

# HR AUDIT TRIBUNE

**3RD EDITION** 



# SABPP HR AUDIT UNIT

Providing external assurance on HR standards

# **SABPP**

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# HR AUDITS MAKING WORLD HISTORY

2018

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# SECTION A: FOREWORD



# WHY SHOULD I NOT FEAR, AND BE SCARED OF AN HR AUDIT?

The concept of audit has been in organisational employment situation for years, however just like many things that provoke fear and discomfort. Fear is an unpleasant emotion that human beings dislike. There is a perception that an audit process is policemen in action. At various levels of organisational layers that are occupied by management, professionals, and academics, there is a general uneasiness and anxiety with audit process and outcomes. As it can be expected, many would like to have positive audit outcomes thereby implying that there are governance processes in place and compliance with the requisite norms and standards. Therefore, the common tendency to audit process is avoidance and circumvention in totality due to fear of independent auditors identifying some anomalies and feedback that there are some gaps.

In the corporate universe, using control and management simply for compliance is just doing the bare minimum. Only a few businesses truly succeed with that philosophy. The HR Audit process methodology as underpinned by the SABPP standards is rigorous to flag the strong points, identify areas of improvement and correct what is wrong in the organisation from a people perspective. Based on the National

HRM System Standards adopted in 2013 for the HR profession, the HR auditors are empowered to objectively articulate findings on the very specific requirements to improve business performance.

Unlike policemen who generally arrive unannounced and where most of the time there is suspicion of wrong doing, the HR audit process involves preparation and planning. Of vital importance is that it should never be presented as a mechanism to find problems within the organisation. It should always be presented as a positive experience using systematic tools where accredited HR Auditors come in and review the extent to which HR standards are implemented flag the strengths and improvement areas. Exciting moments occur when preparations are translated into action. One may need to think about an announcement and sign off that it is now all systems go, HR Audit shall take place on a particular date.

Communicating the objectives of an HR Audit throughout the organisation is also important. If everyone in the organisation understands that HR auditing is always about improving the system, and never about catching someone doing something wrong, this knowledge goes a long way to alleviate the fear and dread. Creating a sense of understanding in minds and emotions of the employees that an HR audit will provide meaningful information for continual improvement and corrective actions, is crucial.

As HR Professionals are accountable for change management, it is our duty to reframe fear as excitement with regards to the rationale of HR audits. The most successful people in the world don't interpret fear as a stop sign or "cul-de-sac". They understand that fear is binary to any circumstance, i.e. fear controls can be an obstacle to achievement and on the converse, fear is controlled. When fear is controlled, it can be a leverage to achieve desired outcomes. So, successful people in whichever way, whether entrepreneurs, academics, captains etc, feel the fear but nonetheless proceed with

the necessary steps, because they want to realise their vision and goals more than they want to avoid the feeling of fear.

What stands alongside fear of an audit is an opportunity to learn from and with each other. It's something that HR Professionals seem to understand intuitively, if not explicitly. Indeed, "learning is not a spectator sport, so let's play". All role players involved in the HR audit have the chance to engage with Accredited external HR Professionals in the HR value chain in terms of what are best practices. From the organisations that have been audited, experience shows that they all feel equally valuable and worthwhile about the engagements and achievements.

The third edition of the HR Audit Tribune covers eight case studies in addition to a summary of successes and lessons.

One behalf of the HR Audit Council I want to thank the SABPP Audit Unit, including all auditors and auditees for another successful year of HR Audits. The auditees provided evidence that HR Auditors and Audits should not be feared but rather used as a powerful tool for continuous improvement and business engagement.

# Wishing you all a successful HR Audit.



Maropeng P. Sebothoma Chairman: HR Audit Council (SABPP)

# HR STANDARDS CASE STUDIES:





# **ASTRAL OPERATIONS LIMITED**

Astral is a leading South African integrated poultry producer employing in excess of 12,000 people across three divisions - Feed, Agriculture and Commercial.

Astral currently processes more than 200 million broilers per annum through 3 HACCP approved abattoirs. On any given day, National Chicks have 6,3 million eggs in stock and 937,000 eggs are hatched daily at Astral.

Meadow Feeds produces in more then of 1,3 million tons of feed a year and is ranked in the top 50 feed milling companies in the world. 50% of Meadow Feeds production is supplied to Astral's integrated businesses as broiler and broiler breeder feed.

Astral staff continuously liaise with peers internationally, to stay abreast of technological advances in the poultry, feed and animal agriculture industries.

With our focus on quality, world-class best practice and ethical business processes, it was a natural progression for us to look for a standard against which we could measure our HR practices.

In 2015 we were at a cross-road, would we innovate or stagnate? We agreed that in order for HR to deliver services that supported the group strategy, we needed to innovate. Our journey with the SABPP had begun!

To professionalise our service, we required all HR staff to attend the HR Standards workshop and thereafter to register with the SABPP, an important step as it made us aware of where we slotted into the professional HR structure and also gave us direction and motivation to improve our professional standing.

There were the additional benefits of continuous professional development (CPD) and the ability to register as a Commissioner of Oaths, both important in creating a culture of ethics, learning and continuous development. This was supported by an Ethics workshop for HR and payroll staff.

Thereafter we selected a core group of HR staff, selected for experience, enthusiasm, knowledge and skills, who attended the HR Auditor Training. This gave us a deeper understanding of the standards, the methodology used to measure compliance and to prepare us for an audit, once ready. The training resulted in a number of presentations from the HR team, which encouraged introspection, critical thinking and delivered a road-map for our standards journey:

- Determining the correct methodology to be used to measure the efficiency and effectiveness of our HR practices;
- Consulting widely to get buy-in;
- Defining measurement periods, could vary across business units or business cycles;
- Defining a framework for measuring HR impact on

- the bottom line the who, what, how, when and why of the measurements;
- Benchmarking HR measurements across the group;
- Implementing an effective and measurable HR scorecard for our HR professionals, aligned to an appropriate reward system.

An important step was to include our group Quality and Measurements Manager in the Auditor training, which gave us the opportunity to evaluate the standards in relation to other quality systems already embedded in our company strategy and culture.

The most important of these was the 20Keys program, a holistic approach with a well proven methodology for sustainable business improvement, comprising 20 very practical and synergistically integrated key methods required to strengthen the organisation's delivery system, focusing on making products and services better, faster and cheaper.

As we had no desire to create yet another quality system against which to be measured, we strove to align and collapse the audit evidence required for the 20Keys program into that of the SABPP HR Standards. In this regard our quality specialist and our 20Keys service provider, Organisation Development International (ODI) were valuable partners.



As ODI are already integrated into our Pinnacle management development program, offering training from NQF levels 2-5, we hope to incorporate the outcomes for the new Leadership standard. Further leadership development for middle and senior management at NQF 6-7 levels is offered via the NWU

The recent launch of the Payroll Standards by the South African Payroll Association (SAPA) and SABPP will allow our payroll staff to embark on their own professional journey. They are valuable partners to the HR team.

