

2ND ANNUAL

HR AUDIT TRIBUNE

HR AUDITS MAKING WORLD HISTORY



www.sabpp.co.za · info@sabpp.co.za · hraudit@sabpp.co.za · @SABPP1

1 August 2016

17 lessons from
HR Audits against the
National HR Standards

THE LAUNCH
OF THE HR
AUDIT COUNCIL

The Relationship
between HR and
Internal Audit

A TRIBUTE
TO THE
**HR AUDIT
PIONEERS**



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



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Providing external assurance on HR standards

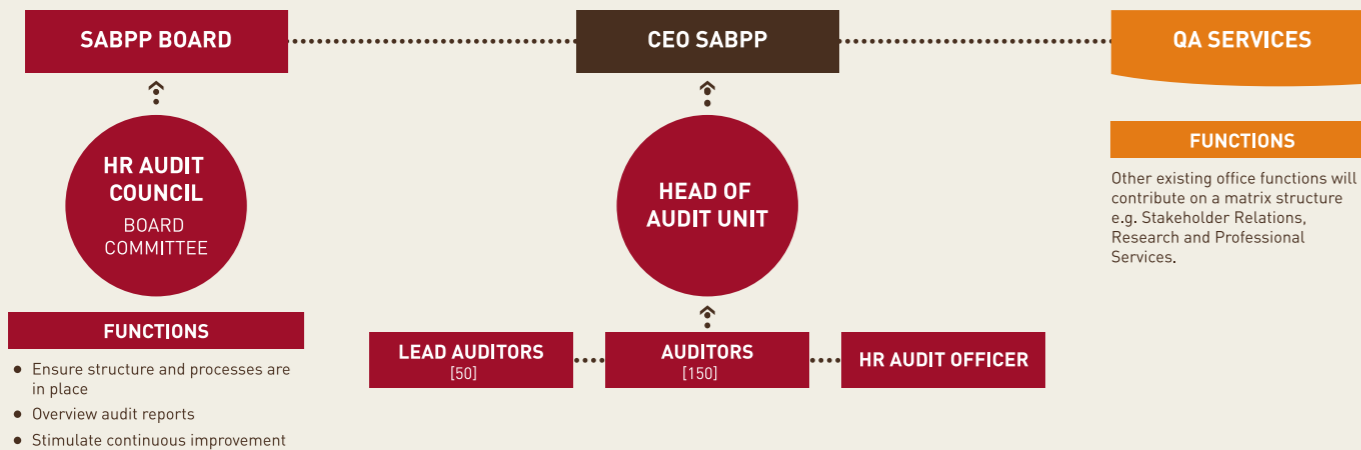
The value of auditing an organisation's business processes and management systems is well accepted. Considerations include good governance, adoption of good practices and process improvement. Standards are considered to be "distilled wisdom" and are the result of international expert consensus. Therefore, 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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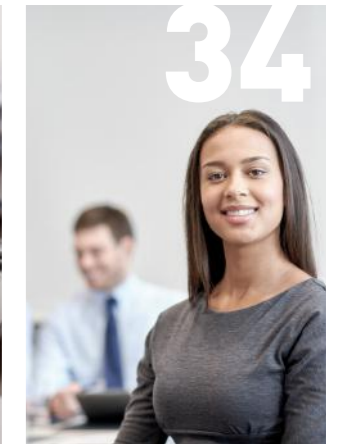
A Tribute to the HR Audit Pioneers



The Launch of the HR Audit Council



17 lessons from 17 HR Audits against the National HR Standards



The Relationship between HR and Internal Audit

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FOREWORD

HR AUDIT TRIBUNE

Permit me to share my delight on the progressive journey that the HR community initiated from just a mere practice towards that of professional dispensation. The hard work by the SABPP staff and broader community in this regard cannot be appreciated enough for such professional turnaround strategy and execution.

Setting and auditing the standards is a major milestone empowering the professionals to carry out their duties in a structured, systematic and harmonised manner thereby enabling positive impact on business and organisational objectives.

Undoubtedly, a critical lever towards HR standards implementation is inter alia the Audit process. Over the years, Auditing proved its worth in diverse fields such as Governance, Financial Management, Quality Management System and Information Technology. As one of the practitioners in the field of the South African Excellence Model and TQM, I recall the surveys by the International Accreditation Forum published in 2012 across the globe. The study revealed that the key drivers for seeking certification were predominately for Internal Business Improvement (47%), customer requirements (32%) and regulatory compliance (13%). Generally, organisational certification is underpinned by rigorous auditing/assessment of some sort. For that matter, on the side of people practices and management, the SABPP HR Standards Auditing Framework has reference and is reconcilable to internal business improvement and legislative compliance to a larger extent.

The HR standard Audit is a flagship of SABPP; as such we have assembled the Audit Council to oversee and direct the audit framework implementation and build enough capability to cater for the envisaged high demand by organisations irrespective of size, geography, product and service offering.

