

HR AUDIT TRIBUNE

HR AUDITS MAKING WORLD HISTORY

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1 September 2015

PIONEERING
HR AUDITS

So who had the
bright idea in the
first place?

**LESSONS
LEARNT**



SABPP HR AUDIT UNIT
*Providing external assurance
on HR standards*

**1 YEAR
CELEBRATION
OF SABPP
HR AUDIT UNIT**



SABPP HR AUDIT UNIT

*Providing external assurance
on HR standards*

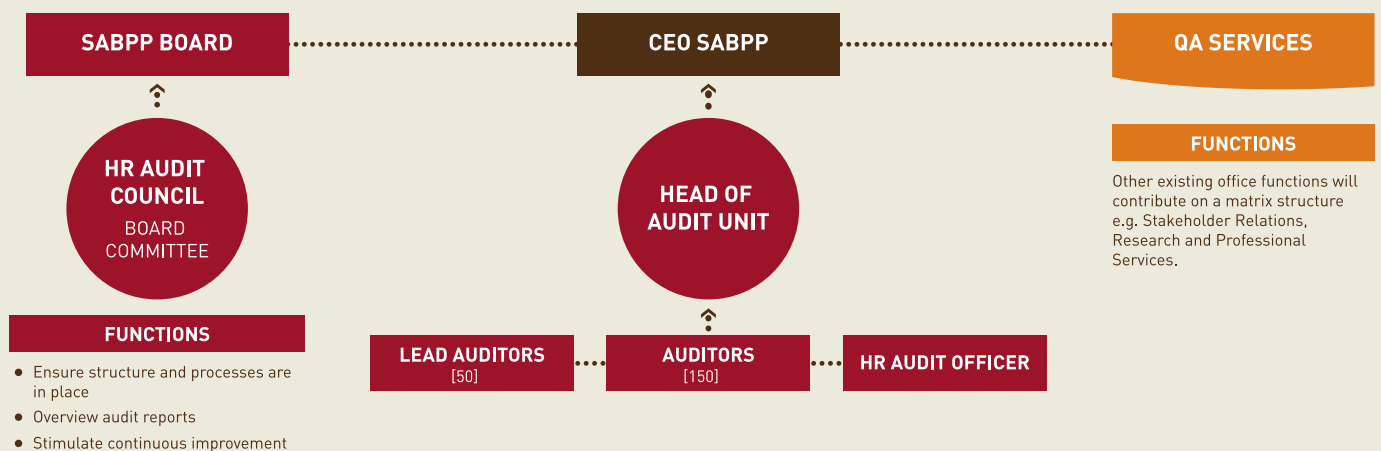
The value of auditing an organisation's business processes and management systems is well accepted. Considerations include good governance, adoption of good practices and process improvement. Standards are considered to be "distilled wisdom" and are the result of international expert consensus. Therefore, by implementing an HR management system standard, organisations can benefit from global management experience and good practice.

Global and national standards bodies have developed and implemented standards in major functions such as quality management, environmental management, health and safety, energy and risk management.

The SABPP has developed a comprehensive HR Management system standard with associated assessment and scoring tools to enable HR Auditing.

The SABPP HR Audit is a process that sets the stage for true transformation in the HR strategy and services. It links HR systems and services to organisational objectives while focusing on the business needs of HR's internal customers.

THE SABPP AUDIT STRUCTURE



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FOREWORD BY MARIUS MEYER



Since the SA Board for People Practices (SABPP) launched the first set of National HR Standards for South Africa and indeed the world in 2013, the HR Standards journey has progressed, not only within companies but also nationally and internationally. The purpose of the National HR Standards is to reduce inconsistencies in HR practice,

and to improve the overall quality of HR practice within companies and at a national level. The National HR Standards have become an overnight success and already expanded to several African countries. However, despite its rapid acceptance by employers, in the spirit of professional reflection the SABPP HR Standards team members were confronted with the following questions:

- What will it help us to have national HR standards if these standards are not monitored, controlled and measured?
- Is there a possibility that HR functions meet the standard if they do an internal self-assessment, but that the outcome could be different if independent external auditors would audit the HR function?
- If we continue to lobby for HR professionals to achieve similar status to financial professionals in organisations, surely we could learn from the impact and success of financial audits?
- If we know exactly what the shortcomings of the HR system within an organisation are, will that enable us to make significant improvements to HR functions over a relatively short period of time?
- If consulting firms continue to audit HR functions according to their own criteria and methodologies and not according to the National HR Standards, are we perpetuating divergent and inconsistent approaches to HR standards?



The above questions resulted in a clear strategic decision to introduce HR audits against the National HR Standard. Hence, on 28 August 2014, at the 2nd National HR Standards Roll-out we launched the SABPP Audit Unit to audit companies against the National HR Standards. The HR Audit unit provides an independent centre of excellence for HR audits. This is the first such national HR Audit unit in the world, and we are indeed proud of its establishment and early successes.

Since October 2014 a strong pool of 126 HR Auditors has been trained, and almost a third of them have already been involved in auditing companies against the National HR Standards. Most of the audits were conducted in Gauteng, and also some in KZN and the Western Cape.

This year the SABPP Audit Unit had a busy time rolling out the National HR Standards and HR Audits. To date ten audits have been completed and we are very pleased to report that there are 21 more companies lined up who are preparing themselves to be audited later this year or early next year.

During the HR Audits conducted we have made some interesting discoveries about the state of HR in a typical South African organisation. These lessons are covered in this report. In essence, with this new annual publication, the SABPP Audit team, under the leadership of its Head, Christine Botha, are providing you with feedback about the successes and challenges of their work in auditing HR functions in South Africa. In reflecting on and celebrating these milestones, SABPP will share this report annually during the month of September as a feedback mechanism to the HR market.

I want to thank the following stakeholders for their support, encouragement, inputs and leadership in assisting SABPP to ensure a successful first year of national HR audits in South Africa:

- Christine Botha, Head of the SABPP Audit Unit, for her sterling work in establishing, managing and building up the Audit Unit, including training the auditors and overseeing the audits;
- Malebo Maholo, HR Audit Officer of SABPP, for administering the work of the Audit Unit;
- The SABPP Board for their excellent leadership in steering, strategising and resourcing the audit unit;
- Dr Michael Robbins from International Management of Risk in the UK for his guidance and support during the pre-audit period;
- Dr Penny Abbott, SABPP Head of Research for her pioneering work in training the first group of auditors and compiling the audit training files, including the first audit assessment tool;
- Elsabé Bell for developing an automated audit tool used for scoring by the audit teams;
- Bonnie Johansen for writing the Client Preparation Manual;

- Suran Moodley and the team who participated with marketing input and visits;
- The group of almost 500 HR leaders from all nine provinces for developing the HR Standards, without the HR Standards there would be no audits;
- The first group of CEOs and HR executives for putting up your hands to be audited, you were not only brave, but true business and HR leaders in taking full responsibility for the quality of your HR systems and fully deserve your certification against the HR Standard;
- We are very proud of our pool of 126 HR auditors responsible for auditing companies, you are at the centre of the auditing process and world leaders as national HR auditors.
- Alan Hosking of HR Future and Rudie Balie of Achiever Magazine for publishing the work of the SABPP Audit Unit.
- A special word of thanks to the presidents and other leaders of HR bodies in other countries, in particular in Zimbabwe, Zambia, Swaziland, Lesotho and Namibia, for their continuous support in positioning the HR standards and audits as transformative interventions to improve HR in their countries.

Lastly, I want to encourage more HR executives to request HR audits. Now is the time to show confidence and leadership in raising the bar for the HR profession and the quality of HR practices. The HR Standard was developed to improve HR functions, and by exposing yourself to HR Audits will provide confidence to executive committees and boards that HR's house is in order. I trust that this first annual report released at the 3rd Annual HR Standards Roll-out in Sandton will provide you with sufficient information to join the HR Standards and audits journey. Should you wish, we will gladly visit your company to present this report to your HR or Management Executive teams.

It was a privilege to work with so many HR professionals over the last year around the HR Standards and audits. In essence, all participants are authors of this report, because without you there would be nothing to report on. For daily updates, please follow us on twitter @SABPP1. This National HR Standards and Audit Journey is an evolving process of elevating the HR profession, not only within companies, but also nationally, and in certain cases internationally.

Marius Meyer
CEO: SA Board for People Practices
17 September 2015

SO WHO HAD THE BRIGHT IDEA IN THE FIRST PLACE?

PENNY ABBOTT



Marius Meyer, CEO of the SABPP, is nothing if not a big picture thinker! Being one of South Africa's first experts on HR Risk Management, he realised that having Standards as a "line of defense" in governance would not be complete without a form of audit. So, together with international standards development and implementation expert from the UK, Dr Michael Robbins, in parallel to the process of developing the SABPP HRM System Model and Standard, he looked around for approaches and methodologies for HR auditing. Only to find – nothing! In the process, he came across the work of Dr. Chris Andrews from Bond University in Australia, who had written his doctoral thesis on HR auditing and distinguished three forms of audit – compliance, performance and process. Marius and Michael realised that, in the South African environment, compliance auditing was already well catered for, but that performance auditing did not exist outside proprietary approaches owned by some of the big audit companies and some HR consultants.

So, together with his internal team at the SABPP, he developed this unique form of HR auditing, synthesising and building on other forms of management quality audits. Important principles that he and Penny Abbott as the design team worked on included:

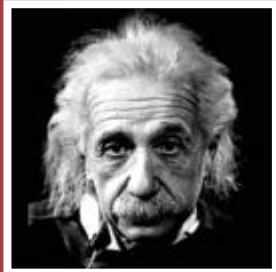
- the audit teams would be comprised of senior, experienced HR professionals, because performance audits involve professional judgment as to the quality of the HR work being done;

- the audits must be both quick and thorough – the process had to be designed so that the teams could quickly assess the evidence;
- the audit process must suit all sizes of organisation
- the audit outcomes must be quantitative scores but also qualitative recommendations.

Not at all sure that the idea of HR auditing against the Standards would be an attractive proposition to South African HR practitioners and employers, Marius and Michael advertised the first Auditor Workshop at the end of January 2014, and attracted very senior, well regarded HR practitioners with a wealth of experience. Sitting in that room we had over half a millennium of combined experience. At the end of the workshop they gave the presenters a standing ovation – confirmation that we had the right approach and the right tools.