The benefits of choosing to use the HR Standards to support our transformation journey are varied. It has encouraged us to critically evaluate service provider offerings and solutions and to choose only those that support our vision, if it does not add value we see no benefit. We are creating a culture of ethics, excellence, continuous improvement, benchmarking and standardisation. We are creating an HR culture that is aligned to that of our company, we are supporting Astral strategy and adding value to the bottom line. Most importantly, we are in the process of creating a road-map for those HR professionals who come after us, we intend crafting a legacy project.



Written by: Luanne Smalle Regional Human Resources Manager (Astral Operations Limited)





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# METALLON UNLOCKS THE VALUE OF ITS HR SYSTEMS AND PROCESSES BY ADOPTING THE SABPP STANDARDS

# **ABOUT METALLON**

Metallon Corporation Limited is Zimbabwe's leading gold producer, operating four gold mines through-out the country. The mines are Bulawayo Mining Company, Gold Fields of Shamva, Kings daughter Mining Company and Gold Fields of Mazowe. The company aspires to become a world class gold producer with a footprint across Africa. Metallon is one of the largest employers in Zimbabwe, and currently employs around 3500 people. The company regards people as the enablers of the achievement of the organisation's strategic objectives. The company's thrust is to ensure that people issues are a priority and that they are managed well. The company strives to be recognised as a preferred employer and provider of first class human resources services, policies and systems and it aims to create a highly motivated and committed human resource to meet the company's current and future needs.

# **CURRENT SCENARIO**

Metallon's human resources function comprises of activities, functions and processes which are integrated and focused

on leveraging the best efforts and performance of its people. Metallon realises that employees are vital "assets" possessing knowledge, skills and aptitudes. They, therefore, require integrated and complementary management through processes such as HR planning, performance management, learning and development, effective attraction and retention techniques and reward programmes in order to assure their individual and collective contributions to the achievement of

organisational goals and objectives. However, despite having HR systems and processes in place designed to get the best out of its people, there is room to improve the alignment between the goals and outcomes of all HR processes with those of the organisation. It is as a result of this realization that Metallon is re-thinking and re-shaping the role and place of the HR function in the organisation.

# METALLON'S HUMAN RESOURCES FUNCTION COMPRISES OF ACTIVITIES, FUNCTIONS AND PROCESSES WHICH ARE INTEGRATED AND FOCUSED ON LEVERAGING THE BEST EFFORTS AND PERFORMANCE OF ITS PEOPLE.

Furthermore, the company is operating within a turbulent economic and business environment. These challenges have negatively affected the management of people issues for most organisations in Zimbabwe, across all sectors of the economy, and Metallon has not been spared. HR fundamentals such as learning and development, talent management, reward and recognition, employee wellness, staff retention have been severely affected. The level of HR related risk is unsustainably high for most organisations. Staying afloat under such circumstances requires the development of efficient HR systems which will add value and result in the achievement of the organisation's strategic objectives as well as contributing to the bottom line.

# WHERE IS METALLON HEADING TO?

The company is driving towards the creation of a

strategic HR function with strategies, policies and processes that are aligned to the overall organisation's objectives. The HR function in Metallon is becoming more of a business partner with a strategic role in the organisation. The HR policies, processes and activities are being revamped with the aim to ensure that they fully support the overall strategic objectives of the company. The company is developing and reviewing policies and programs in line with the organisation's strategy and continuously monitoring and evaluating the performance of the HR strategy.

The HR function is also seized with the creation of a talent pipeline in the organisation which will ensure that the current and future strategic objectives are achieved. This entails putting in place processes that will attract a sustainable pool of talent for current

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objectives and future organisational needs, manage the retention and reward of talent, develop the required leadership skills, plan for succession to key roles and identifying high potential employees and linking them with the future roles in the organisation through monitored development plans.

The management of HR risk particularly within the turbulent business environment has also become an imperative for Metallon. The operating environment poses numerous people risks for the organisation which may affect its ability to achieve the strategic objectives. Through the HR function, these people risks should be identified and mitigated as far as possible to avoid failure of achieving strategic objectives. As such Metallon is, ensuring that appropriate risk controls are designed and applied to HR processes and activities.

The HR processes and activities are also being streamlined to make them more efficient and effective. This will help to improve the quality of HR service delivery, reduction of costs, maximizing of employee productivity and managing employees more effectively which will positively impact the bottom line.

# ARE HR STANDARDS THE PANACEA?

At Metallon, we have realised that the HR Standards developed by SABPP are designed and presented in such a way as to assist organisations in developing effective HR management policies, processes and practices. The standard can be used to examine the current policies and practices, determining what needs to be changed and determining how the standards can be used to improve the organisation's policies and practices in order to enhance the organisation's performance. Below are some of the benefits that we have started to realise as a result of adopting HR standards:

- Standardisation lowers costs by eliminating redundant practices, minimizing errors, and reducing time to hire and develop workers.
- The performance of the HR function becomes measurable and auditable.
- It results in the adoption of best practice thereby improving the quality of HR Service Delivery.
- Reliance on standards and conformance ensures talent acquisition and development quality and reliability, all of which provides cost savings and a better return on investment.
- Standards confirm the idea that HR is a unique, exclusive, and essential profession. It makes HR relevant in the organisation.
- SABPP membership will receive new solutions, tools, and networks to help them contribute to organisational success.



In the case of Metallon, we see the HR standards being greatly beneficial in transforming the HR function into a more strategic role. The company has used the standard to carry-out a introspection and is in the process of reviewing and improving its policies and procedures to enhance the organisation's performance. The standards have also helped to streamline the HR processes and aligned the HR strategy and processes to the overall organisational strategic objectives. They have provided a systematic means of managing talent to ensure that the organisation has the right talent to meet the current and future strategic objectives. The standards are also assisting Metallon in managing people related risk which is critical for survival in the turbulent business operating environment.

However, the application of the standards is situational and should take into account the diversity and significant variations of organisations in terms of the way organisations are structured, their values, culture and operating environments. Each organisation will need to consider how the HR Standards can be adopted to reflect their organisation's available resources such as expertise, available time and priorities, yet at the same time achieve the overall intent underlying the HR Standards. Organisations can work towards achieving these Standards in ways that are appropriate to their operations and which consider their different contexts.

### **CONCLUSION**

The overall assessment is that the SABPP standards have created a firm foundation for the transformation of the HR function into an important strategic partner and they have raised the level of professionalism in the HR field. For Metallon, the journey with SABPP is already bearing fruits and there are prospects for an even brighter future.



**Written by: Hopeson Chiswa**Group HR Manager
(Metallon Corporation Limited)

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# SECTION B: HR AUDIT CASE STUDIES:

# **VALUING BRILLIANT DIAMONDS**

Diamond Trading Company Botswana (DTCB) is a 50/50 Joint Venture partnership between the Government of the Republic of Botswana and De Beers. It is the world's largest and most sophisticated rough diamond sorting and valuing operation, with a capacity to sort 45 million carats a year.

http://www.dtcbotswana.com/

As our first cross-border audit, we were very excited when our partner, Emergence Growth, prepared DTCB for an HR Audit. An enthusiastic and well-prepared HR team welcomed us once the SABPP HR Audit team went through the security process to enter the premises.