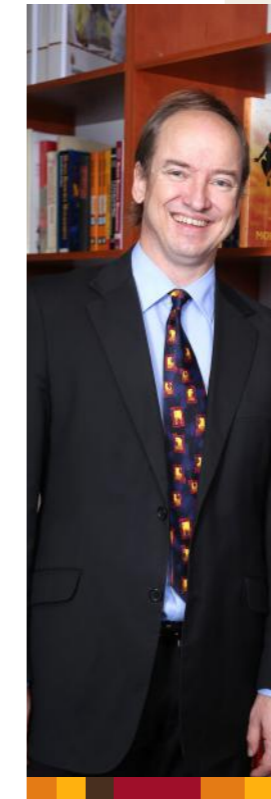
In marching forward, I remain absolutely confident in the nuts and bolts of the HR Auditing framework and associated processes to leverage evidence-based continuous improvement and value for money.

Maropeng Phineas Sebothoma
Chairperson: SABPP HR Audit Council



A TRIBUTE TO THE

HR AUDIT PIONEERS



Welcome to the second Annual HR Audit Tribune. Given the success of the 2015 edition, we decided to make this an annual publication to update the market on progress in HR Audits. We are proud of our achievement in growing and sustaining the HR Audit unit for another year. This year I want to share a tribute to the HR Audit pioneers - those individuals and organisations who did pioneering work in getting us this far on the HR Standards and Audit journey. While we do indeed celebrate our successes, we are still mindful of current challenges such as inconsistent HR practices at various organisations as well as gaps in HR capacity-building in several industries. We also realise that the concept of HR Audits is still relatively new and that more awareness regarding HR standards and audits is needed to ensure the audits become the norm and do not remain the exception. That is exactly the reason why I want to pay tribute to the early adopters and champions – you are all change agents and pioneers in marching ahead in uncharted territory.

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 Standard journey has progressed, not only within companies but also nationally and internationally. The purpose of the National HR Standard was 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.

The HR Audit unit provides an independent centre of excellence for HR audits against the standards. This is the first such national HR Audit unit in the world, and we are indeed proud of its establishment, growth and early successes.

I want to thank the HR audit pioneers for their leadership, innovation, support, encouragement, inputs and persistence in assisting SABPP to ensure a successful second year of national HR audits in South Africa:

- Our Interim Audit Heads - Christine Botha and Dr Shamila Singh for their sterling work in developing, managing and building up the audit unit, including training the auditors and overseeing the audits;
- Malebo Maholo, HR Audit Officer of SABPP for co-ordinating the

work of the Audit Unit;

- The SABPP Board for their excellent leadership in steering, strategising and resourcing the audit unit;
- The SABPP Audit Council that was launched in the beginning of 2016 to establish and entrench sound governance of HR Audits, in particular I want to thank the Chairperson, Maropeng Sebothoma and Vice-chairperson, Advocate Nomsa Wabanie-Mazibuko for their leadership of the Audit Council;
- Dr Michael Robbins from International Management of Risk in the UK for his guidance and support during the pre-audit period;
- Dr Wilson Wong, Head of Insights at the Chartered Institute of Personnel and Development (CIPD), and the CEO of CIPD, Peter Cheese in the UK for their ongoing support and encouragement;
- Dr Penny Abbott, SABPP Head of Research for her pioneering work, including the first audit assessment tool that we continued to use during the second year of HR audits;
- Dr Chris Andrews, HR Director at Bond University in Australia for his visit to SABPP, and his continuous support in providing strategic and professional input in positioning HR standards and audits as a means to improving HR practice;
- The hundreds of HR Leaders and facilitators in both the private and public sectors for their support in building capacity among HR teams in HR standards;
- The first group of CEOs and HR executives for putting up your hands to be audited over the last year, 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 standards;
- We are very proud of our pool of HR auditors responsible for auditing companies, you are at the centre of the auditing process and world leaders as national HR auditors;
- While we have visited most of the large audit firms over the last year, the auditing firm Grant Thornton has become an early audit firm leader in embracing the HR standards and audits;
- A special word of thanks to the presidents and others 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. The Executive Director of the Institute of People Management of Zimbabwe, Fortunate Sekeso has been the best country HR standards and audits leader in our neighbouring country;
- A number of alliance partners have emerged as HR standards leaders. The Institute of Municipal HR Practitioners (IMPSA) and the Association of Mining Industry HR Professionals (AMIHRP) have been excellent HR standards alliance partners for several years. Likewise, we also want to thank the Institute of Internal Auditors and the Independent Regulatory Board of Auditors (IRBA) for the positive engagement over the last year;

- Our publication designers and social media partner, BCore for always being ready to design and share HR standards and audits publications using different forms of media;
- The first HR Standards and Audits Awards Committee was launched last month. This year, now that we have built up a good track record in HR standards and audits, the time is right to issue our first annual awards. Thank you to this new committee in being the adjudicators for the awards and congratulations to the first recipients of the awards;
- Our academics and post graduate students at universities have been key stakeholders in supporting SABPP with research and development work.

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 second annual report released at the 4th Annual HR Standards Conference in Midrand will provide you with sufficient information to join the HR standards and audits journey. Alternatively, 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, auditors, auditees and other stakeholders 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 and Instagram: SABPP_1. 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. With the release of the King IV™ Report in 2016 and its increased focus on assurance of non-financial reporting, the HR Audits are well positioned to add value to integrated reporting and combined assurance processes. I thank and pay tribute to all the pioneers and I appreciate you for being part of this developmental success story in advancing the HR profession in South Africa and beyond our borders.