Since then, Penny further developed the process, documentation, and auditor development and handed them over to Christine Botha as the first Head of the SABPP HR Audit Unit, so that today the Unit is ready to take on audits across all sectors of the economy in South Africa and in neighboring states.

PIONEERING HR AUDITS



"The person who follows the crowd will usually go no further than the crowd. The person who walks alone is likely to find himself in places no one has ever seen before."

— Albert Einstein

Source: The Internet - <http://www.goodreads.com/quotes/tag/pioneer>

When I joined the SABPP as Head of HR Audits in August 2014, I was in awe with the pioneering work done by Marius Meyer, Dr Michael Robbins and Dr Penny Abbott. Most of the groundwork had been completed and I had all the right tools at hand to immediately start formalising the HR Unit's governance processes and focus on spreading the message and the value of auditing an HR function in accordance with the 13 National HRM System Standards.

At first it was difficult to sell the concept to organisations for a number of reasons. Firstly, some had budget constraints; secondly, they could not see the value in something that is not compulsory and therefore carried no consequence; and thirdly, HR Professionals were scared of the results of an audit and worried that a negative outcome may impact badly on their departments and their careers.

While we had very good methodologies, we had to put them to the test and hence, we decided on a strategy to conduct three audits free of charge in order to give us the assurance that our methodology is sound.

The results of these audits and the professionalism and team work of the auditors gave us the peace of mind and confidence that our methodology does indeed provide us with the desired results.

After many public appearances, in-company presentations and publications, the interest in HR Audits started growing and soon we were inundated with requests for training, information and quotations.

A courageous few HR Professionals raised their hands and asked to be audited. We worked closely with them to prepare their teams for the HR Audits. Suddenly the benefits of the audits outweighed the objections and concerns, and so a number of companies, have already done their base line audits and are implementing the recommendations of the audit teams.

Some HR Professionals, CEOs and Board Members had AHA moments when they read the HR Audit reports – in some instances HR were immediately given additional resources for which they have been lobbying for a long time, because of the audit recommendations.



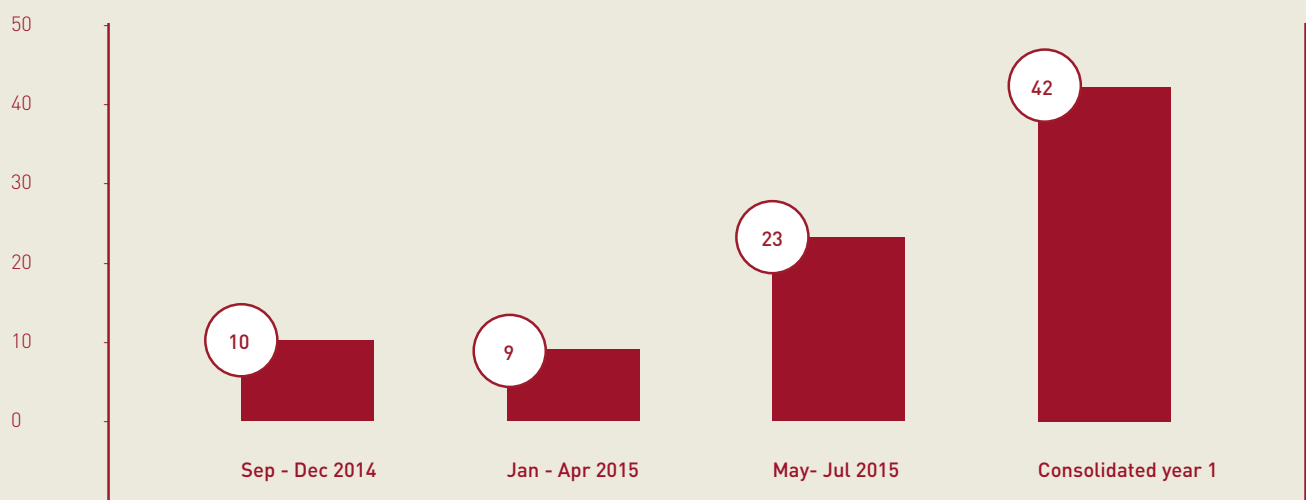
At times I thought it was an impossible task – remembering saying to Marius early during 2015 that “we are trying to implement a level six concept in a level two period of time!” (based on Elliot Jaques’ Levels of Work). Marius, of course, being the eternal optimist would hear nothing of my objections and insisted that we keep going and work smarter! Sometimes, when I found it hard to keep going, thinking that this may just be an impossible dream, I remember a line from a scene from the movie **Under the Tuscan Sun** – “they built the track before they had a train”!

This gave me renewed energy and in the one year that has passed, we are very happy and proud of the results we have

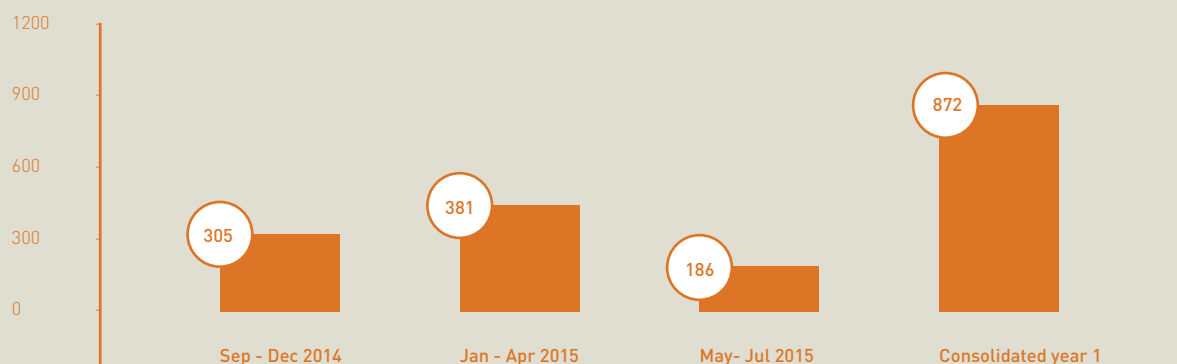
achieved. I would like to thank all the HR Professionals and HR Auditors who took hands with us at the SABPP to make this dream come true. We have made big inroads into South African organisations, and also a number of our neighbouring countries, where the National HR Standards have been, or are being adopted as we speak, numerous HR Professionals trained on the HR Standard and we even have HR Auditors in Swaziland, Lesotho and Zimbabwe.

I thought I would just share some of these statistics with you.

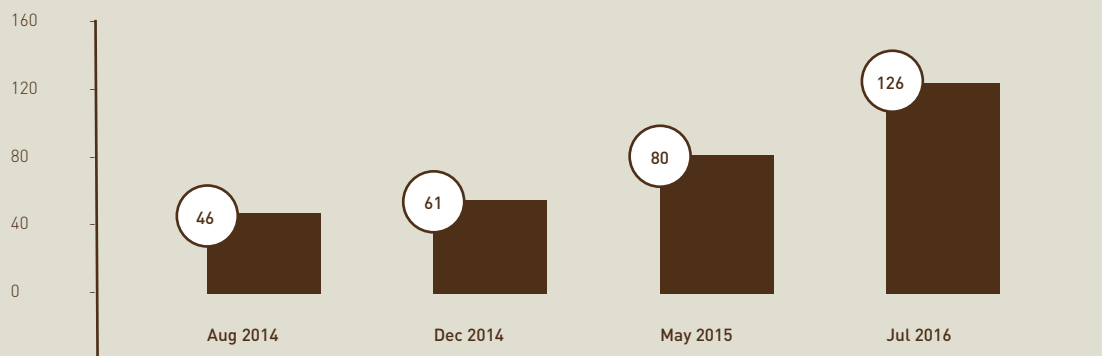
COMPANIES VISITED AND PRESENTATIONS DONE



