and Follow-up Procedures Guidelines), pull supplemental data sample and return to step 3.
- ✓ Prepare final report document.
- ✓ Request comments on format and readability of the final report from the HR Audit Advisory Group.
- ✓ Obtain concurrence on Final Report from the HRSD Administrator.
- ✓ Post final report on the HR Audit Program website.

#### **STEP 5: FOLLOW-UP**

***Note: Follow-up on corrective action plans is generally performed three to four months following conclusion of an audit. The follow-up process typically takes one to two months to complete.***

- ✓ Perform follow-up review of corrective actions required as determined by Corrective Action Plan and Follow-up Procedures Guidelines.
- ✓ Prepare follow-up report for addition to final report on the website.