Marius Meyer
CEO: SA Board for People Practices
28 July 2016

PREFACE



DR SHAMILA SINGH
INTERIM HEAD: HR AUDIT UNIT

The HR Audit Tribune depicts a comprehensive mapping of the HR Standards Journey and captures the processes and activities that culminate in an HR Audit. The primary objective of the HR Audit Tribune is to show that the National HR Standards Journey is instead a progressive journey towards aligning the organisation's HR Systems and practices to the National HR Standards and then to both internally and externally through HR Auditing to measure the state of the system against the National HR Standard. The measurement of the HR System will allow the organisation to continually develop HR practices to ensure the organisation is able to achieve the organisation's strategic objectives.

The HR Audit Tribune covers the activities of the HR Audit Council as a governance structure to ensure good governance and to continually improve the HR Audit methodology and processes. Secondly, the HR Audit Tribune also covers the objective and outcomes of the first HR Audit Conference. Thirdly, the perspective of CEOs and HR Executives about the alignment to the National HR Standard is covered. Fourthly, feedback of the case studies from auditees are shared with an emphasis on the experience of the audit process, lessons extracted and advice to companies that intend doing audits. Fifthly, the experience of auditors is captured on the audit process and the lessons are discussed to consider when organisations embark on the HR Standards Journey. Sixthly, the HR Audit Tribune also covers the HR standards in Africa

Journey. In addition, SABPP in conducting 17 audits have developed 17 lessons that organisations can consider in their quest to align to the National HR Standards Systems Model.

The writing of the HR Audit Tribune was an amazing process because it allowed for appreciating the achievements to date in advancing the HR standards Journey. Furthermore, it spells out that meeting the standard is not an event, it is a process (a journey) that requires a conscious effort of continual alignment to the standard and striving to maintain and sustain the best practices. There was also a deep sense of pride and accomplishment for the auditees and auditors to reflect on their journey in aligning to the HR Standards.

As the Interim Head of HR Audit it has been an amazing experience to reflect on the HR Standards Journey and to be part of this historic journey in supporting HR Professionals to align to the HR Standards System Model.

I want to thank all auditors, auditees and the stakeholders for their support and engagement over the last six months. As I take up my new role of Head of Standards after July, I look forward to work with you as we continue on the road to HR Audit Certification.

THE LAUNCH OF THE HR AUDIT COUNCIL



The vision for the HR Audit Council is to provide sound governance and continuous improvement to assist SABPP in positioning the audit unit as a global centre of excellence, governance body and thought leader in the area of HR audits. Through the advisory expertise of the structure the objective is to raise the status, relevance and impact of HR and people performance in organisations, and it is believed that HR Audits can play a significant role in this regard. The overarching purpose is for most HR departments to be audited so HR reaches the level of business credibility expected from management and boards.

The HR Audit Council is a sub-committee of the SABPP Board. On 18 November 2015 the SABPP Board elected Maropeng Sebothoma, an HR Executive at SARS, and SABPP Board member to chair the Audit Council. The HR Audit Council's mandate is to ensure that there is accountability and oversight of the HR Audit Unit. In addition, the structure will ensure that the HR audit process and methodology is continually refined.

Sound governance of HR audits is of utmost importance to ensure credibility, trust and sustainability of HR audits. The SABPP Audit Unit is the first national HR audit unit of its kind in the world. By providing world leadership in HR Audits against National HR Standards, SABPP is well positioned to continue playing its national and international HR Audit leadership role.

The HR Audit Council had two meetings during the first six months of 2016. Through the deliberations of the HR Audit Council a terms of reference was developed. It focuses on the following functions:

- Developed a board charter of roles and responsibilities, e.g. how often the committee meets (3 meetings per year)
- Brainstormed the remit of the audit council.
- Independent oversight to ensure structure and that processes are in place.
- Evaluate consistency of the reports and audits
- Ethical issues, governance and removal of auditors
- Continuous improvement for the HR audit function
- Review audit reports

The SABPP HR Audit Council will consist of HR Directors, Internal Auditors, Senior Audit Academics, Governance experts and Chief Audit Executives and other relevant thought leaders in providing independent oversight over the HR audits.



Maropeng Sebothoma (Chairperson); Advocate Nomsa Wabanie-Mazibuko (Vice Chairperson).



(From left to right): Marius Meyer (CEO); Maropeng Sebothoma (Chairperson); Advocate Nomsa Wabanie-Mazibuko (Vice Chairperson); Thandi Thankge; Wendy Mahuma; Malebo Maholo; Masibolekwe Ndimma. [Absent: Charles Nel; Dr Shamila Singh]

AUDITOR CAPACITY

The below table depicts that SABPP's strategic intention is to build capacity in all provinces so that HR Standards Training and HR Audits can be more effectively done. In addition, there is also an intention to build capacity in the participating countries that have started the HR Standards Journey with SABPP.

The table also makes a distinction between internal auditors trained on the HR Standard, HR professionals trained as HR auditors and HR Lead Auditors.



Auditors	Total	Race			Gender		Nationality		Province						Country				
		A	I	C	W	F	M	SA	Non	Gauteng	W.Cape	KZN	E.Cape	North West	Limpopo	Lesotho	Botswana	Zimbabwe	Swaziland
Auditors	171	45	10	3	69	77	50	135	37	102	13	7	4	3	3	-	1	21	11
Internal Auditors	21	13	3	-	2	12	6	18	3	16	-	1	-	-	-	3	-	-	-
Certified Lead Auditors	10	1	2	-	5	3	7	9	1	9	1	-	-	-	-	-	-	-	-
Certified Auditors	26	10	1	2	14	16	11	25	2	22	-	2	-	-	1	-	1	-	-



HR AUDITING THE PERSPECTIVE OF HUMAN RESOURCE DIRECTORS

A national framework, the National HR Standard Systems Model was developed to define HR professionalism. The HR Standards Model outlines clear standards and reduce inconsistencies in HR practices within companies, across companies, industries and nationally. The national framework consists of an HRM System Standard with 13 elements and a National HR Competency Model.