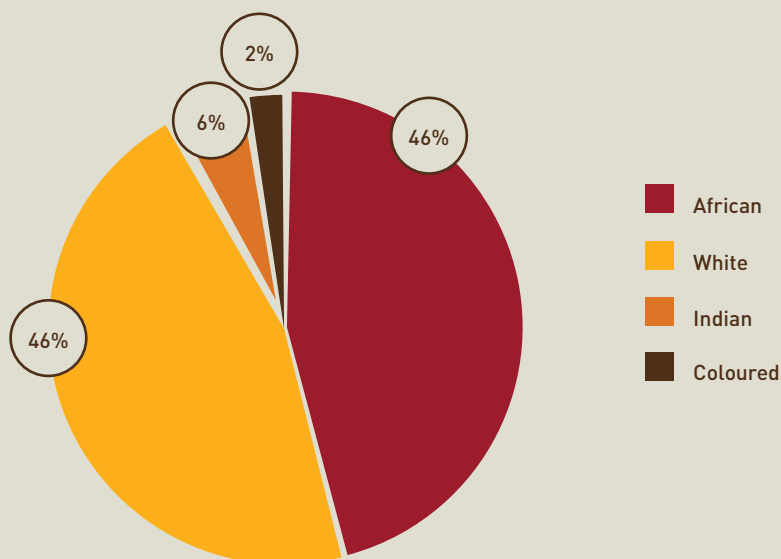
HR PROFESSIONALS REACHED/TRAINED



HR AUDITORS QUALIFIED



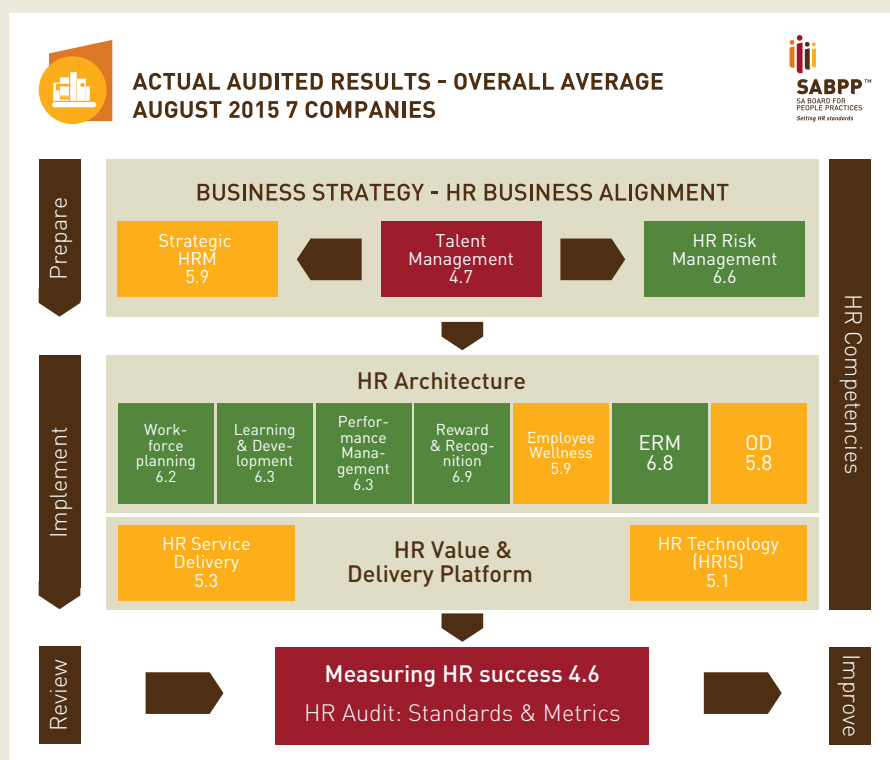
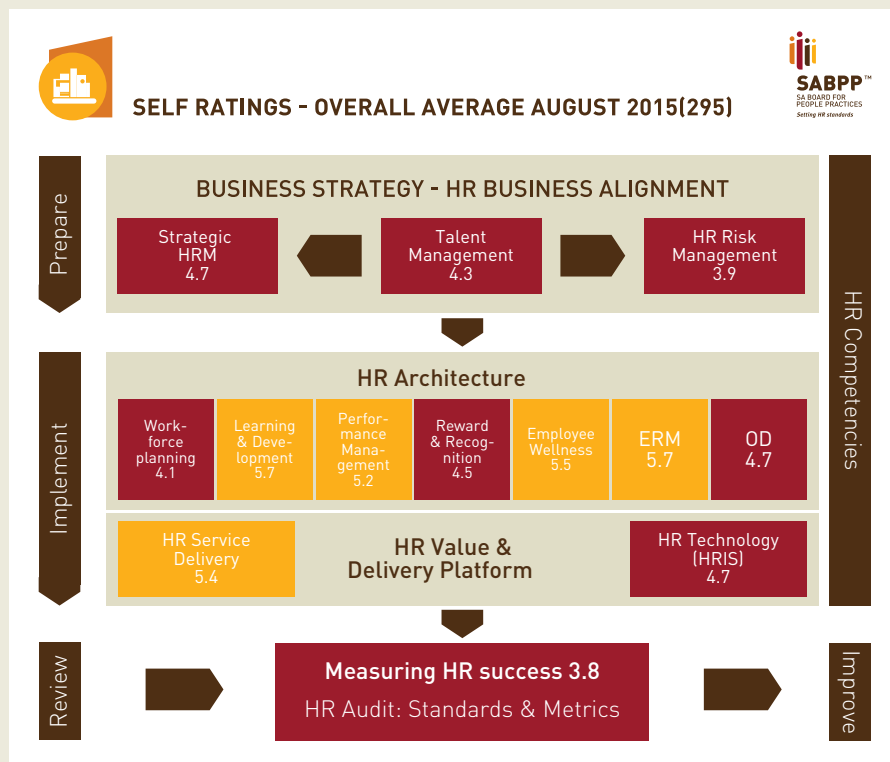
HR AUDITORS RACIAL DISTRIBUTION



As at the end of August 2015, ten audits have been completed and a further four lined up for September. We have a further 21 companies who are preparing themselves to be audited later this year or early next year.

During the National HR Standards training workshops, we ask HR Professionals to assess their own readiness to be audited. We compared these results from more than 295 HR Practitioners from a range of organisations against that

of actual HR Audits conducted and found that their current performance against the HR Management Systems Standard is of much better quality than they anticipated. The results are reflected in the illustrations below:



The colours used in these illustrations have the following meaning: Green (above 6) means that the Standard is achieved, Amber (between 5 and 6) means that minor adjustments are required in order to meet the Standard, and Red (below 5) means that the Standard requires significant improvement.

From the actual audits conducted, it is clear that Talent Management and HR Measurement are the most serious HR gaps in South Africa.



LESSONS LEARNT

1. HR teams are generally more ready to be audited than they give themselves credit for.
2. It is all about integration, alignment and communication.
3. Fit-for-purpose.
4. Size does not matter.
5. Executive support is critical.
6. Measurement, measurement, measurement.

1. HR teams are generally more ready to be audited that they give themselves credit for:

Evident from the above published results, we found that HR Professionals were generally performing much better against the National HRMS Standard than anticipated. They were often pleasantly surprised by the results and in just about every instance, the CEOs took

a renewed interest in their HR Departments and was very complimentary about their performance. A number of HR Professionals mentioned afterwards that their CEOs, Boards and Councils were very proud of their results and in one instance, members of a Council of a Government Agency said “we have never heard of the Standard and we have never seen results like this – we congratulate our HR team on a good job”.

2 It is all about integration, alignment and communication:

In all instances we have found that where HR Management Systems fail to achieve the Standard, it is due to lack of integration, alignment and communication. In some instances exceptional work is being performed, but

in isolation or in silos. Even in cases where pockets of excellence have emerged within HR functions, these good practices are not adequately shared within companies. With minor adjustments and focused effort, these areas can be easily improved by ensuring alignment takes place.

3 Fit-for-purpose:

Some HR Professionals tend to think that it is all about policies and procedures. While this is obviously true from a governance and operational perspective, it is important that such policies and procedures meet the necessary outcomes, i.e. be fit for purpose. In evaluating this aspect, HR Auditors will look for the following evidence:

- Has the Board defined and documented its policy and objectives for HR management in relation to the organisation's core objectives?

- Is this policy specific to the requirements of this organisation?
- Are there too many or too few policies?
 - Who knows about the policy?
 - When last was this particular policy reviewed?
 - Is it used as a guide for managers and internal auditors?
 - How does it relate to practices?
 - Does it have a measurable outcome?

4 Size does not matter:

Regardless of the size of your company, the HR Standard is the minimum standard required. If we compromise on the Standard, our HR will not achieve the desired results and will not add the value it aims to create. Bigger organisations often have the benefit of more specialised resources in HR but battle to integrate the various functions due to more complex approval processes, operating in silos and internal politicking. Smaller organisations benefit from

fast decision making and outsourcing of specialised functions to external parties (or hiring the resource for a specified period of time) but battle with high volumes of work, excessive demand on resources and managers abdicating responsibility due to workload or lack of training or knowledge. In fact, smaller organisations are at a higher risk than large organisations. A large company can afford and survive a few HR set-backs, but a deficiency in the HR Management system of a small company can pose significant business risk.





5 Executive support is critical:

We found a direct link between the quality, consistency and value add of good HR Management Systems and the commitment and support that HR receives from the organisation's executive. Where the CEO or MD is in full support of HR, HR excels. Where the CEO or MD has

little regard for HR, they fail to achieve the impact they desire. This places additional burden on HR to take their rightful place in the boardroom, by improving the way in which they communicate their contribution and influence change within their own departments and the organisation as a whole.

6 Measurement, measurement, measurement:

It is critical for HR to identify what they need to measure, how, when, where and how these results are used for reporting purposes, to influence decisions required, and to use this information to implement improvement measures. If it cannot be measured, it is not worth doing.

In conclusion, it is evident that HR audits can play a significant role in identifying gaps and improving HR functions. Using the National HR Management System Standard as a quality framework for improving the relevance and impact of HR functions, audits have become a useful instrument to the sustainable success of HR work in a systematic and integrated way. While excellence within the 13 HR Standard elements is key, utilising, leveraging and integrating all 13 Standard elements into a synergistic well-functioning system provides the best value for HR departments.



— Christine Botha
Head of the HR Audit Unit - SABPP

WANTING TO BE AUDITED?

"An HR management performance audit is future orientated and can identify areas for organisational improvement".

"HR Auditing crosses the boundaries between HR management and auditing... it can be a suitable method for evaluating the contribution of HR activities to organisational objectives assessed on the basis of value for money."

Abstract from Dissertation; Chris Andrews: Bond University

The value of auditing an organisation's business processes and management systems is well accepted. Considerations include good governance, adoption of good practices and process improvement. Standards are considered to be "distilled wisdom" and are the result of international, expert consensus. Therefore, by implementing a management system standard, organisations can benefit from global management experience and good practice. Global and national standards bodies have developed and implemented standards in major functions such as quality management, environmental management, health and safety, energy and risk management.

Until recently, worldwide, the one business function that has not been systematised has been the human resource management (HRM) function. HRM is often considered to be concerned with "soft" issues and therefore not amenable to being regulated by the adoption of a management standard.

However, modern developments in the science and practice of HRM have laid the groundwork for a process through which over 100 South African senior HR practitioners from a wide range of organisations have contributed to the development of the SABPP National HRM System Model and Standard, facilitated by the SA Board for People Practices (SABPP).

The SABPP is a professional body for HR practitioners which is over 30 years old and has carried the mandate to set HR standards in order to professionalise the practice

of HRM and raise the standard of work in HR functions.

With the active support of the profession in South Africa, the SABPP has been able to develop and launch a comprehensive HR Management Standard, with associated assessment and scoring tools to enable audits to be carried out. This is a global first and is attracting a lot of attention from all over the world including developed nations such as the US and UK and developing nations such as our African neighbours. The HRM Standard is complemented by a comprehensive HR Competency Model.

We can now say with confidence what an organisation should be doing in terms of its HR function; we have an integrated system model to guide us; and we can measure the competence of HR practitioners.

To legitimise the assertion of being "business partners", HR directors/managers must clearly demonstrate how HR services can contribute towards achievement of business objectives. The HR function is often overlooked for audits and measurement tools which assess its effectiveness. Too often, audits are restricted to checking on regulatory compliance. However, the SABPP HR Audit is a process that sets the stage for a true transformation in HR strategy and services. It links HR systems and services to organisational objectives while focusing on the business needs of HR's internal customers.

Continual improvement:

SABPP standards are based on the principle of continual improvement. An organisation or company assesses its current situation against the Standard, determines improvement objectives, implements actions to meet these objectives and then measures the results. With this information the effectiveness of policies and practices can be continually reviewed and improved. The process of review is undertaken by either internal or external auditing professionals. The value in external audit comes from the cross business sector expertise of the SABPP audit team, their in-depth knowledge of HR standards and their years of HR management experience in reputable organisations.