The MD of DTCB shared the 2020 vision and spoke passionately about the business strategy and the importance of people in achieving business goals through an integrated approach. It was enlightening to observe the



Audit team and some DTCB HR Team members

Front: Snanzi Ndiweni-Mhlanga, Emmanuel Siamisang, Janet Magagani, Gladys Moriri, Moleko Victor Rannona, Vusi Mahlangu. Back: Dr. Michael Glensor, Boikhutso Mphinyane, Rochelle Human, Leanne Maree, Annetjie Moore

commitment from a business leader towards HR as a key driver for business success through people development and continuous improvement. Therefore, the business decision is to conduct an HR Audit annually to ensure best practices are in place to contribute to business sustainability.

Rigorous preparation by DTCB's HR team made the work of the Audit team easy as all the evidence was available on request and the staff interviews run smoothly as part of the triangular approach to collect evidence. Dr. Michael Glensor, the Lead Auditor, reported that the HR Strategy is one of the best he has ever seen, which forms a solid base for best HR practices.

SABPP is proud to be associated with international leading companies, such as DTCB to have been our first cross-border audit. We are looking forward to our journey in years to come to assist in cutting and shaping the brilliant diamond you are.



**SABPP HR Auditors at DTC Botswana**Left to Right: Snanzeni Ndiweni-Mhlanga and Rochelle Human



Moleko Victor Rannona



Written by: Annetjie Moore Head of Audit Unit (SABPP)



Written by: Annetjie Moore Head of Audit Unit (SABPP)

# FROM BIG DREAM TO BLUEPRINT

# **GCOGTA - CASE STUDY 2017**

# **BACKGROUND**

Globally competitive Gauteng City Region, putting people first with service delivery excellence and economic performance.

# **VISION GCOGTA**

The Gauteng Department of Cooperative Governance & Traditional Affairs (GCoGTA) envisaged standardisation of best HR practices based on the SABPP National HR Standards for all the municipalities in Gauteng



to drive service excellence and economic performance. The GCoGTA team, spearheaded by Mr. Mboneni Lesoga from the Municipal Institute Support division, identified clear objectives, namely:

- Aligned with Gauteng's vision to put people first;
- Transformation of Local Government (LG) based on SA National HRD Strategy, in line with HR maturity in municipalities;
- Transform LG HR Practices
  from transactional actions
  towards strategic repositioning to can improve quality and consistency of people
  best practice within municipalities;
- During the previous financial year 2017, GCoGTA and SABPP entered a partnership of HR Standardisation, HR Competence and combined assurance through HR Performance Audits to realise future developmental state within LG;
- GCoGTA through this proactive approach has paved the way towards building a resilient and capable LG.

# TRANSFORMATION THROUGH HR AUDIT

GCoGTA identified the HR Audit as a strategic business tool to create best aligned and integrated HR practices and therefore, five municipalities were identified to create a blueprint with the focus on continuous improvement as per SABPP National HRM Standards. To kick start the journey, a detailed project plan was developed encompassing a communication plan, knowledge and skills transfer plan, road map for training and preparation for the audits and feedback mechanisms. The project was finally concluded by a case study.

# SKILLS TRANSFER

Skills transfer to the municipal staff was one of the key objec-

tives to ensure empowerment of the people to grow and gain insight into best practices and to move from transactional to transformational HR. Action learning was one of the avenues to build professionalism and competence. This could only be achieved with ongoing communication and buy in of the Senior Management within the targeted municipalities. Various tools were provided to fast track the skills transfer. Once prepared, the audits took place to assess the municipalities, HR practices against the HR Standards.

## **HR AUDITS**

GCoGTA played an important part by continuous support and



HR teams from Sedibeng District Municipality, Lesedi Local Municipality and Emfuleni Local Municipality together with the SABPP Lead Auditors and HR Audit Unit team at the Introductory Information Session.

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communication with the municipalities and through a Steercom between the partners. SABPP HR Auditors did us proud in the professional way the audits were done, after the municipalities have prepared the evidence required for the day.



HR Audit team at Mogale City Local Municipality.

Left to right (top): Mboneni Lesoga, Sunel Havenga, Preggy Chetty, Maphutha Diaz, Mpho Mafetu, Leanne Maree, and Sivaan Marie. Bottom: Ansie de Kock, Annetjie Moore and Virginia Nkobi.



Above: Sedibeng District Municipality - opening meeting with the HR Team, GCOGTA team and SABPP Team.



Emfuleni Local Municipality evidence professionally prepared for the HR Audit. Left to right: Monamodi Matsapola, Christo Serfontein, Agnes Sethogoa, Yendor Felgate and Moleko Rannona.



Preparation meeting addressed by Mr Mboneni Lesoga GCOGTA, Municipal Institutional Support, attended by Mogale City Local Municipality and Marius Meyer, SABPP, CEO.



Above: HR Auditors together with the Tshwane Metro HR Team at the presentation to the executives.



Above: The day of the Audit at Tshwane Metro. Municipality - all about the evidence.



Above: Head of HR Audit Unit, Annetjie Moore, handing over SABPP HR Standards File to Nerina Ramdaloo, representative for Lesedi Local Municipality.



Above: Sedibeng District Municipality together with GCOGTA and SABPP team taking a group photo after feedback to HR and Executives on the HR Audit.

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# **CASE STUDY**



A case study was conducted to highlight strengths, challenges and opportunities for growth as captured in the HR Diagnostic Report compiled by the SABPP HR Audit Team. The Case study targeted audience were GCoGTA, targeted municipalities, SABPP & SABPP Lead Auditors who met to craft the case study.

Once again learning was a key factor. The agenda was to move from lecturing to action learning whilst engaging in real-time challenges of municipalities, as well as networking with peers to build an integrated Gauteng HR team.

Some SABPP Lead Auditors did not want to miss this historic milestone and facilitated the process by analysing each HRM standard audited in cross-municipality groups (Focused group exercise + action learning) using the following pointers as guidelines for the case study:









### WHY GROUPS?

- Reflection of the HR Audits by municipalities as an integrated group of HR professionals;
- 6-10 officials per municipality were chosen in line with their HR area of specialisation, aligned with HRM Standards per municipality and divided into 4 focus groups. Gender and experience were used as criteria when groups were selected;
- The facilitators comprised of SABPP CEO, Head:
   HR Audit & Lead Auditors who were involved in the
   5 audits who volunteered to assist;
- GCoGTA team (Director & Service Delivery Managers) sample across the 4 teams to participate and provide support;
- The first group targeted HR Leaders from the different municipalities;
- The second group reviewed the first 4 value chain standards:
- The second and third groups assessed 3 HRM standards each;
- After an hour session, each group provided feedback via presentation on the integrated experience of the HR Audit.