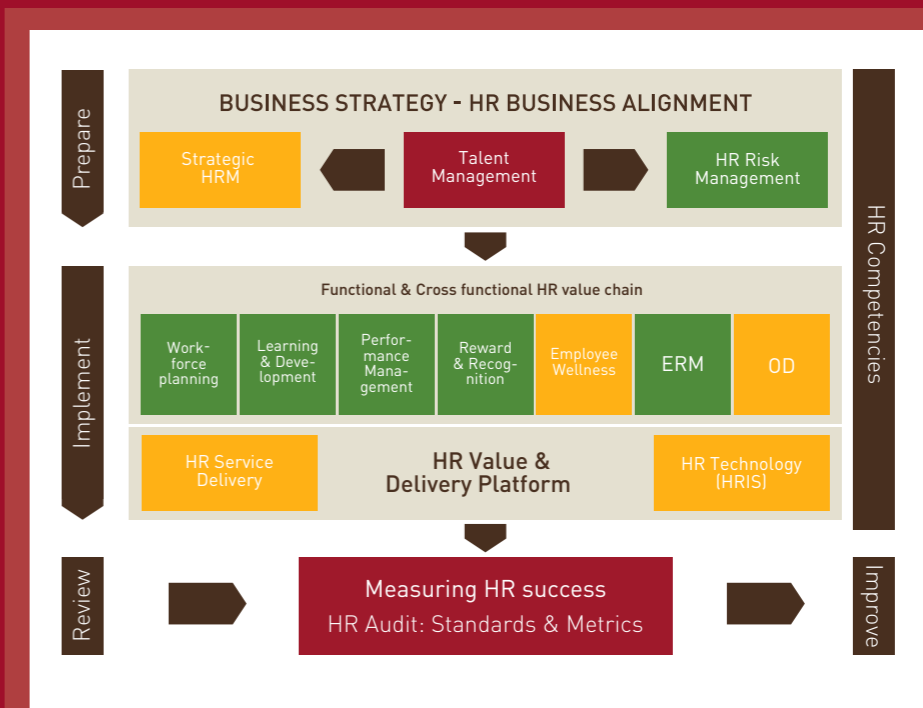
To legitimise the assertion of being "business partners", HR directors/managers must clearly demonstrate how HR services can contribute towards achievement of business objectives. The National HR Standards Systems Model is a framework that organisations can use to benchmark their HR practices to obtain an independent assessment of HR Practices. 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.

The SABPP HRM System Model shows how integrated all the elements must be:

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 finance, engineering, 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.



HR AUDITING FROM THE PERSPECTIVE OF DIRECTORS

The field of Human Resources (HR) has evolved in recent years, so much so that all South African universities now offer HR qualifications. Most business leaders acknowledge that effective people management practices provide superior performance and provides the businesses a sustainable competitive advantage. Coupled with the King IV™ Code on Governance sustained performance is a measure of financial, environment and social performance, which is, integrated reporting. The King Code recognises that social performance (people)

is a significant aspect of organisational performance. Directors yearn for solutions to effective people management practices. Directors want assurance that the organisation is able to attract, motivate and retain the right skills to attain the strategic objectives. In addition, HR Directors want to be assured that the HR practices are aligned to best practice, appropriate, cost efficient and effective so that the company is able to attain the strategic objectives.



17 LESSONS FROM 17 HR AUDITS AGAINST THE NATIONAL HR STANDARDS

Since the SA Board for People Practices (SABPP) in association with HR Future launched the first set of National HR Standards for South Africa in 2013, the HR Standard journey has progressed, not only within companies but also nationally and internationally. In 2014, at the 2nd National HR Standards Roll-out we launched the SABPP Audit Unit to audit companies against the National HR Standards. Since then a strong pool of 150 HR Auditors have been trained, and some of them have already audited companies against the HR Standards.

Since November 2014 several audits have been conducted at organisations throughout South Africa. This year the SABPP Audit Unit had a busy six months rolling out the National HR Standards and HR Audits. To date 17 audits were completed and we are very pleased to report that there are 50 more companies lined up who are preparing themselves to be audited later this year or next year.

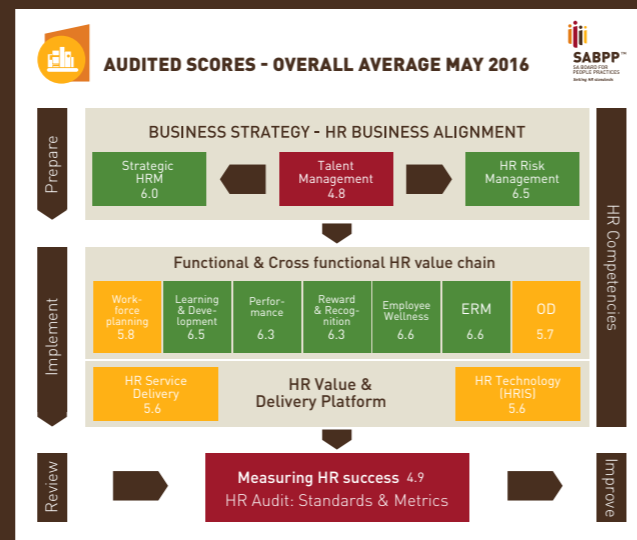
During the HR Audits conducted over the last two years, we have made some interesting discoveries about the state of HR in a typical South African organisation. The following 17 lessons have emerged from the audits:

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

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 400 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 code to colours used in the illustration has the following meaning: Green (above 6) means that the Standard is achieved, Yellow (or 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.