Benefits of an Audit:

The benefits of an SABPP external audit are numerous:

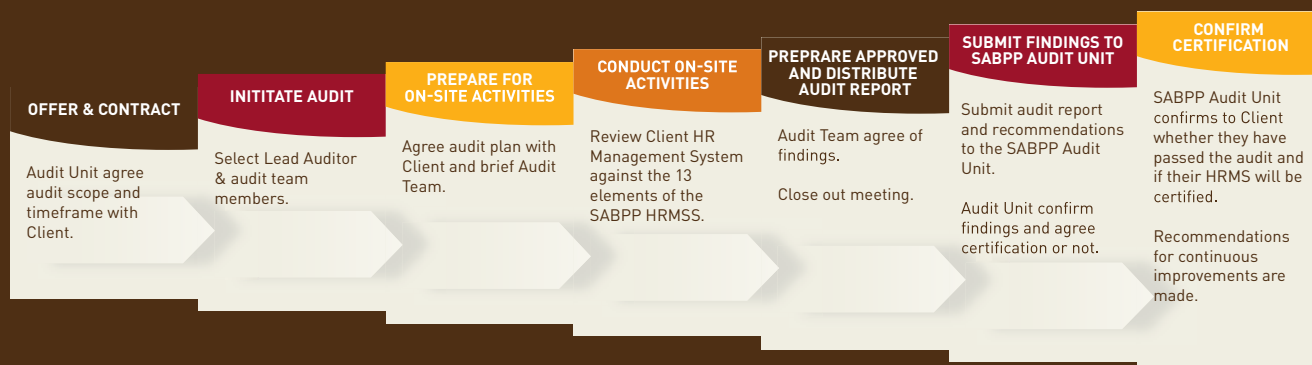
- It creates a renewed focus on consistency and standardisation and provides HR Professionals with a robust, risk-based framework to ensure an integrated, aligned and well-governed approach to auditing the National HR Standards.
- It ensures that HR controls quality and consistency in accordance with the spirit of good governance as documented in King III.
- Audits can improve a company's efficiency and profitability by helping the management better understand their own HR systems.
- Management can be assured of the readiness of their HR Departments to support the business strategy. Investors, funders, shareholders, suppliers and financial auditors, are also assured that the human capital risks in their organisation are understood and effective systems (controls) are in place to manage them.
- An HR Audit is an independent and objective report on the state of HR management and therefore organisational stability and sustainability.

Preparation for an Audit: It is important that pre-audit preparation is fully completed prior to the commencement of the on-site audit. Such preparation will include the following:

1. Preparation of the HR team with knowledge and understanding of the HRM Systems Standards;
2. Briefing line management to obtain buy-in and support;
3. The HR team is encouraged to use the SABPP Assessment Tool prior to the Audit to identify and address gaps;
4. The building of competencies where required.



Audit process: The SABPP has a dedicated Audit Unit, staffed by experienced HR professionals also trained in auditing. The audit process will follow a route as follows:

**Certification:**

All 13 standards will be audited and the client must achieve at least 60% in each element of the Standards. Certification is valid for a three-year period. In the event of minor or major non-compliance findings, a client will have the opportunity to implement corrective action which will be reassessed during year two. If no finding were made, a recertification audit will

be conducted prior to expiry of certification. This will be a shortened process. Audit records will be retained for a five-year period.

Companies who received certification may use the HR Audit logo on their company documents and websites, in accordance with the special conditions published by the SABPP from time to time.

HR Audit Certificate



SOME FEEDBACK FROM OUR CLIENTS

THE TELESURE EXPERIENCE



Telesure Investment Holdings (Pty) Ltd (Telesure) was established in 1998 to house the South African interests of the Guernsey-based international financial services group, Budget Holdings Ltd. The group owns and operates several of South Africa's leading insurance brands and stands out with its multiple-channel, multiple-brand approach through direct sales, broker sales, aggregator sales and affinity partnerships.

All of the companies in the Telesure group target different segments of the insuring public. They are geared to assess the needs of the market they service and provide products and distribution channels to best suit those needs.

Telesure is recognised as one of the most profitable short-term insurance groups in South Africa and has never made

an underwriting loss in its history. No other insurance group can make such a claim, which is outstanding given the phenomena of the insurance industry's boom-and-bust underwriting cycles.

The history of our organisation is rich with a tradition of industry firsts. Therefore, it only came naturally for us to put up our hand and volunteer to be the first Company to be audited against the SABPP HR Standards. As an organisation, we constantly strive to deliver exceptional customer service, similarly as an HR Team. Our success rests with the partnerships that we have forged with Line Managers.

We chose to participate in the audit because we felt confident in our people practices. At the same time, we felt that we still had room to grow as a Human Resource function. As an HR Team we are constantly striving for a high level of professionalism and ethical conduct in our people practices. We hoped that the audit would give us feedback on what we were doing well and what we needed to improve upon in our HR service delivery. We wanted to be evaluated on how we rank based on national and international HR Best Practices.

Even though the accreditation would give our customers the assurance that they are dealing with a professional team that is competent, the true measure is their experience of our HR service delivery.

The audit process was very insightful and enlightening. It reminded us that we need to make sure that we track every process we execute from end to end. We have to make sure that our processes are documented and properly filed. This allows us to be able to constantly check and ensure that our processes stay relevant to the business and people practice standards. If ever we needed to change them, we would know where to begin.

When we informed the CEO at the time that we wanted to participate in the audit, he was very supportive and encouraging. He had always valued the role that Human Resources plays in the organisation. He had also been in the forefront in the development of our people practices. When the results were published that we had been successful in the audit, he celebrated with the HR Team. Above all, he acknowledged that the successful results were due to the true partnership between the Human Resources and the Line Managers. Our success was shared with the whole organisation at an event, which he hosted.

Some of our lessons learnt include:

- HR Strategy is aligned to the overall strategic objectives of the organisation.
- HR structure and resources are aligned and can deliver on the requirements of the organisation.
- Policies and practices are in line with legal requirements and best practices.
- Identified gaps in our systems and processes.

I would recommend that other companies follow suit and get audited against the SABPP standards because the outcome of the audit will only make them better. It will also assist

them in identifying what they are doing well and their areas of improvement.

The auditors were very professional. Before the audit, they did a great job of explaining to us what was expected of us, what we could expect from them, and how the process would be run from the beginning to the end. We knew what to expect and that enabled us to prepare better for the audit.

In alignment to our HR Strategy, the feedback received from the audit has formed part of our HR goals to assist us in **“Finding a Better Way to Exceptional HR Service Delivery.”**



— Kholeka Ngubeni-Henderson
Executive Head: Human Resources

ATNS

ATNS provides a wide variety of air traffic services, including CNS infrastructure installation and maintenance, aeronautical information services, aerodrome services, search and rescue, flexible airspace management (CAMU), ATS and other aviation-related training.

ATNS was established in 1993 in terms of the ATNS Company Act (Act 45 of 1993), to provide air traffic management solutions and associated services on behalf of the state, in accordance with ICAO Standards and Recommended Practices and the South African Civil Aviation Regulations and Technical Standards. It is a commercialised air navigation services provider (ANSP) and is governed by the nation's legislative and administrative framework.

I joined ATNS last year in September 2014. What prompted me to have the audit done is that I needed to get a full view of where we are as the HR function in terms of our processes, policies and procedures. At that time the company was busy with the mapping of the "AS IS" and the "TO BE" business processes of HR and Finance including Supply Chain Management as part of the requirements for the core ERP modules. I then used this opportunity to map these processes so as to ensure that the quality of our processes is in line with the SABPP HR Standards. Thereafter, training was arranged for my team in November last year to fully understand the HR standards, prior the audit process.

My view on the outcome of the audit is that it was very favourable, it gave me an insight on where to mainly focus based on the five (5) HR Standard elements that were audited. The most interesting discovery was that the outcome confirmed the gaps that were mentioned from time to time about the HR function.

The CEO was positive and saw this as a very favourable process. We were expecting the worst outcome, but the results gave us confidence in that there are processes that are on par with the expectations.

Planning and the allocation of a champion for this process is critical. Training as well as involving the entire team right from the beginning. They must see the process not being conducted to expose their mistakes/errors but more for continuous improvement. So benefits of the process must be well communicated.



Equip the entire HR Team with the full understanding of the SABPP HR Standard to get the buy-in and commitment that you will need in preparation and execution of the audit process. Prepare the line managers and staff so as to avoid any mishaps in terms of availability.

The audit team was very professional and the team really enjoyed working with the auditors. Even though not all our preparation was 100% perfect, they maintained their high level of professionalism and did not lose their cool. That really gave the team a bit of comfort as we were all unnerved by the process.



— Thandi Tankge
Executive : Human Capital

LEISURE OPTIONS

Leisure Options (PTY) Ltd was formed in December 1988 and started trading in January 1989, specialising in both Timeshare Development & Whole Ownership Developments. We founded the Dream Vacation Club in 1999, and are involved in the day to day administration of the Club. We also act as transfer secretaries for: The Peninsula Share Block Limited; Jackalberry Ridge; Sobhengu & Mjejane Game Reserve. We established an umbrella break in 2015 called Dream Hotels and Resorts.

Leisure Options believes in quality resorts which means only owning and selling resorts of the highest standards.

At Leisure Options, we know our customers are looking for quality vacations combined with excellent service, which we at Leisure Options have provided and will continue to provide in the future.

We embarked on the audit process to ensure that our HR practices are of the highest standard and that they strategically contribute to the company's bottom line.

The audit result reflected the hard work that was put into the function and processes and the commitment to excellence and fairness within our company.

We have however realised that we need to be more proactive and strategic in our HR interventions and actions to ensure a stable workforce and continued business growth.

We would like to thank the audit team for their hard work and professional audit process.



Di Gordon: Financial Director
André De La Porte: HR Manager



QUOTES FROM CLIENTS

"It's very exciting to have been successfully audited which is due to the guidance I have received over the years from professionals who I have consulted, most especially yourself. I am grateful for your help which has been given with confidence and am enormously proud of this achievement and look forward to the day that Dream Hotels & Resorts is successfully audited. By taking what is already implemented in Leisure Options (Pty) Ltd and expanding it into the rest of the Group, it will be an easier process for HR to implement. We will be discussing our implementation plan shortly."

— **Di Gordon**
Financial Director: Leisure Options



"The HR Audit report will provide my CEO with the comfort of appreciating the Human Resources function based on its external moderation and audit by experts/specialists from a recognised institution for HR Practitioners such as the SABPP. In this regard, the credibility of the HR function is elevated amongst my peers."