## SOME GENERAL OUTCOMES FROM THE CASE STUDY

- Creation of a common HR Framework is key to build capacity of Local Government (LG);
- Professionalisation of HR via registration and continuous improvement to develop a professional mindset;
- Project plan with Responsible, Accountable, Communicate and Inform (RACI), timelines should be developed by the municipalities to close the identified gaps in preparation for an improved audit;

- The case study (trends, lessons learnt, challenges and opportunities) should be shared with the Senior Management team as a follow up on the Audit presentation and to obtain buy-in and commitment to the journey;
- Sharing reports with SALGA & other stakeholders to create a single platform for departure (Action plan);
- Invite GDOH, Gauteng Premier's Office, GDED to share ground-breaking experience/ buy-in/ results (tackling issues from Inter Governmental Relations (IGR) perspective;
- To transform LG, a competent HR Voice is required to drive continuous action learning across all LG departments;
- Action learning through focused task teams to share pockets of excellence.

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# SUCCES CELEB

At the annual GCoGTA HR Dialogue, SABPP recognises HR service excellence through awarding some well-deserved municipal officials certificates of achievement, of which one was certification of a new Lead Auditor, Mr. Monamodi Matsapola, who was trained during the process.

In attendance was the Chief Director Local Government and Community Support Mr Anthony Moonsamy and the CEC SABPP Mr Marius Meyer.

### **WAY FORWARD**

against the recommendations of the HR Audits. The buy-in and understanding from both the Political and the Administrative Leaders were clearly evident, especially after the presentations to Senior Management Team of the targeted municipalities and GCoGTA on the findings and recommendations of the HR Audit Report. The commitment to support HR was clear as approvals and actions were implemented shortly after the audits.

Marius Meyer, CEO of SABPP, assisted two municipalities to improve their HR Strategies to ensure a solid base for HR besi practices.

For the partnership between GCoGTA and SABPP, this is only the beginning...





# LEISURE OPTIONS



Leisure Options underwent the HR audit and it was only focused on the company's holding company functions as a start.

The largest impact the HR audit had on the origination was from a strategic point of view, involving the Human Resource department in this and their strategic role was lacking based on the audit which resulted in detailed review of our operation and strategy not only from a head office perspective but a company-wide perspective including all levels and sub companies. The board of Directors with support from the Human Resource Department was the driving force in analysing and formulating the new company direction and strategy aligning the new outcomes of the company with the available resources and identifying possible resource constraints.

System redesign and process optimisation was also relooked to ensure that these resources fit our new strategy.

Subsequent to the new strategy the audit recommended that the company strategy be cascaded down to all levels of the company. This took time to execute but though various channel and communication tools in place and in planning including revised performance management systems, KPA structure and communication tools including a new company mascot, we are looking forward to a more visible and understandable company vision and strategy.

Through our new strategy planning we also embarked on a new company SWOT analysis and included the recommendation from the audit in these as risks and weaknesses.

One of these is our lack of a proper succession management plans that has been linked to, a lack of management development training and the preparations of staff at the lower level for management.

This could also be contributed to lack of execution of personal development plans.

These items have been addressed or are in the process of being addressed through various development and training programs.

In our last awards function, we utilised one of the recommendations to amend our recognition policy to include general staff along with the sales staff awards, used to recognise and motivate sales performance, two new General Staff awards were added with great feedback from our employees.

Based on the fact that our company only looked at an audit of our holding company's HR Department and that this department has significantly grown in the last two years, a re-audit in the next two years would be beneficial to measure the progress made.

Our subsidiaries company's HR processes have been based on our holding company's processes but has also significantly increased. HR has grown in the last two years and thus an audit on all these processes would be beneficial to identify any short- comings.



**Written by: André de la Porte,** Group HR Manager (Leisure Options)

# THE IMPACT AND BENEFIT OF HR AUDITS POST AUDIT REPORT

# **ABOUT THE NAMC**



The National Agricultural Marketing Council (NAMC) was established in terms of Sections 3 and 4 of the MAP Act No. 47 of 1996, as amended by Act No. 59 of 1997 and Act No. 52 of 2001. NAMC's mission is to provide agricultural marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa. NAMC was the third organisation to be audited by the SA Board for People Practices (SABPP). The reason for the request was to align HR processes with the SABPP National HR Management System Standard Model which encompasses the four phases of good quality management practices.

# THE IMPACT THAT THE HR AUDIT HAS HAD ON NATIONAL AGRICULTURAL MARKETING COUNCIL

As an HR profession, it is important to report to our stakeholders within and outside our organisation through HR

reports adhering to high standards of performance. The impact of the HR audit has assisted HR to improve credibility with its stakeholders. All the HR reports have been customised to be in line with the SABPP National HR Management System Standard Model and each standard element is reported accordingly.

Based on the recommendations from the HR Audit, the HR Strategy has been aligned to the overall strategic objectives of the organisation to building a sustainable business.

Talent Management processes were implemented to address strategic and critical positions by ensuring capacity building within NAMC. The leadership roles and capabilities required are crystallised by future business requirements.

The HR policies and practices were



reviewed over a period of time to be in line with legal requirements and best HR practices.

The HR unit has identified gaps in our systems and processes and NAMC has gained an understanding of the strengths and weaknesses of our HR function and where improvements can be made.

The feedback from staff on our HR services have made us to develop an HR scorecard with HR measurements and metrics.

# THE IMPLEMENTATION OF THE RECOMMENDATIONS THAT WERE PROPOSED IN THE AUDIT REPORT

In implementing the recommendations, it was evident that the Talent Management was relatively new within the NAMC. The recommendations from the HR audit has assisted HR to establish the following

Talent Management interventions:

- To establish a Mentoring Committee, backed by a Professional Association Economist of SA, and other professionally recognised associations.
- Established key talent management processes such as talent pools, succession plans, follow up and close-out of personal development plans for high-potential employees.
- Created a talent management forum, which appoints peers from within specialists in the agricultural industry to mentor, coach and develop high potential employees.
- Because of lack of skills within the NAMC, whilst the overall performance scores are high we have explored the correlation between skills and performance and have

made recommendations to the Moderating Committee.

- A competency-based approach was implemented to facilitate workplace learning, and the integration of learning, with talent management and leadership development approaches.
- A Talent Management Forum which oversee the implementation of mentoring and coaching and developing high potential employees within NAMC. There is also a focus to build scarce and critical skills within NAMC.

### THE NEED TO RE-AUDIT

There is a need for NAMC to conduct an HR Audit on the remaining standards elements as well as re-auditing the Talent Management Standard. However, it is important to prepare for the HR audit before any audit could take place.