The above graph shows that a typical South African organisation currently meets about half the standards. This is very encouraging given the general state of HR in the country. Of course, more work is required to improve in the underperforming areas, but that is exactly what HR professionals should be doing to elevate their practice in building better HR functions and systems.

2. It is all about integration, alignment and communication.

In all instances we have found that where HR 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. Also, this exceptional work is not well communicated throughout the organisation. Even in cases where pockets of excellence have emerged within HR functions, these good practices are not adequately shared within companies. For instance, some companies have brilliant wellness programmes, but most employees and managers are not aware of all the services and initiatives being offered. 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 battles to integrate the various functions due to more complex approval processes, operating in silos and internal politicking. Smaller organisations benefit for fast decision making, 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 system of a small company can pose significant business risk.

5. Executive support is critical.

We found a direct link between the qualities, consistency and value add of good HR Standard 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, then 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.

7. Superficial application of best practices.

Most auditees had a very good understanding of local and global best practices. However, these practices were not always deeply infused and applied into the organisation. For example, all companies reported that they understand the best practice of employment value proposition, but very few have managed to infuse and instil this practice as part of the fabric of the HR function. A clearer commitment to follow-

through from conceptualisation to application is needed. This omission was particularly prevalent in the two underperforming standards, i.e. talent management and HR measurement. While HR Managers work towards some form of talent management and HR measurement, there was a significant gap between conceptualisation and application of practices.

8. HR silos exist.

While HR managers often complain about silos in the business, the auditors have found silos within HR departments. Despite pockets of excellence in certain areas, it is clear that functional experts like recruitment specialists, L&D officers, reward managers and OD practitioners operate in silos. A better level of collaboration and value-chain thinking and practice is needed to leverage the outputs of one specialised function as inputs into the next part of the value-chain. Very few examples of real integration were observed.

9. HR capacity is essential.

Meeting the HR Standards requires dedicated effort and strong HR capacity to deliver. A high level of HR competence is key in achieving HR excellence. In most of the organisations audited, the HR function is growing in terms of the number of staff members. Interestingly, in areas of weakness, such as workforce planning, OD, talent management and HR measurement, there were poor HR capacity and in most cases no specialists appointed to deal with these areas. Where generalists were involved in these areas, it is one of several responsibilities and not highly prioritised. Also, getting the whole team trained in the HR standards is essential in ensuring that the HR team members know exactly what to expect during the audit, and in particular the nature of the standards that should be met.

10. There is inconsistency in reactive versus proactive approaches.

The top performing auditees were typically more proactive than reactive in their approach to HR. The level of reactive HR was more prevalent in the under-performing HR functions. While it is indeed essential to be reactive and responsive in the event of a crisis such as staff accidents or strikes, an explicit and consistent proactive HR model was followed by the better performing auditees.

11. It is all about evidence.

Given the fact that HR auditing is a new development and it was clear that most HR departments were not accustomed to the major requirement during audits, i.e. the ability to produce substantive evidence of meeting the standard. It is simply insufficient to state that the company has a people-driven culture and that talent management is the philosophy in the minds of the business owners or HR Manager if no such tangible evidence exists. The best performing companies produced a full set of 13 files with substantial evidence covering the 13 standards. However,

in some of these cases, evidence was anecdotal with little substance. A mind-set shift and clear action is needed to collect and provide good evidence in claiming conformance to the standard.

12. Preparation is key.
Admittedly, it was the first time for all 17 organisations to undergo such a comprehensive approach to HR auditing. Some of the organisations underestimated the importance of being adequately prepared. The assumption that “we have done these things for twenty years” appeared to be their downfall and resulted in inadequate preparation for the audit to take place. Good planning is essential in ensuring a successful audit, not only in terms of the relevant documentation and other sources of evidence needed, but also in understanding the audit process and methodology.

13. Internal audit comes to the table.
In most of the organisations the internal audit function has played a prominent role as part of the assurance process, but mainly focusing on compliance to policy and procedures. It also became evident that internal auditors did not have a clear understanding of the nature and impact of HR work at some of the organisations audited by SABPP. On the positive side, an opportunity is presented for improved communication and understanding between HR and internal audit. If HR can improve their understanding of internal audit, and strengthen HR controls, the process and outcome of both internal audits and HR audits can be enriched.

14. Conduct an audit for the right reasons.
There is only one valid reason for conducting an audit and that is to objectively determine the current state of HR in the organisation against the HR standards with the aim of identifying opportunities for improvement, while verifying current good practice. We were therefore not surprised that most of the auditees had a new HR Director appointed and this individual wanted to obtain a true picture of the real state of HR to set a baseline for strategic planning and continuous improvement. Audits should not be done for any other reasons such as political factors (e.g. to get rid of an HR Director or to obtain information to be used for restructuring).