The 2015 Global Human Capital Trends report published by Deloitte has revealed a number of key findings that HR Practitioners can put to good effect in their organisations. A key finding from this report relates to the HR function having to undergo an extreme makeover. During the better part of my career in the HR Management field, HR has been subjected to both internal and external audits (Auditor General). In most instances, HR came out "unscathed" and declared as "clean". It remains to be seen, in the light of the 13 HR Standards, whether the HR function was indeed subjected to rigorous scrutiny. It is therefore my view that with the SABPP HR Audit process, HR departments are placed in a better position to reinvent the HR function and therefore lay the basis for an extreme makeover."

— **Samuel Nxazonke**
Head: Human Resources, Railway Safety Regulator



"I wanted to align our HR processes with the National Standards and at the time I was not sure if we will be able to be measured against the Standard with confidence. We decided to do a partial audit – six Standards. The report we received was very professional and I felt confident to present it to our Remco. This helped HR to gain a lot of credibility. I felt very good when the report confirmed that we are on the right track and it gave me assurance about what we are doing right and where we have to continue building. The documents provided to me during the processes helped me to build a good portfolio of evidence about our processes."

The Board was very happy with the results and took it to the Council. Members of the Council commented that it was the first time they have heard about the Standards and they are keen for us to be measured against the rest. They also mentioned that they have never heard of such type of HR Audit before and congratulated the HR team on a job well done."

— **Virginia Nkobi**
Senior HR Manager: National Agricultural Marketing Council



FEEDBACK FROM SOME OF

OUR EXPERIENCED HR AUDITORS

DAWID SWART



One of the privileges of attending university is the opportunity to interact with students studying towards careers you never heard of. Whilst studying towards a Social Science degree I realised that my career choice had to be one where I could inspire people to expect more, learn more, do more and to become more. That is how I started as an HR trainee. My first appointment was with Anglo American, Coal Division at a small town 30 km from Orkney. I moved up the ranks by my willingness to do duty in remote areas and by studying and improving my knowledge levels. I only moved to Johannesburg as HR Director when my children were mature enough to cross the streets on their own.

To gain line management experience I started an HR software company and it was 'hard'. After 10 years of

working in my own company I moved out to specialise in Change Management and obtained an MPhil in Leadership. As a change manager I realised that HR were the protectors of the 'status quo', they resist change because they perceive their company and the way they manage HR as 'unique'.

When the SABPP asked for volunteers to develop the National HR Standard I participated because I realised that to professionalise you have to standardise. The SABPP understands their members and invited them to participate in the development of the South African National HR Standard.

The implementation of the HR Standard is slow because companies prefer the implementation to be backed up by a comprehensive audit. I became an auditor to inspire HR to

expect more, learn more, do more and to become more. As an HR auditor I realised that HR needs more structure, and needs to develop a process and evidence approach to be able to show the auditors that they sufficiently meet all the criteria of the SABPP Human Resource Management System Standard.

The main benefits of an audit are:

- It makes HR a business partner
- It helps HR to see the value that they add to the organisation
- It defines line management's HR role and HR's support role
- It integrates the HR department
- It identifies and mitigates the gaps

My advice to HR Executives is to volunteer to be audited, to keep the initiative and be proactive in determining the gaps in your own HR Management System and levels of competencies. Equip your talented HR practitioners with knowledge of the full HR function and how it integrates in your organisation by enrolling them to become auditors. As the value of the HR audit becomes known, more and more companies will ask for internal and external HR audits.



DEWALD VAN DER SCHYFF

For more than a year now I am managing the human resources and industrial relations for MECS Africa operating within the recruitment & temporary employment services sector. I have more than 12 years' experience in Human Resources and related People Practices in both a South African and International capacity, with six years' HR Generalist exposure on assignment on various projects in West, North and East Africa within the Engineering, Construction and Mining Industries.

Having been extensively involved with the implementation and improvement of HR policies, procedures and systems on African projects, I wanted to widen my skill set to be able to verify and also enhance the mentioned aspects anywhere in the world.

It is enlightening so see how different companies deal with the various HR elements, but still getting the desired outcome.

Companies underestimate their HR processes due to the fact that it is often widely practiced but not necessarily documented. Documentation is, however, not the only way to prove the existence of a process. Employee interviews can substantiate this fact.

Confirming that their systems are not necessarily lacking, the SABPP audit are not there to punish but to indicate areas for improvement.

My advice to companies who are still considering whether or not to be audited, to just do it. It is better to deal with the enemy you know, than the enemy you don't...

Familiarise yourself with HRM National Standard elements, do the HR Auditor training and take hands with the SABPP to make HR more professional, one audit at a time...



CORLIA PETERS

Building HR Capability across Africa (BHRC), is focused on developing Human Resources competencies on entry, middle and senior HR management levels. I started my HR career in Standard Bank over 20 years ago and have been involved in HR as a practitioner and consultant in different organisations. Exposure in different industries and in different countries across Africa emphasised the need to improve the awareness of HR's role in the business and to develop the competencies to fulfil this role. In businesses where this is lacking it delayed the HR practitioners' ability to operate at a level that will provide the relevant value adding partnering relationships.

The following key career milestones prompted me to focus my energy on HR capability building:

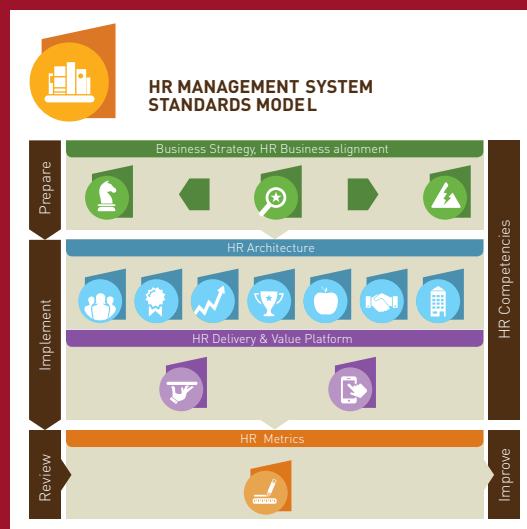
- **Developing an HR Curriculum for Standard Bank to develop their HR Business Partners.**
- **Competence assessment and developing line**

managers as assessors in different African countries (mainly in SABMiller's Africa operations). I had to work closely with the HR team in the respective country to entrench the approach.

- **Planning, implementing and monitoring significant HR projects for South Sudan Beverages (part of SABMiller) – involving the local HR team in the projects as part of skills development.**
- **Focused coaching relationships with HR people over the span of my career on entry and middle HR management levels.**

I have developed and used my own HR audit tools during interventions with different clients as a base for gap analysis to determine which areas to address. I have found HR audits to be a valuable tool to provide relevant and specific evidence of areas for development within the HR function. The process of conducting the audit and providing feedback also provides a solid base for HR capability building. When the SABPP brought out the National HR Standards I realised that this is the ultimate approach to ensure focused HR capability building that is aligned to consistent and relevant criteria. It also adds to the reliability of the audit process and provides a base for developing specific HR competencies.

I was lucky enough to be involved in an HR Audit that covered all 13 standards. This highlighted the links between the different standards and how performance or lack of performance against one impacts another. I enjoyed the process immensely and could see how proud the HR Practitioners were to show what they have achieved.



It was also interesting to interpret the approaches used within their business context. I realised that if a company exposes themselves to an audit the likelihood of acceptance of constructive input and the willingness to adapt is greater. This to me is where the true value of the audits lie, adopting a continuous learning approach in HR.

A lot of information is shared during the audit and it is important to focus on the criteria and not be side-tracked by bells and whistles that could look attractive but will not work in practice and don't align with the criteria. I found



that discussions around interventions also provide opportunity for learning and sharing of ideas. A very important learning point for me was the fact that there should be continuity of the process up to the point of finalising the report. This is again where the criteria per standard provide a solid base.

In many organisations different people have different perceptions about what the business realities are that should be prioritised and how current practices support these. One of the major benefits is the fact that the audit provides objective input on business realities and to what extent the company is equipped to deal with these effectively. The other major benefit, and the one that I am most passionate about, is the HR capability building that happens throughout the process: preparation, presentation and feedback create a platform for learning.

An audit is a prime opportunity for HR to align efforts with business requirements since every standard have an element of business alignment in. This is not a punitive process but should rather be seen as an opportunity to improve the way HR operates in the business partnering relationship. It is imperative that the HR team preparing for the audit understand the links between the different standards, especially if more than one area is audited. The reason for this is that a gap in one area will impact another and a better understanding of this impact will help to manage the expectations within the team of the audit outcome. HR Audits from a senior management perspective is probably one of the most relevant HR capability building interventions that you can invest in, especially if it is done across all 13 standards.

In order to fulfil the responsibility of an HR Auditor it is important to believe in the potential benefits of the process. It is an exciting learning process that has the potential to significantly influence an HR team's credibility and contribution to the business.



NATASHA CARSTENS

I spent the first 18 months of my career in the South African Air Force in the Airspace Control environment. I then moved on to Airspace Control training where I discovered my love for training and the rest is history! I spent the remainder of my military career at the SANDF College for Educational Technology where the focus was on training the trainers of the Defence Force. My career in the private sector started in the insurance industry, then moved on to aviation, construction and finally the insurance industry again. All of this was spent in various Training and Development roles save for the last three years, in which I fulfilled a more generalist role.

I was first introduced to the National HR standards when I attended the first HR Standards Summit in 2013 and I had the feeling that the SABPP was onto something. It also resonated with me since I am a firm believer that if you do something you should do it according to the rule/standard or not at all. Consequently, when the opportunity came up to join the first group of HR Auditors that was trained by Dr. Michael Robbins, I jumped at it! This training happened prior to the Audit Unit being established and as such it took a while before the first audit was done.

To date I have conducted two audits (one in the leisure industry and one in the paper and pulp industry) and I learnt a lot more about Human Resources than I thought I knew! One of the highlights was coming to the realisation that not only huge corporates have excellent HR practices. Some smaller organisations

have practices in place that can comfortably compete with the best out there. The second major learning was that it is crucial to listen actively during the audit. Failing to do so puts you at risk of coming to the conclusion that a company is not adhering to the standards, when in fact they are, but they articulate it differently.

In my opinion the benefits that the companies (where I have been involved in the audit) have gained from being audited are two-fold. Firstly, it showed them that they are not as bad at HR as they thought! In many cases they have some exemplary practices in place. Secondly, both these companies have taken the recommendations we made and have already actively started implementing it, thus improving their development areas. I believe that is because the recommendations are practical and because the SABPP Audit Unit and auditors are always available to provide additional advice and guidance on implementing the recommendations.