Written by: Virginia Nkobi Senior HR Manager (NAMC)

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# UMGENI WATER-OBJECTIVES OF PURSUING SABPP HR AUDIT

Umgeni Water conducted an audit to obtain an independent baseline for the state of Human Resources (HR). The organisation wanted to align its processes with the SA Board for People Practices (SABPP) National HRM Standards. Also, the organisation decided to embark on the HR audit to identify gaps and increase efficiency within HR processes.

Part of the objectives was to have a better understanding of the Human Capital risks and ensure effective systems (controls) are in place to manage risks. The value of the HR audit provided an opportunity for HR to improve its service delivery. The HR audit also highlighted our strengths and weaknesses in the delivery of HR Services within the organisation. Where we scored less than 60%, clear action plans were developed to improve areas where we are lacking.

# VALUE OF HR STANDARDS FOR THE ORGANISATION

The organisation views the HR Standards as the vehicle to improve HR service delivery and to ensure best practices. The value of the National HR Management Standards helps organisations to align its processes with those of the standards. It also affords the organisation an opportunity to assess its HR department if it is in line with HR best practices. The National HR Management System Standards provide a framework for the Human Resources service providers, operating consultants and learning providers.

The National HR Management System Standards are intended to apply to a broad range of potential users, including organisations implementing HRM systems for the first time; and organisations needing to include HR into internal audit and risk

assessment processes. The importance of alignment of the HR processes with the standards, creates immense benefits for both HR and the organisation.

### **IMPACT OF HR AUDIT**

HR staff have earned the respect that they deserve as they are adding value in the organisation. The appropriate implementation of National HR Management System Standards is a key to a successful HR audit process. Human Resource staff now understand the importance of their role in the organisation. Of importance with the results is that the organisation understands that the future of the employees in the organisation is in the capable hands of the best HR team.

### THE IMPLEMENTATION OF THE RECOMMENDATIONS

The Human Resources team developed an Action Plan to address the gaps identified during the HR audit. The action plan was crafted in line with the recommendations of the HR Audit Report with the timeframe and specific targets. The targets are reviewed on a quarterly basis and the milestones achieved, are recorded.

# IMPORTANCE OF RE-AUDIT

It is important that the re-audit is carried out after two years to ensure that the areas that were identified during the HR audit are addressed, this also ensures the continuous improvement from the previous HR audit. The HR re-audit would also ensure that Human Resources staff are kept abreast with the changes in the industry and the HR best practices abroad.





**Written by: Reuben Dlamini** ER & Wellness Programme Manager (Umgeni Water)



Parts of KwaZulu-Natal are in a drought situation
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Improving Quality of Life and Enhancing Sustainable Economic Development

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# SABPP NATIONAL STANDARDS-POST AUDIT FEEDBACK

South African National Roads Agency Ltd (SANRAL) has recently participated in the SA Board for People Practices (SABPP) National HR Standards audit, to strengthen the quality of the Human Resources (HR) practices within the organisation and thereby ensuring leading professionalism within the HR fraternity. It should be indicated that SANRAL has through its transformation policies embraced with tenacity the HR facelift. Our HR professionals have been certified with the SABPP professional membership with others still in the process of registration. SANRAL echoes SABPP's notion that HR governance

The SANRAL HR Team was among a few of South African companies that participated in the audit process in 2015. The HR Team unrelentingly requested the SABPP to audit all of the 13 National Standards elements, an unusual occurrence with companies that have already been audited in the past.

# THE IMPACT OF HR AUDIT

The journey post the HR audit, has seen SANRAL'S HR practices and processes influencing the overall business objectives and yielding tangible benefits through a collaboration of drivers towards efficient delivery of strategic business objectives. SABPP National HR Standards are based

framework must be maintained in a manner which promotes human capital compliance as part of an integrated reporting model. The SABPP National HR Standards provided an opportunity for HR to positively influence good governance in SANRAL.

on the principle of continual improvement. SANRAL assessed its current practices, systems and processes against the standards, to streamline areas needing improvement, associated alignment with organisational strategic objectives, adopting actions aimed at meeting these





objectives followed by a concerted formulation of a result-based measurement. As a result, the effectiveness of policies and practices can be continually reviewed and improved. The process of review is undertaken by both internal and external auditing professionals. The value in external audit was derived from the cross-business sector expertise of the SABPP HR audit team, their in-depth knowledge of HR standards and their years of HR management experience in reputable organisations. Our practices continue to be subjected to an intense audit by both SANRAL's internal and external auditors.

# THE IMPLEMENTATION OF THE RECOMMENDATIONS PROPOSED IN THE AUDIT REPORT

All thirteen (13) HR Standards were audited and SANRAL achieved more than 60% in twelve (12) of the thirteen (13) standards, which resulted in the attainment of a certification. The certification is valid for a three-year period. The Employment Relations Management (ERM) standard which scored below 60% required the HR team to implement corrective action which would be reassessed in future.

SANRAL's HR processes have been improved following the recommendations of the SABPP HR audit report, particularly the ERM practice. The ERM practice required SANRAL's HR team to employ the services of an Employee Relations specialist to support and provide guidance on employment relations issues. The role has been advertised and are in the process of procuring

the services of a suitably qualified individual by August 2017. The HR audit journey bolstered the confidence of the SANRAL HR team in terms of its HR function; which is aligned to an integrated system model which guided and provided a robust measure for competence of HR practitioners. This process also afforded the organisation an opportunity to test its HR controls against the National benchmark. The ERM standard also enabled SANRAL to develop a platform which would allow employees and management to engage in a healthy dialogue on issues concerning employment on an online employee suggestion platform. This initiative is still in its infancy, and it envisaged for implementation since 2017.

The HR function is often disregarded for audits and measurement tools which assess its effectiveness. Too often, audits are restricted to verifying its regulatory compliance.

However, the SABPP HR Audit process provides a measure for a true transformation in HR strategy and services. HR systems and services have now become integrated, to focus on the business needs of HR's internal customers. To legitimise the assertion of being "business partners", HR leaders must clearly demonstrate how HR services can contribute towards attainment of business objectives.

SANRAL's HR Cluster asserts that for it to remain a Top Employer and to improve its people practices, an alignment to such global

benchmarks is pivotal. Conducting the HR audit commissioned by SABPP provided a clear outline on the minimum set of HR practices that any organisation should have in place to build an aligned, engaged and productive workforce to achieve the organisation's objectives.

### THE NEED TO RE-AUDIT

Human Capital governance remains the biggest gap in the 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 allow for governance to fail. It is therefore essential to approach governance not only from a financial perspective, but also from the human capital front in making governance work. The absence of a formalised human capital governance will perpetuate the status quo and consequently, sound governance throughout the organisation would not be achieved.

HR 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 measure.

The SABPP National HR Standards have provided the best yardstick to align to, for maintaining the leading edge competitive

advantage in HR management. SANRAL would participate in the re-audit to maintain sound governance and continue to improve its practices in line with best practice standards. Furthermore, SANRAL through its participation in the National HR Standards audit will be able to optimise the contribution of HR to the achievement of organisational objectives. The standards are indeed enablers of sound people practices in organisations. The utilisation of HR standards from a continuous improvement perspective will raise the bar on HR management, and thus creating a more effective organisation.