15. Good HR business partnering should be the norm.
A solid and consistent approach to HR business partnering should be the norm and not the exception. The organisations that performed well during the audits had strong HR teams playing active HR business partner roles in meeting the needs of the company. The converse was true in underperforming auditees: Poor business partnering resulted in poor

HR-line relationships and perceptions of ineffective HR departments.

16. There is a balance between performance and compliance.
None of the successful auditees was dominated by a performance focus at the expense of compliance or vice versa. In other words, the successful auditees managed to achieve the optimum balance between performance and compliance. It was clear that these auditees did their best to ensure compliance to all labour laws, rules, codes and standards, while driving business performance in the process, but not at the expense of employees. In fact, all successful auditees were high performance organisations meeting and/or exceeding their business objectives.

17. Successful auditees say what they do and do what they say.
Lastly, it was apparent that successful auditees managed to achieve integration from their intent, to the scope of application of their practices, through to attaining sustainable results in a consistent way. In essence, these auditees could explicitly say what they do and do what they say. There is a clear line of sight between intent and action, with a strong bias towards ensuring that good HR strategy is well executed and tangible results are achieved and reported on. A high performance HR culture has emerged that is characterised by a mature HR function committed to excellence in everything they do, with a specific focus on consistency, good practice and results.

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, it has 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.

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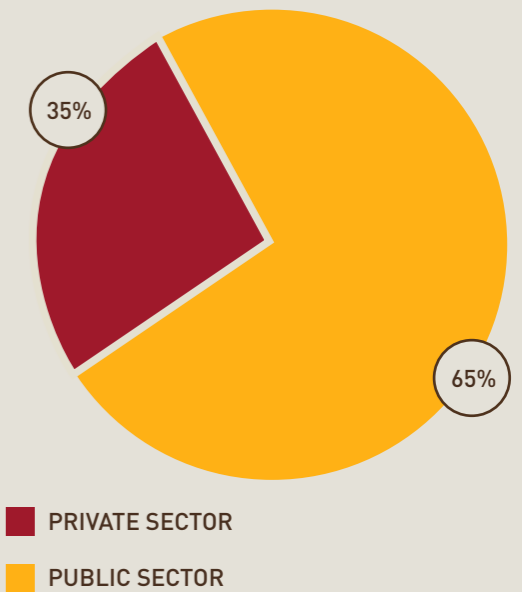
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students@sabpp.co.za

PIONEERING OF HR AUDITS

By the end of April 2016, 17 companies have been audited and there are a further 50 companies that are preparing to be audited during 2016 and 2017.



The above graph depicts that 65% of the audits that were done are public sector entities, whilst 35% is private sector entities.

During HR Standards Training Workshops HR Professionals are requested to assess their own readiness to be audited. HR Professionals assessed the organisations HR System against the HR Standards System Model and rated each of the standard elements. Over 300 company rating were averaged to derive a cumulative assessment of companies' readiness to be audited.



HR AUDIT CONFERENCE

A HR Audit Conference was held in Emoyeni, Johannesburg on the 24 November 2015 and the primary purpose was to deliberate and reflect on the whole HR Standards Audit System. In particular, a SWOT Analysis was developed of the HR Audit System with a focus on the marketing strategy, HR auditor competencies, the HR Audit Methodology, HR Audit Reporting and HR Audit Training approach.

The objectives of the Audit Conference were:

1. To reflect on the HR Audit Journey,
2. To assess the strengths and weaknesses of the HR Auditing methodology and process.
3. To discuss the marketing approaches to be used to improve the uptake of the National HR Standards Systems Model.
4. To discuss the areas of improvement.

The action strategies that resulted from the HR Audit Conference were identified to improve the system, namely:

- Consider continuous professional development for auditors;
- Extend the HR Auditor training to three days so that there are increased opportunities to participate in roles plays to embed the knowledge on HR Auditing;



Dr Michael Glensor

- Develop specific programmes and interventions to develop and refine the skills of the Lead Auditors;
- HR Audit Council should revise the selection criteria of HR Auditors;
- The competencies for HR Auditors should be reviewed and linked to the competency model;
- Case studies should be shared with the HR community;
- Formulate a booklet of dress code and etiquette for auditors;
- SABPP through the HR Audit should consider the levels of certification (bronze, silver, gold and platinum);
- The HR Audit Assessment tool to be further developed and refined;
- SABPP to develop a framework for HR Reporting as an input into integrated reporting;
- Design training and assessment tool on the practice standards (recruitment and selection; employment equity; leadership development; succession planning and coaching and mentoring);
- Develop a REMCO training programme and cover areas of risk, audit, and transformation at board level;
- Understanding the relationship between Internal Audit and HR Audit.



Manie Roodt

HR STANDARDS AND HR AUDIT JOURNEY FROM AUDITEES

Marieta van Niekerk
HR Manager: Interstate Bus Lines

Interstate Bus Lines is a Private Commuter Bus Transport Company that serves the communities of Bloemfontein, Botshabelo, Thaba Nchu and surrounding areas for the past forty years. We deliver a daily passenger service from Monday to Sunday and commute 82 000 passengers in different directions and trips each day of the week. Our buses travel 1,36 million kilometres per month.