There are many companies out there that have tested the water in terms of undergoing an audit, but seem to be hesitant to take the leap. My message to them is "Go for it!" The audit is not designed to catch you doing something wrong. On the contrary the purpose is solely to identify the areas where you can do things even better than you do! The data recently released by the SABPP in terms of how companies think they will vs. how they actually perform in the audits serves to strengthen this argument. For companies that have decided to take the leap, my advice would be prepare, prepare and prepare some more! The agenda for the audits is very tight and time management is crucial on the day of the audit. As such no time can be wasted running around and digging for evidence on the day.

I would certainly encourage any HR Professional with a generalist background to attend the HR auditor training and become a certified HR Auditor. I can promise you it will change your life and the way you look at HR forever. You will realise exactly how deep at the heart of an organisation the people lie and what a profound impact they can have on the sustainability of the organisation.



SABELO PLAATJIE

I am Sabelo Plaatjie, a General Manager at Vukani Business Solutions, an HR Consulting Company. I have over 15 years HR experience in the manufacturing, education, services and medical aid administration industries.

In my career as a practitioner in the HR environment I was always confronted by the question of how do you know if you are doing the right thing in your profession and how do you measure success. Many different measures were used to measure HR efficiencies and effectiveness and a lot of them failed. When HR Standards were adopted by the industry I was very happy and I wanted to be in the front line in the implementing of the Standards.

The audit process was an eye opening experience. The experience of being an outsider to the business and coming with an objective of confirming whether the Standard is correctly implemented and to be in a position to recommend areas of improvement, underlines the importance of high professional standards.

Honesty and openness from both parties in the process creates a climate where the two can learn and improve. It's important that the client being audited does not see the auditor as someone with a red pen to find the wrongs, but someone with a fresh eye on your processes.

The benefits for the client were a better understanding of how far they have implemented and how much work is still left for them to do to be perfect. The confirmation that HR is working towards the attainment of business objectives is a big and key factor.

To companies that are preparing for an audit I would like to encourage them to do so as this is the only way they may be able to measure the mile they have travelled. The importance of holding high professional standards throughout the process cannot be over emphasised.



YENDOR FELGATE

After obtaining a Master's Degree from the University of the Witwatersrand, I started my career in HR, working my way up to hold senior roles in freight, fleet and financial services industries. Thereafter, I started Emergence Growth and over the last 10 years, I have consulted in over 20 different countries on all aspects of Human Capital.

I became a HR auditor because I see the value in being able to advise clients on what are good practice standards in HR. We are able to benchmark HR practices in a meaningful way for the first time and provide HR practitioners with a starting point in terms of adding measurable value to organisations.

My auditing experience has been very positive. Clients have benefited from an in-depth analysis of what they are currently doing. The audit process is in and of itself a powerful diagnostic tool. The further benefit is that the audit allows HR to look across the traditional silos and ensure that all the parts of HR are working in a systemic way. Finally, it is a great confidence booster as the audit typically shows that HR is better than they think at what they are doing.

For those organisations and HR teams that are thinking about being audited or are hesitant in any way, some of the following are key aspects to keep in mind:

1. **See the audit as an opportunity to identify strategic improvement opportunities**
2. **It is a great way to engage stakeholders about HR and what you are doing**
3. **There is never a right time to be audited, so there is no real reason to 'spring clean' before hand**
4. **See the HR standards as an opportunity to build HR, rather than as a once off, tick box activity**
5. **Finally, you are often better than you think**

The roll out of audits is also an opportunity for HR practitioners to further develop their HR professionalism by becoming HR Auditors themselves. It allows you to deep-dive into all aspects of HR, ensuring that you become a well-rounded HR professional.



MANIE ROODT

I obtained my Bachelor of Arts from UNISA, Pretoria in 2000 and my Master's in Business Administration from Henley Management College, United Kingdom in 2006.

I run my own consultancy business and currently function as an Executive HR Consultant and my focus is on HR consulting assignments, the facilitation of training on the National HR Management Standards and HR Audits in association with the SA Board for People Practices.

I have more than eight years' experience in assessing the effectiveness of HR functions. I am passionate about improving the quality of HR practices and raising the bar

for the profession so that it has business impact. HR Governance is an important component for enabling effective interactions and functioning of the HR function, and provides a structured framework for oversight and decision making.

The HR Audit process definitely strengthens controls in an organisation and it is an independent and objective assessment. It helps HR professionals to control quality and consistency in accordance with the spirit of good governance.

I learnt that not all organisations function the same but the National HRM Standards can be applied to all organisations. Some of the benefits for organisations are:

- To create a renewed focus on consistency, standardisation and integration of the different HR elements;
- It ensures that HR controls quality and consistency in accordance with the spirit of good governance.
- It provides an independent and objective report on the achievements of the HR function relative to best practice with recommendations for continuous improvement;
- The HR Standards Audit provides an independent, objective report on the readiness of HR Departments to support the business strategy.
- The Audit will further reduce investor risk because it will provide an independent, objective report on the state of HR management and therefore organisational stability and sustainability.

My advice to companies considering an HR Audit is "just do it!" - It gives you an objective opinion on the effectiveness and validity of the function, limits risks, creates an opportunity for improvement and will educate management.

Becoming an HR Auditor is an opportunity to grow your knowledge on the standards that will enhance your professional reputation.





SURAN MOODLEY

In late 2014 through a merger and acquisition, my business partners and I founded Ariston Global (Pty) Ltd, a business solutions provider specialising in Human Resources, Recruitment, Accounting, Tax, Payroll, Strategy, Business Optimisation, Compliance, Advisory and Pastel Software Sales, Support and Training. With 15+ years as a HR Leader in various industries, and being adept at developing and executing innovative people strategies and workforce solutions that build internal capabilities, reduce operating expenses and enhance organisational effectiveness, I have acquired extensive experience leading and collaborating with geographically dispersed teams within a matrix environment in start-ups and turnaround situations.

Some of my industry experience includes Business Services, Entertainment, Import/Export, Road Freight, Telecommunications, Office Automation, Aviation, Information Technology and Call Centres.

My educational background is a BA Degree (Psychology & Sociology), Post Graduate Diploma in Personnel Management, BA Honours Degree (Industrial Psychology). Skills Development Facilitator, Assessor, Certified HR Management Standards Auditor and Lead

Auditor. I am also registered at the SABPP as a Chartered HR Professional.

The development and launch of the National Human Resource Standards heralded the beginning of a new era for the profession. Having long been critical of the quality of Human Resource Management Practices and HR Practitioners, I believed that becoming an HR Auditor is an opportunity to contribute to the quality, professionalization and growth of Human Resources in South Africa and Globally.

On my first audit, I was probably as nervous as the Audit Client's HR Representatives. However as the day progressed, I grew in confidence through experience with the methodology. This practical experience also demonstrated the value of the HR Management Standards and how well the model works.

Through the HR Audit process I learnt that the audit exposed the great things that are being achieved by HR in companies as well as their blind spots. There are some amazing case studies of how HR is able to support the rest of the business through innovative solutions.

Clients who have been audited experience various benefits. The HR Audit provides an independent, external verification of HR performance and developmental areas against a National framework. It highlights professional HR practices and provides clients with an objective recommendation for areas that could be improved upon. It further promotes the HR function within the broader business context by linking it to the business strategy.

Companies preparing for an HR Audit should ensure all HR Practitioners undergo training on the standards, perform a self-assessment and compile a file with all the supporting documentation to make the audit process more efficient. To gain the full benefit out of the audit, convert the Audit Report into an Action Plan to remedy any areas for development and reinforce positive achievements.

HR Professionals who are considering becoming HR Auditors, should understand the HR Standards that you are a subject matter expert in. If you wish to audit all standards ensure that you acquire the relevant knowledge and experience. Since Audit Reports are presented to the CEO/MD of companies and the rest of the Executive Team, it is imperative that Auditors demonstrate exceptional report writing skills as well as an excellent command of business English.



MARIUS JACOBS

I studied BCom Industrial Psychology at North-West University and also completed an Honours Degree in Industrial Sociology. Additional academic achievements include, Trainer Development Diploma, Industrial Relations Diploma, Business Analysis Diploma and NLP Practitioner. Executive development were attended to by WITS Business School during my career in Harmony Gold. I have 20 years HR experience, main sector experience the first 15 years were mining and the last 5 years consulting in various industries. My passion is structuring the delivery of HR and I am the co-founder of Talent Factor which is a HR Technology and Consulting business. I am registered with the SABPP as Chartered HR Professional.

Noticing the confusion in the market and the application of various standards it dawned on me that with experience we can give back to the business community. The SABPP HR Auditor journey made it possible to contribute in a structured way.

I experience HR Audits as insightful and exciting. Getting used to use the audit tool was the first aspect to master. The second very interesting aspect was to find and validate evidence of application of the standard and depth of application. HR practitioners can often talk the HR practice but the evidence lies in the doing HR according to standard. This is what counts for the implementation of the standard and the maturity of the process. The crux of the audit process is to identify how the clients think about the implementation of the standard and at what stage he/ she is at.

There is real passion in some of the businesses and with guidance HR Professionals can make a huge contribution to Africa.

For the audit team, preparation is key, as is researching and understanding the client. Most important lessons learnt are:

- Identifying fit for purpose standard application for the type / size of client organisation
- Listen and talk less – Let them give the answers. Don't get tempted to go into consulting mode.

The HR National Standards 13 elements make it easy for client's executive teams to contextualise the HR effort. By measuring each element an organisation can identify priority areas for improvement. Confirmation of being on track and progress towards an improved HR model is the highlight of benefits clients get.

For companies considering an HR Audit, the application of standards levels the playing field of HR and structures the rules / metrics / templates / process and practices to be used. It simplifies the HR effort and unpacks it in a logical way. Get on board and make the HR standard application a way of life.

Potential HR Auditors can benefit from the following advice. In order to take you out of your comfort zone you need to experience different applications of HR processes in different organisations. The learning experience is worthwhile and added to that you first need to be knowledgeable of the National HR Standards model and how it works. What better way to develop yourself for the future of HR. Join the audit team.