**Written by: Pearl Zhou** HR Team Leader (SANRAL)



# ST STITHIANS COLLEGE

St Stithians College is a proudly South African school, embracing diversity and offering a distinctive educational experience.

St Stithians College is a proudly South African school, embracing diversity and offering a distinctive educational experience.

Founded in 1953 as a Methodist Church School, our Christian spirituality is central to our identity. Our College consists of primary and secondary boys' and girls' schools, together with a co-educational junior primary school. We are an independent, non-profit institution located on an expansive green campus in Sandton, Johannesburg. addition. St Stithians incorporates Kamoka Bush School near Modimolle, and the Thandulwazi Maths & Science Academy on our campus. Over 2600 children attend one of our schools and we have a fulltime staff compliment of over 400 dedicated teachers and professional operational support staff.

St Stithians College is committed

to the positive transformation and development of South African society. We seek to embrace ubuntu, to be One and All. St Stithians was one of the first independent schools to employ a full-time HR resource which took place in 2007. Since then, our team has grown to 3 members looking after staff across all 7 of our schools.

Gareth Low. our recently appointed HR Manager a trained HR auditor with SABPP and we had considered completing an audit for some time. The primary concern was the cost. Early in 2016, fortunately one of our parents won a prize at a golf day to have a full audit which he kindly gifted to the College.

# **PREPARATION**

Each member of our team was allocated a few of the various HR standard elements to focus on and gather evidence to ensure we were prepared. The senior management team and staff across the College were made aware that we would be participating in an HR audit and what it meant to us as an HR team and for the school. As a team, we were effective in our communication to enable understanding which resulted in support from both management and staff.

# **THE PROCESS**

The HR audit took place on 27 October 2016. We had six (6) auditors spending the day with us. We appreciated the feedback and suggestions made by the experienced HR auditors. What was also valuable was that they interviewed a cross section of staff to verify that what we as an HR team were claiming was the reality on the ground.

# THE AUDIT RESULTS

We were pleasantly surprised with how much we have achieved

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already and that the areas we have been focussing on over the last year or so proved to be the HR standard elements we scored the highest on. Similarly, we did not fool ourselves that there were other areas that still require quite a bit of hard work, but the experience has enabled our team to grow in our understanding and interpretation of the various HR Standards and how they can be applied in a school environment. The results were presented to our Talent Growth Committee who have unpacked the feedback and have been involved in making improvements and implementing changes.

# **LESSONS LEARNED**

Although the process involved quite a bit of preparation, we also learned some valuable lessons:

- The National HR Standards are a great way to build an understanding of HR practices and standards amongst our line business partners.
- The application of the National HR Standards is not an event; it is an ongoing journey and the HR audit report provided us with value feedback and suggestions on areas we can improve in.
- The HR audit experience was a great learning opportunity for our HR team and to be able to benchmark ourselves and our delivery against national best practice.

 Recommendations given to us have confirmed the HR priorities that the College has set as part of our People Growth and Talent Development strategy.

The Saints HR Team at our recent Staff Wellness Day



Left to right) Kim Urquhart, Hengie McInnes and Gareth Low.

We need to say a big thank you to Suran Moodley from Ariston Global who partnered with us and to Mr Andrew Millard, a parent at St Stithians College who gifted us the prize he won at a golf day sponsored by SABPP to conduct the HR Audit.



Written by: Kim Urquhart, Head of Human Resources (St. Stithians)





# SECTION C: THE MATURATION OF THE SABPP AUDIT PROCESS

During the period 2011 to 2014 the SABPP embarked on a key transformation process by designing and developing the first set of HR Standards both nationally, and most probably internationally; creating a voice for the HR profession and its numerous stakeholders to actively engage and address the challenges confronting the business environment and the Human Resource professional.

The SABPP – HR Audit maturation process model below provides a brief overview of some of the key lessons learned.

During 2014 the SABPP began rolling out and implementing the HR standards by conducting audits with several pioneering organisations; who were keen to "take the plunge" and examine themselves through a rigorous audit framework and process. A vital part of any rollout and implementation process is:

- Planning for the audit
- Conducting the audit
- Reviewing and communicating the audit results

During 2015 the first set of audit results began to create a picture of the current HR landscape, and some of the clear strengths, gaps and developmental areas needed within the business HR architecture. These specific lessons learned have helped to create the development of some key HR practices, which are crucial to the success and or survival of organisations in today's economy. Today we are proud to announce that there are some companies who have achieved full certification against each of the 13 HR standards. Those organisations that achieved partial certification are now well on their way to closing out the key lessons / recommendations put forward from the audit process; hopefully these businesses will resubmit their applications for full certification in the coming year.

As we moved through 2016 and the years to come, I have come to acknowledge that the success of any audit process albeit Financial, Safety or HR related, lies with the perception and value of the true meaning of an audit. It is vital for an organisation to see the audit as a learning/continuous improvement process, in which it can improve its processes, its products or services and lastly its people



- who are the most important ingredient to any successful organisation.

Recently the public sector has become involved in submitting their applications for HR audits; and it has been remarkable to see the enthusiasm, willingness and humility of the HR teams in driving the process forward achieving true service delivery – in the spirit of Batho Phele!



Written by: Dr Michael Glensor Certified Lead Auditor (SABPP)

# DEVELOPING INTO THE SUCCESSFUL HUMAN RESOURCE AUDITOR, A CHARACTER BUILDING PHENOMENON

This article intends to share the experiences of being trained and developed into the successful Human Resource Auditor, which is a character building phenomenon for a Human Resource Professional and a Game Changer. Carving the Human Resource Auditors is inspired by the critical imperative for Human Resource Professionals having to do more with less resources.

It is mind boggling to imagine the fact that the HR function that was once a primarily clerical role has dramatically changed since its inception in 1900s. Today the function is expected to become a "Business Strategic Partner." This development has clearly cut the

strategic role HR function has to play in contributing towards the organisational performance enhancement. strategic role of HR function is of necessity bound to deal with the tremendously changing conditions of the attracting and retaining the talent required. Furthermore, as the needs of these talents continuously change, the onus is on HR to accept the onerous challenge of ensuring that these talents remain relevant to the organisational needs. This calls for an HR function that is flexible and knowledgeable in dealing with the issues of myriad nature.

HR Strategic Planning has therefore become integral part of doing business





and it is imperative that HR professionals are developed into Professionals in the field and competent business persons. Hence the pressing need to develop the HR Auditors who can "Walk the Talk" as the Business Strategic Partners. This has become so because HR Managers have to provide real evidence of having a strategic business impact. These HR Managers ought to demonstrate their value add in organisational development and growth.