Interstate Bus Lines is an empowered company with a 63% Black Broad Based Shareholding owned structure operating on a Government Contract in the Road Passenger Transport Sector. We regard a safe and quality service delivery to our clients as our primary objective, provide a sustainable future for our employees and care for the environment and the needs of our society.

During the early times of the existence of the company, the turbulent political climate and labour arrest during that period forced the company to invest in professional human resource practices. Over the years, the company recognised the contribution of the HR Department towards the success of the company and its impact on the bottom line. The HR Department is fortunate to be regarded as a strategic partner on the Executive team.

The mission of the HR team to deliver a professional service to the company, resulted in the acceptance of the invitation to attend the SABPP's HR Standards Development Session in 2013 as well as the HR Standards Roll-Out Sessions in 2014 and 2015. Being part of the process and having knowledge of the HR Standards and the benefits thereof, we were left with no choice but to align our HR processes with the National Standards.

Despite the acknowledgment by Management that the HR Department plays a major role in the success of the company, the HR Team felt obliged to assure the company that their investment in HR Practices complies with National Standards and that the HR Team is professional in their application of HR processes.



Although the company received a favourable audit report, we learned the following lessons:

- The importance of the integration and synergy between all HR functions in the application of the HR Standards.
- The partnership between HR and line functions and the employee's engagement and understanding of HR Practices.
- Committed and competent HR staff and teamwork is a pre-requisite for valued HR service delivery.
- The application of the HR Professional National Standards is not an event; it is an ongoing journey.
- Without an HR audit based on National Standards, the HR profession cannot benchmark its practices and assure management that there is value in their investment in human resources.

The audit process was an enriching experience to the HR Team and we have learned that the high level of the SABPP requirements compare with International Standards. The professional manner in which the SABPP's auditors conducted the audit, the comprehensive audit report and findings and recommendations forms the basis to improving our current HR Practices. I believe that the audit of the HR Practices and the compliance to National HR professional practice standards is non-negotiable and should be the objective of all companies.





SABPP Audit Team.

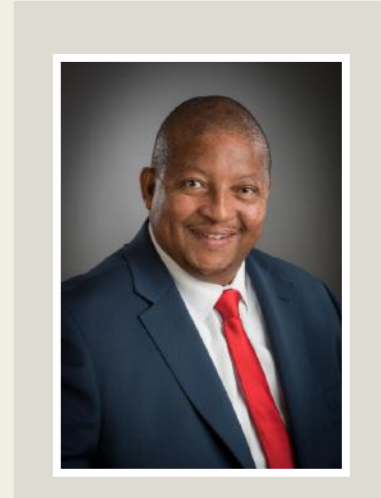


Interstate Bus Lines HR Team.

In a recent audit the CEO of Interstate Bus Lines (George Mokgothu) said that IBL is about the people not buses although the core business is about the transporting of commuters. This statement epitomises the importance of people in any business or any kind. Hence aligning to the National HR Standard Systems cannot be a second thought. Investing in people by adopting the National Standards System Model has the potential to unlock the organisation’s true potential and its ability to attain superior business performance.

The appreciation for achieving the HR Audit Certificate is recognised by the words of the CEO, Mr George Mokgothu “The one question that always came to my mind and that I could not answer with absolute confidence, is whether our HR practices, systems and processes are of such standard that we can claim professionalism and we can use strategically to build a great company and whether our HR department adds value to or decreases value from the bottom-line.

This extensive audit, a first not only for our industry but also for a Free State based company, undertaken by the reputable SABPP, allows me to say with absolute confidence that receiving this quality assurance certificate confirms the high quality of our HR systems, processes and practices. As CEO I have always been the number one supporter of the HR department because I believe that the first entry point of the right people, in the right positions is through our HR department and eventually our success at implementing our strategy rests on our people. I can now with absolute confidence say our HR practices, systems and processes are of such high standard, the department is professionally and ethically managed, and surely adds positive value to the bottom-line. The SABPP HR Standards Audit Certification is a stamp of approval on Our People, Our Pride. Our company is geared towards being a great company because “We stand on the shoulders of giants”.

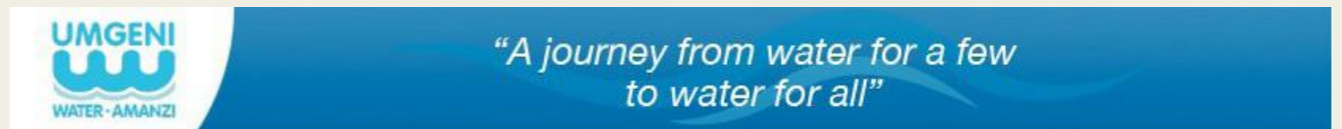


Mr George Mokgothu
CEO: Interstate Bus Lines

FEEDBACK FROM AUDITEE: UMGENI WATER

Umgeni Water is a public entity established in 1974 to provide water services, water supply and sanitation services to other Water Services Authorities in KZN. The organisation operates in accordance with the Water Services Act (Act 108 of 1997) and the Public Finance Management Act (Act 1 of 1999) as amended amongst

others. Umgeni Water reports directly to the Department of Water and Sanitation through the Chairman of the Board and the Chief Executive. The vision of the organisation is “to be a leading water utility that enhances value in the provision of bulk water and sanitation services” whereas the mission is to provide for innovative, sustainable, effective and affordable bulk water and sanitation services.