DR MICHAEL GLENSOR

For the past twenty years I have practiced human resources as a Generalist across a wide-spectrum of industrial sectors from Mining, Engineering, Manufacturing, Professional services and Construction. I started as a Wage clerk / Personnel trainee in the mid 90's; at a time when our profession was still called Personnel Management! I have experienced the waves of change from Human Resources to Human Capital Management; and have taken a journey with countless HR stakeholders and role players where there is cry for HR transformation and increased service delivery; and I admit that I have a great deal more to learn. I have not arrived....and believe that the role of an HR Professional is so often misunderstood, but the secret lies in the following expression: "Seek first to understand, before you yourself can be understood!"

I decided to become an HR Auditor because I have always believed in the somewhat adapted saying, "good practice makes perfect!" I must admit that there is a dire need within the HR profession to provide a basic guideline of common processes and practices with which to perform the vital roles and responsibilities as an HR Professional! I believe that the SABPP has successfully managed to create a common set of HR standards with which to equip the HR Professional with the necessary tools and knowledge on how to survive in an ever-changing and competitive workplace.

My experience conducting an HR Audit was interesting. At the beginning I am not sure who was more nervous... the company or HR team who was been audited or me! After breaking the ice with the client, and establishing the purpose and benefit of the audit we were able to move

forward. In the beginning it was slow because the company / client watched your every step / response or move you made. It was as though they were expecting some kind of negative confirmation of their HR performance; only to find that the learning experience and discussions proved useful for both parties in helping to build respect and confidence for the HR work that was being performed within the workplace.

From my experience, I would like to share the following lessons:

- Being audited is a vulnerable process; so do not take it lightly!
- It takes 'chutpah' to be audited!
- The role of audit should never be seen as 'policing', but rather as a vehicle for continuous improvement
- Communicate-communicate-communicate!
- Have a good understanding of resistance to change as it will help the client to be more open to receive the constructive feedback from the HR audit
- Pre-audit meetings with the Lead auditor the day before the commencement of the HR audit may assist in preparing the company / client for the audit
- HR Lead auditor plays a crucial role in coordinating the engagement of the audit team with the company / client
- I believe that the main benefits of the HR audit for the client were the following:
- An opportunity to get an external / independent view from a fellow set of HR professionals on the state of health of HR in a company
- A voice of reason! (I so often found as consultant for Deloitte that I was given 'airtime' to speak to Leadership on matters, which had previously been discussed or presented; only to find that it is accepted from a complete stranger or someone external to the organisation!)

My advice to potential HR Audit clients is to see the HR audit as an opportunity to assess and improve upon your existing practices and processes; ultimately it will most probably be the best gift you could ever give to your team!

My message to potential HR Auditors is simple: "SABPP needs you!"



ELSABÉ BELL

I hold a master's degree and have more than 20 years' experience in the HR field. I have worked with large enterprises, multinational companies across various industries as well as at all levels within organisations. I am a member of professional bodies such as the SABPP, the African Society for Talent and Development and the NeuroLeadership Group. I am also a Master HR Professional, Qualified Facilitator and Assessor, Moderator, Commissioner of Oaths and a Coach.

I became an HR Auditor because I felt that it was time for me to give back to the HR community at large.

At first I was nervous when having to do my first HR Audit and did not know what to expect, but Christine and her team were highly organised and professional. The method and tools that we use really make it easier for client(s) as well as the audit team.

I learnt many lessons in the process, but the one that stood out was that the audit process can definitely change the face of HR.

There are so many benefits for clients to undertake an HR Audit. However, the main benefit is that clients will have immediate access to a full gap analysis for each standard and recommendations.

Companies should embark on this journey soon! Let's change the views that others have of our profession.

It is not just about certification, but also about doing things right and doing things the right way.

My advice to new HR Auditors is to make sure that you know all the objectives for each standard. The audits are challenging, therefore, know your standards!



LEANNE MAREE

I have been an HR generalist for 27 years, with the past 18 years being at an executive level in various industries. For the past 3 years I have been consulting to general industry on HR related matters. One of the major challenges I have experienced is the alienation of the HR functions from the rest of the organisation, due to mistrust, lack of understanding of functions and uncertain scopes of responsibility. I have encountered frustrated HR teams who feel excluded from decision making on the one hand, and frustrated executive teams who feel that HR adds little more than an administrative function.

Through my membership with the SABPP, I realised that there is a powerful tool at the disposal of industry, to improve the skill and efficacy of HR practitioners. An unskilled, competent and value adding HR practitioner will not be excluded from the strategic functioning of an organisation. The HR Standards which were rolled out, provide the perfect yardsticks for HR practitioners and organisations to benchmark their performance and to ensure that HR is a strategic partner to an organisation.

I applied to become an HR Auditor as I believe that the implementation of these HR Standards is critical to ensure the sustainability of any organisation. I have had the privilege of being involved in one audit already. Although a daunting undertaking, I believe that the client was surprised at their own level of readiness. I learned in particular that this process cannot be a tick box exercise. Every organisation will have its own modus operandi, and as an auditor one has to be very broad minded in your approach. Just because something has always been done a certain way, does not make it the right way.

Every aspect of being in business must be geared towards sustainability. The HR Standards provide an excellent framework for an organisation to benchmark its practices against.

HR AUDITING OPENS UP NEW CAREER OPPORTUNITIES FOR EXPERIENCED PROFESSIONALS

Many companies have been working hard at implementing the Standard and are now ready to be audited against the 13 HRMSS and such audit roll-outs have already commenced. In addition, we are encouraging organisations new to the Standard to prepare themselves for audits at a later stage. Exciting and real opportunities exist in the immediate future for auditing assignments, consulting/preparation work with organisations, conducting gap analyses against the Standard and helping put in place action plans to close those gaps in preparation for a certification audit. This work could be done internally or by use of external consultants.

“Our first team of HR Auditors to be certified. From left to right, Sivaan Marie, Maphutha Diaz, Marius Meyer, CEO of SABPP who presented the certificates, Leanné Breedt-Maree and Lead Auditor, Dawid Swart.”

The HR Audit training workshops are therefore designed to cater for various categories of people wishing to work with the Standards, whether as an in-house facilitator, external consultant or auditor.



CRITERIA FOR CONSULTANTS,

AUDITORS AND LEAD AUDITORS

The following have been set as the selection criteria for admission to the workshops for the various roles.

CONSULTANT

- Be registered with the SABPP at HRA level or above
- Have signed the SABPP Code of Ethics for HR Consultants
- Completed the HR Standards workshop

AUDITORS

- Be registered with the SABPP at HRP level or above
- Have signed the SABPP Code of Ethics for HR Consultants
- Have 7 or more years senior HR consulting/ HRM experience
- Completed the HR Standards workshop

LEAD AUDITORS

- Be registered with the SABPP at HRP level or above
- Have signed the SABPP Code of Ethics for HR Consultants
- Have 10 or more years senior HR consulting/ HRM experience
- Completed the HR Standards workshop

HR practitioners attending a workshop for internal purposes only do not have to meet these criteria, with the exception that they must have attended an HR Standards workshop.

Anyone working with the Standard will be required to pass a knowledge and understanding examination prior to the commencement of training, in addition to filling the criteria above, before being accredited.

AUDITOR COMPETENCIES

The competencies listed below are critical for any HR Professional wishing to become an HR Auditor or Lead Auditor. It goes without saying that, as HR Auditors, we are doing a peer-review of other HR Professionals' Human Resource Management Systems, and this requires not only skill, experience and a strong HR background, but sensitivity towards and compassion for those whose work is being audited.

Exceptional English Report Writing skills are required as HR Audit reports are submitted to the Executive Management, Boards and sometimes even Shareholders of the organisations audited.

AUDITOR COMPETENCIES



CERTIFICATION PROCESS

The diagram below depicts the HR Auditor/Lead Auditor Certification process. It is a very stringent process, often quite overwhelming for delegates despite their extensive experience. Knowledge of the HRMS Standard is of critical importance as this aspect cannot and will not be revisited during the training due to time limitations. Prospective HR Auditors must prepare extensively for the training, which includes pre-reading material and studying the Standard. At the start of the training, directly after the one-hour closed book exam, delegates are also required to deliver a presentation on any one of the 13 Standards. Their presentations are then critiqued by the other delegates present and the quality, content, delivery and impact of their presentations rated on a 10-point scale.

Delegates also gain practical experience in applying the HR Audit methodology and techniques during role plays which are observed by the presenters. After completing of the training, another open book exam must be submitted within two weeks of the training.

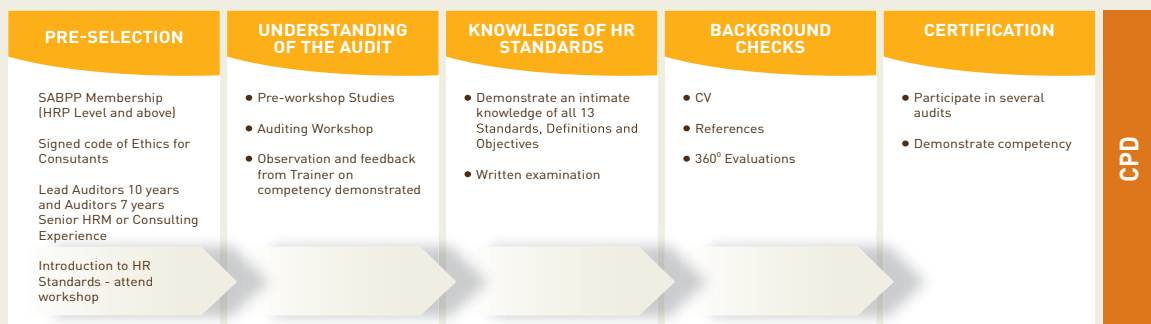
All HR Auditors must complete at least one audit successfully prior to Certification. Lead Auditors can only be considered for such a role once they have been certified as an HR Auditor. Their Lead Audit performance during their first audit is evaluated by the Head of the HR Audit Unit.

Also, after each completed HR Audit, the HR Audit team members have to conduct evaluations on one another's performance during the audit.

HR Auditors are expected to attend at least one compulsory CPD intervention per annum.

Payment rates for HR Auditors and HR Lead Auditors will be made available during the training and may be reviewed or renegotiated from time to time based on the clients' requirements.