It is through HR Auditing that the agenda sets for the true transformational HR Strategy and services both HR systems and services are linked to organisational performance while focusing on the business needs of internal client departments. Consequently, it becomes crucial that HR Audit is conducted with a more in-depth analysis of HR function to identify the performance gaps and determining the approaches to improve them. By conducting HR Audit, the review of the current practices, policies and procedures which may include

benchmarking against the best similar size and/or industry organisations.

The SABPP approach to HR Auditing focuses on HR functional development and sharpening its edge to enhance organisational performance. The successful criteria for HR Audit are listed below (The example list is inexhaustible).

- To streamline the work processes used to carry out functional work, such as recruiting, remuneration, training benefits etc.
- To establish an early warning system to spot problems or identify issues before they become crises;
- To measure continuous improvement thereby determining whether things have changed for the better or for worse as a result of a functional initiative.

As an epoch-making solution, the HR Audit SABPP chose to adopt is a continuous improvement bending one for the purpose of enhancing organisational

# PHENOMENON FOR A HUMAN RESOURCES PROFESSIONAL AND A GAME CHANGER.

performance.

This has encouraged me to undertake the gruelling process of developing into an HR Auditor.

This, in my view, is a character building phenomenon for the Human Resource Professional with great potential of simultaneously becoming a game changer in the ever-changing working environment.

## **FUNDAMENTALS OF AN HR AUDITOR:**

The experience is no longer a critical issue in the ever-changing workplace terrain, but the value add of the HR Professional is core success of HR Auditor development. Today's organisations expect HR Professionals to add value by solving problems right here and right now. The existence of HR Professionals within the organisation is no longer worthy if they cannot clearly articulate how they would contribute either directly or indirectly in their efforts to enhance retention, reduction of costs and improving revenue.

The success of the aspirant HR Auditor lies on acquiring the strong technical and ethical competencies, which are fundamental to auditing. These two competencies form the baseline set of characteristics expected of all HR Auditors. The best HR Auditor undertakes a commitment to lifelong learning. These fundamentals inspire continuous professional learning. Although these two fundamentals of

HR Auditors are critical and important, they cannot give an aspirant HR Auditor an edge over others. They are just assisting in empowering an HR Auditor with the basics and baseline for the HR Auditor development and training career.

# CHARACTERISTICS OF A SUCCESSFUL HR AUDITOR: VISIONARY WITH AN INSTINCT

Through an enquiring mind the HR Auditor gains experience by being exposed to the various organisations of different sectors and industries. I was enthused to develop an instinct, which stimulated me to strive and learn from the given environment, the mentors, peers and all who are involved in the specific auditing sites. Underpinning all these, is the ability to be like a "BABY," who is innocent, vulnerable and humble to be nurtured throughout its developmental stages. This is a great character of allowing the environment and the interaction with all the role players in the auditing terrain to positively impact on you as an aspirant HR Auditor.

# **BIG PICTURE MENTALITY**

For me to quickly adapt to the auditing organisation, I had to ensure that I acquire the knowledge of the auditee by connecting the linkages within such an organisation. This enables me to formulate a picture of the client business, the organisation itself and the core attributes within it. This assisted me to focus on the audit approach. It was important for me to see a big



picture: planning stages and rolling out of the process of auditing. This further prompted me to develop an audit plan. In doing this, I needed to appreciate and understand the organisation and within the realisms of the logical approach to the audit.

### **DECISION-MAKING CAPABILITY**

Once the information has been gathered, scrutinised and extrapolated, what could be the hindrances to an enhanced organisational performance? One needed to make a decision that would assist the auditee to understand the challenges they are faced with. Although the decision made may not be imposed, it is however, crucial that it is recommended to the auditee in a simplistic and more inspiring way.

It is worth noting that when mulling over and through the decision, one cannot allow the process to drag on for long. The decision-making process is difficult to finalise; however, it has to be expedited to avoid losing credibility and confidence in the auditing itself.

It is in situations such as these that the best is tested out of the Lead Auditors and their teams.

### **LEADERSHIP**

I was fortunate enough to have served under great Lead Auditors in various auditee organisations. Much as I came with some relevant backgrounds to some aspects of auditing, it would have been impossible for me to develop the way I did had I allowed the "Know it all" mentality to dominate my quest to become an HR Auditor.

In the auditing environment, I always look up to the Lead Auditor as my mentor and coach. The auditee regards the Lead Auditor as a teacher and a trusted confidant. These excellent attributes of a Lead Auditor must therefore be upheld at all times to sustain this noble view of the auditee.

It takes a character to adapt to new rules of the game, assume a humble posture and continue to crave for experience and knowledge. Quality leadership is core to the success of the auditing process. This kind of leadership is earned whilst the characteristics thereof can be learnt. Superb leadership strives to find solutions rather than faults and are hardly driven by the blame syndrome.

As an aspirant HR Auditor, I have always yearned to become a successful Lead Auditor. However, I have allowed the process to unfold with the self-assurance that it will happen when I am ready.

# VERSATILE SKILLS FOR COMMUNICATION

Irrespective of the technological development and advancement when face-to-face communication seems to have been impacted upon negatively, it is imperative to always make room for face-to-face communication. A good

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auditor should recognise the importance of communication. This is the one area that I am continuously working on, thereby creating an edge over other HR Auditors.

My exposure to various auditees undergoing HR Audits, made me realise just how critical direct communication with the stakeholders is to derive at well balanced audit outcomes. As a matter of fact, this aspect of HR Audit character building phenomenon is indispensable to a professional and successful HR Auditor.

# SUSTAINABLE PERFORMANCE ENHANCEMENT SOLUTIONS

Developing into a professional HR Auditor, compels one to be aware of the environmental issues. This has become necessary for an HR Auditor to be able to extrapolate the scarcity of natural resources for sustainability purposes. Issues such as linking executive remuneration to sustainability metrics become apparent.

This approach enables the HR Auditor to determine the comparability of the remuneration to the executives and to the value add to the organisation performance enhancement. This also assists in understanding the developing trend that increases as sustainability grows in importance.

# **BUSINESS CONTINUITY MANAGEMENT**

The ability of the HR Auditor in understanding the Business Continuity integration and governance is imperative. This is precisely the case because it prompts the HR Auditor to evaluate the organisation's overall business continuity plan including the governance, policies, risks assessments, business impact analysis, strategic plan, change management and others. When I was exposed to the auditees' HR Audit, this skill was extensively developed. It is advisable for an aspirant HR Auditor to muster this skill as it will stand them in good stead in furthering their careers in HR Auditing.

# COMMITMENT TO HUMAN RESOURCE ENHANCEMENT

HR Auditing is not solely about checking, ticking and matching up the issues, but about the "People." Part of my training and development was to deepen my knowledge and competencies on dealing with people. It gave me an opportunity to develop special skills on engaging various organisational stakeholders. Critical to HR Auditing profession is to be able to put the organisation, employees, managers, labour and other critical stakeholders at ease when auditing their organisation.