CERTIFICATION PROCESS LEAD AUDITORS



QUALIFIED AUDITORS AS AT END JULY 2015



SABPP HR AUDIT UNIT
*Providing external assurance
on HR standards*

| | | | | | |
|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
| Abigail Overmeyer | Elizabeth Warren | Karin Niji | Marius Jacobs | Shongwe | Sithabiso Mabaso |
| Alex Molefi | Elsabé Bell | Kate Dikgale- | Marlain Polovin | Paul Krige | Sivaan Marie |
| Alicia Singh | Eva Segoe | Freeman | Marsha Pieterse | Paula Teigao | Sivapragasen |
| Amanda | Fienie van | Katrina Sauls | Maureen Fourie | Penny Abbott | Chetty |
| Boonzaaier | Rensburg | Keboneng Moitse | Mboniseni | Peter Streng | Snanzeni Ndiweni- |
| Andrew Pons | Frances Kazan | Kevin John Marlow | Simelane | Raun Smyth | Mhlanga |
| Annika Kirrpaul | Frank de Beer | Kgomotso | Mbulelo Khonjwayo | Refilwe Mthethwa | Suran Moodley |
| Anthea Saffy | Gareth Low | Mphahlele | Michael Glensor | René de Waal | Theresa Todd |
| At Strydom | George Motloun | Khangekile (Getty) | Michelle Visser | Rene Grobler | Thys Viljoen |
| Bheki Maziya | Gerard Mofolo | Simelane | Mmalefu Manoto | Revona Govender | Tracy Harper |
| Bonnie Johansen | Grace Madilonga | Leané Breedt- | Moleko Rannona | Roseline Nhamo | Tumang Bokaba |
| Brett Walker | Grant Wilkinson | Maree | Monamodi | Rose-Marie | Virginia Nkobi |
| Christine Botha | Gugulethu Madlala | Leanne Maree | Matsapola | Schoeman | Wandile Zwana |
| Corlia Peters | Happiness Dlodlu | Lebogang Nong | Moshekoa Sekhuto | Sabelo Plaatjie | Willem Fourie |
| Danie Swanepoel | Hazel Hall | Lereko Leluma | Mzwandile Dlamini | Sakkie van | William Sewell |
| Dawid Swart | Hendrina Meyer | Lomkhosi | Natasha Rudy | Greunen | Winile Dlamini |
| Dee Mdeka | Itumeleng Mabefo | Magagula | Natasha Carstens | Samuel Lewatle | Winile Hlongwane |
| Dennis Coetzee | Jan Prinsloo | Louis Jan van | Nico Teledimo | Sandy Lana Ho Hip | Xolani Mawande |
| Dewald Van der | Jane Wilkinson | Tonder | Nigel Bailey | Shamila Singh | Yendor Felgate |
| Schyff | Jayleen Naidoo | Lucas Bornman | Nimee Dhuloo | Sharon Bauers | Zamasishi Madlala |
| Diamond Motimele | Joan Stanbridge | Luzanne du Preez | Nombasa Mhlati- | Shikombiso Kimeto | |
| Dineo Mathibedi | John Patterson | Lynn Roux | Musene | Silondiwe | |
| Duduzile Dlamini | John Nkwana | Lynne Gamsu | Nthabiseng Lebea | Nkhambule | |
| Dumsane Dlamini | Judy Norris | Manie Roodt | Pat Smythe | Sindiswa Maseko | |
| Elismari Hamman | Kaizer Ntemere | Maphutha Diaz | Pat Naves- | Siphiwe Ndwalaza | |

SOME FEEDBACK FROM THE SABPP HR AUDITOR TRAINING

"Valuable, both conceptually and in terms of the practical implementation." WC Auditor

"I thoroughly enjoyed the programme in terms of the personal development and met the intended outcomes. The course was interactive, relevant and provided appropriate role plays, feedback, questioning etc. Well done Christine, Bonnie and SABPP." - Kevin Marlow

"Thank you for the effort that clearly went into the preparation."

"Good initiative and would ensure consistent knowledge transference and application." - WC Auditor

"I'm comfortable to audit with a supportive team (for the first audit) but realise I will learn a lot then in the "real world". The more HR practitioners are upskilled, the better the improvement HR Standards." - Sakkie van Greunen

"It was a good plan to mix the participants (different companies and not only our HR practitioners). We shared experiences and learned from each other. It will help the trainees to be exposed to HR Standards auditing so that the skills and knowledge can be put in practice" - Swaziland Audit Training

"It has been too long our HR have been operating without standardised Standards, so SABPP planned to run these workshops in-house. Overall an insightful presentation and workshop. A new mind-set has been implanted in me. Looking forward to getting on with HR Standards." - Swaziland Audit Training

"Well organised and planned." - JHB Audit Training

"Keeping doing what you doing. Superb work in raising the standards of HR practices and raising HR Profession's flag."

- JHB Audit Training

"The Audit Unit Head facilitated training very well. She is knowledgeable on the subject matter." - Swaziland Audit Training

"Excellent presentation." - Swaziland Audit Training

"This helped me in understanding the HR Standards and their implementation. Presentation was clear and aided me in understanding and applying the standards."

- Swaziland Auditing Training

"The workshop was presented in a reasonable manner and it addressed the issue of HR department without standardised standards. I was very much impressed with the presentation as a whole" - Swaziland Audit Training

"Workshop was well presented and informative" - JHB Audit Workshop Training

"I started not knowing what to expect by the 2nd day I was still unsure. By the end of the training... I know I want to be an auditor"

- JHB Audit training

Below is Kholeka Ngubeni-Henderson and other executives on the day of the audit



At Telesure everyone celebrates in style!



REMEMBERING OUR ONE YEAR LONG JOURNEY

First HR Audit team arriving at Telesure for their HR Audit



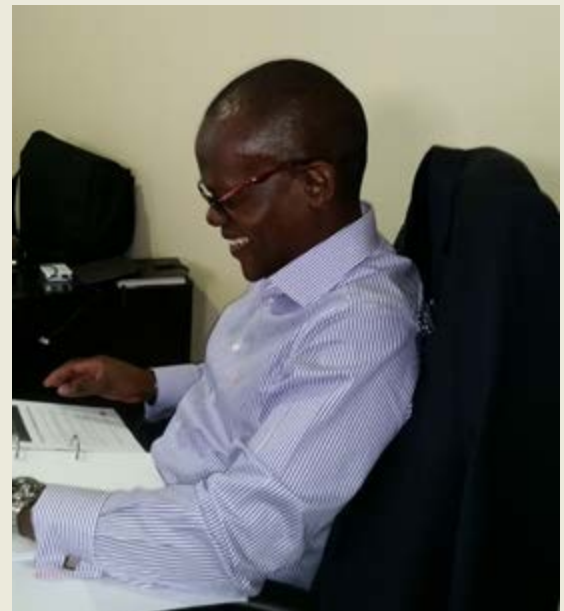
The Milpark HR Audit team taking a well-deserved lunch break with our host, Harry Melck , OD Manager



Our host in Lesotho, Gerard Mofolo at the first HR Standards Training in Lesotho. Gerard also became the first qualified HR Auditor in Lesotho

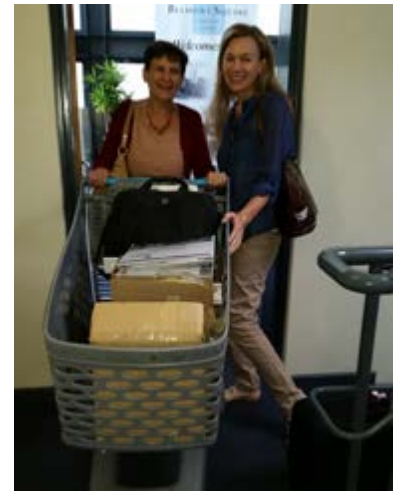


Below, HR Auditors in training – under the watchful eye of the HR Audit Unit Coordinator, Malebo Maholo



Above is the first HR Audit team certified: Sivaan Marie, Maphutha Diaz, Leanné Breedt-Maree and Lead Auditor David Swart with SABPP Marius Meyer in the middle

HR Auditor training in Cape Town with our host, Bonnie Johansen – Western Cape Chair, assisted by Michelle Visser, pushing the trolley with the training files



Marius Meyer on a roll at the Sage VIP client breakfast, introducing HR Standards and Audits



Delegates from Human Resources at the Office of the Auditor General undergoing HR Standards training



Duduzile Nhlengethwa, IPM President of Swaziland, hosts the first HR Standards and HR Audit training workshop in Swaziland



CONCLUSION

It is enlightening to see the relief of HR Executives every time we present our HR Audit results. Without fail we are told that the results came as no surprise because it is a confirmation of their own views and assessments of the overall performance of their HR departments, but that the exact details of which areas are performing well against those that are not meeting the Standard provides invaluable information and focus for the future. It is also helpful that the findings are an independent and objective assessment of the status of their HR functions and therefore more easily accepted by the business and HR staff alike.

Often HR Executives decide to go back to the drawing board, revisit the basics prior to embarking on earth shattering interventions that add little or no value to the business. They also find that the priorities contained in the audit reports help them focus their attention on critical areas rather than fixing that which works well.

Many raise concerns around the competence levels of individual HR employees. We stress, however, that the HR audit focuses on the quality, extent of application, consistence and value add of the HRM System and is not an assessment of individual competence. While the SABPP has a solid competency assessment framework, Professional Registration with the SABPP can provide a quick indication of the level of work an HR professional should be performing at. Applications for membership are reviewed by a dedicated Professional Registration committee who carefully examines the individual's qualifications, level of work and experience. This route removes the threat of an individual competency assessment.

Human capital governance remains biggest gap in current national governance systems and codes. Even if organisations have the most sophisticated governance systems in place, at the end governance is about people. People make governance work, and people let governance fail, and it is therefore essential to approach governance not only from a financial perspective, but also considering human capital governance in making overall governance work. The absence of formalised human capital governance will perpetuate the status quo and mean that sound governance throughout an organisation will never be achieved.

Most of the Public Protector's Reports addressing governance failures have specifically referred to failure in HR governance, and given the lack of acceptable HR governance frameworks this problem will be perpetuated unless if human capital

compliance becomes part of integrated reporting. Herein lies our biggest opportunity, because we have the Standard, we have the HR audit methodology and we can positively influence good governance in South Africa, throughout Africa as a continent and possibly even beyond. While compliance is important, performance, flexibility and creativity are the key enablers of sound HR and ethical practices within HR. Hence, the need for integrated thinking and proper assurance in rectifying gaps in the human capital value chain of organisations.

I truly believe that if we can get our human capital functions and practices to be recognised as key stakeholders and major contributors to the long term sustainability of organisations we could achieve growth beyond our wildest dreams.

Christine Botha
September 2015

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