I have also gained the ability to always be mindful of the uniqueness of the organisation under review. This inspired me to put emphasis on issues from the auditee perspective. This prompted me to give the auditee the much-deserved respect. It was therefore worthwhile for me to hone my listening skills to such an extent that I become more receptive of what the people share with me during the auditing. This quicken my understanding to give credence to the information the people I interview



give instead of accepting only the pieces of information I decide to hear.

Fundamentally, as an HR Auditor, it is imperative to develop into a team player to ensure that as part of the auditing team we work towards a common goal.

### **RECOMMENDATIONS:**

- The successful HR Auditor must of necessity thrive under the rapidly changing workplaces. Their existence can no longer be guaranteed if they do not ensure that their involvement is value add.
- They are judged by their ability to enhance the attraction and retention of talent.
- They ought to be frugal in addressing the critical issues and thriving within the environment that demands of them to do more with the less resources;
- They should be able to reduce the costs of HR resources, improve revenue and inspiring organisational competitiveness;
- HR Auditing professional should continuously explore the varying avenues to add value to the organisational development and growth in order for them to remain relevant and worthy of their professions;
- HR professionals should always be vigilant to develop the approaches to deal with the identified performance gaps by fruitfully utilising the most important assets -"PEOPLE."

### **CONCLUSION:**

For any person to become a good auditor, the basics of sound technical ability and solid foundation are of paramount importance. These are the fundamentals and the baselines, which must of necessity grow beyond the profession's mind-set. Developing into a long term superb HR Auditor with the characteristics discussed above is a daunting task and is dependent on personal commitment and ability to adapt to the unknown situations and readiness to learn anew.

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Written by: Monamodi R. Matsapola Certified Lead HR Auditor (SABPP)

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# REFLECTION OF CELEBRATIONS HR AUDIT UNIT 2017

As a student I thought reflection is only for old people who reminisce about their youth and experiences, but as birthdays gone by, the realisation is that wise people reflect on life.

Yearend is often time for reflection and as the SABPP HR Audit unit, we would like to share some of our special highlights of 2017, such as HR audits completed, growth of HR Auditors, co-opetition, new solutions/products and alliances.

# **HR AUDITS**

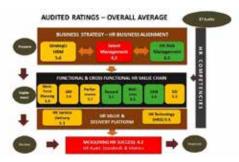
Businesses embark on the HR Audit process for various reasons, some want a benchmark against HR best practices and prepare relentlessly before the audit. Another may want to determine where the current gaps in HR strategy alignment and integration, policies, practices and implementation are and set the development plan from that benchmark. Follow up audits are beneficial for previously audited companies who require to measure progress on improved practices.

- One of the most significant HR Audits was the HR Audit of 5 municipalities, initiated by Gauteng-COGTA through a tender process. The process was exceptionally planned and run by a Steering committee by G-COGTA and SABPP. The main focus was to create a blueprint against the HRM Standards and eliminate inconsistencies in all 11 municipalities in Gauteng. In the process skills transfer and learning through cross-functional HR teams was critical to build sustainability and continuous improvement. The senior managers of the municipalities experienced the benefits from the HR Audit, coupled with increased credibility for the HR departments. An intensive case study was done on the process and will be published soon. This was a major breakthrough in the public sector and consequently could open many doors for HR Audit in this sector.
- 2. A second highlight is when previously audited companies, implement the HR Audit recommendations and

request a follow up audit to ensure continuous improvement and set the bar just higher in the HR Profession.

- Surely the third major achievement is our first cross-border HR Audit. Working together with our alliance partner in Botswana, Emergence Growth who prepared the first company in Botswana very well for the HR Audit. It shows the impact and appreciation of the HRM Standards and the HR Audit, not just in South Africa and Africa, but in other parts of the world.
- 4. My sincere appreciation to previously audited companies - TCTA, G-COGTA, St. Stithians Private Schools and the Chairperson: HR Audit Council for participation in an active panel discussion at SABPP Leadership event and carry the flag high on the positive business impact of the HR Audits.

Giving additional audits in 2017 herewith the consolidated scores for South Africa and Botswana



## **GROWTH OF HR AUDITORS**

Part and parcel of what SABPP stands for is developing people. During 2017 around 50 auditors participated in HR Audits up to beginning of November. This is a major

milestone, especially as we look at the number of candidate auditors who become certified after the required 'practicals' to display their deep understanding of HR and the importance of integration and alignment with business strategy. This development of HR Auditors is also aligned with the HR Audit Unit Employment Equity Strategy and among the certified auditors are five Black females and one Black Male, who was promoted to a Lead Auditor. Without the HR Auditors' commitment and support, this unit would not be able to exist.

### **CO-OPETITION**

During mid-year, Gauteng Department of Health, contacted SABPP and IPM to work together on the HR for Health Project. This co-opetition is a ground breaking initiative as a first in 35 years. The CEO's issued a pro-active memo to all members, which was received in a positive light.

# **NEW AUDIT TOOLS**

With the successes of the HRM Standards and the HR Audits to measure, we assess possible new solutions and products all the time.

The first product on the shelf will give companies the opportunity to assess/audit the more than 30 Professional Practice Standards (PPS). To date, one of the SABPP ambassadors, Sakkie van Greunen developed the assessment tool for the initial eight PPS, which was launched at the 5th Annual HR Standards Conference.

Secondly, linked to a client request, SABPP developed a Payroll Standard in conjunction





with SAPA members. The assessment tool and audit will be available from January 2018.

# For more information, email to hraudit@sabpp.co.za

### **ALLIANCES**

The definition of an alliance is broadly the "relationship based on similarity of interests, nature or qualities" https://www.google.co.za/

Such similarities are important for SABPP to professionalise HR. During the past year we worked closely with several partners on professionalising HR, breakfast session, joint events and business development.

- Payroll Association (SARA) & SA Payroll Association (SAPA) these professional bodies have a clear HR focus. Apart from working together, the benefits of these bodies are extended to SABPP, SARA and SAPA members to benefits from discounted rates for alliance conferences, workshops, CPD and many other. The parties share best practices and leverage national discussions such as NHI.
- Cowan-Harper Attorneys is a legal alliance through whom we offer discounted rates to our members for relevant legal trending events relevant to the workplace.
- Emergence Growth is a local and Africa partner assisting SABPP to grow our footprint beyond South Africa.

### INTERNATIONAL INTEREST

The SABPP Audit Unit continues to attract significant international interest. This year we again experienced good support from thought leaders in Australia.

# **AUDIT COUNCIL**

To strengthen the governance of the audit process and methodologies used by the Audit unit, the SABPP Audit Council has played a critical role in providing strategic quidance to the Audit Unit.

# **CONCLUDING THOUGHT**

Reflection gives us the rear-view mirror view. With 2018 a blink away, let's celebrate our successes, learn from disappointments and live in the moment to identify the game changers in your life, business and family.

"In the business world, the rearview mirror is always cleaner than the windscreen" – Warren Buffet.



Written by: Annetjie Moore Head of Audit Unit (SABPP)





# WE SEE YOU NEXT YEAR.

# **SABPP**

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