THE PURPOSE OF THE HR AUDIT

- The organisation conducted an audit to establish an independent baseline for the state of Human Resources.
- The organisation wanted to align its processes with the SABPP set standards.
- Also the organisation decided to embark on the audit to identify gaps and increase efficiency within HR processes.
- Part of the objectives was to better understand the Human Capital risks and ensure effective systems (controls) are in place to manage risks.

Audit results provided an opportunity to improve HR service delivery in key areas of HR practice:

- The audit assisted us in identifying areas of improvement in HR processes and efficiencies.
- It also highlighted our strengths and weaknesses in the delivery of HR Services.
- Where we scored less than 60% we had to develop an Action Plan in order to improve.

Feedback from the Chief Executive Officer

The Chief Executive commended the HR Team for achieving excellent audit results.

- Continuously train all HR Practitioners on the National HR Standards.
- Conduct competency assessment and re-examine HR Practitioners.
- Promote collaboration between Human Resources and business.

- Communicate and market Human Resources Initiatives.
- Develop a detailed project plan for the implementation of recommendations and achievement of business priorities

Lessons Learnt

- It is critical that all Human Resources systems are integrated.
- The Human Resources Flow Chart outlining each process and responsibilities is vital.
- The Human Resources Strategy must be aligned to the 13 HR Standards.
- The Service Level Agreements with all departments must be compiled, implemented and measured.
- There must be clear measurement of HR activities to prove financial impact on the organisation's bottom line.
- The HR policies must be communicated and understood at all levels in the organisation.

Advice to companies on HR Auditing

- Companies must familiarise themselves with HRM Systems Standard Audit Visit Preparation Manual to adequately prepare for an audit.
- Companies must ensure that your HR team has a proper understanding of the 13 HR Standards Model and HR Competency Model.
- Sensitise Management, Employees and Executive to get buy-in.
- Allocate roles and responsibilities to each HR Team Member.
- Prepare a file for each standard to support your argument; i.e. reports, policies, procedures, surveys, EE Plans, Workforce Plan, Strategy etc.



FEEDBACK FROM AUDITEE: AUDITOR-GENERAL OF SA

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, which exists to strengthen the country's democracy by enabling oversight, accountability and governance in the public sector through auditing, and thereby building public confidence.

The process

- Trained all HC employees in SABPP standards before audit.
- All process owners to get documentation ready for audit.
- Dedicated resource to co-ordinate audit.
- Stakeholders awareness of upcoming audit.

The Audit Results

- Audit report empowered the HC Team with best practice HR practices to improve the HR practices of the AGSA.
- The audit findings provided an objective assessment of the HR practices of AGSA against the national HR Standards benchmark.
- The findings and recommendations provided in the audit report is a guide of what to stop doing, continue doing and the basis to develop a full action plan for the areas that need to be developed before the next audit.

Lessons extracted from the HR Audit

- It is critical to create awareness and communicate effectively with employees and line management about the HR Audit purpose and intended outcome so that buy-in and support is garnered for the HR Audit.
- A HR Audit Champion must be appointed by the company to effectively manage and coordinate logistical support of the audit.



The SABPP HR Audit team at Auditor-General

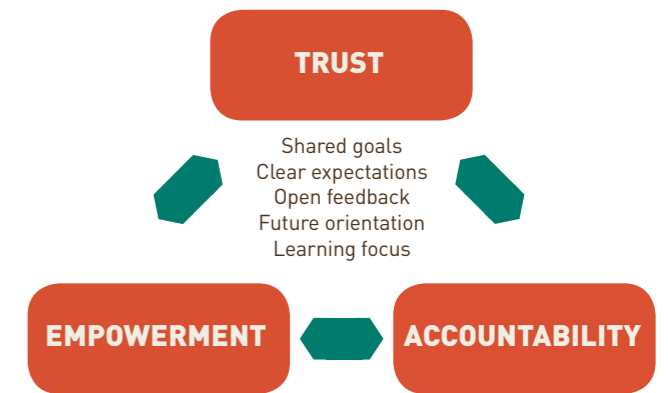
FEEDBACK FROM AUDITEE: SANRAL

The South African National Roads Agency SOC Limited, generally known as SANRAL, is an independent, statutory company registered in terms of the Companies Act. The South African government, represented by the Minister of Transport, is the sole shareholder and owner of SANRAL. SANRAL has a distinct mandate – to finance, improve, manage and maintain the national road network (the “economic arteries” of South Africa). SANRAL introduced and consolidated the concept of Public Private Partnerships that culminated in the internationally acclaimed Maputo Development Corridor. SANRAL is committed to carry out its mandate by protecting and preserving the environment through context-sensitive solutions. SANRAL manages assets worth in excess of R30 billion, without land values.

SANRAL's HR Audit started with understanding the national HR Standards so that the HR Team is able to review and prepare for the audit.

Preparation for the audit

- Preparation is key to a seamless audit – to avoid problems during the process
- 13 Files with indexes and supporting documents
- Provision resources – meeting space, access to telephones, etc.
- As depicted below aligning to the standard resulted in the HR team sharing a common goal, and resulted in building trust in the HR Team.
- In addition, this resulted in the recognition of building HR competencies in the HR Team.



The SABPP Audit Team at SANRAL



THE EXPERIENCE OF AUDITORS

MONAMODI MATSAPOLA (MHRP)



My involvement in the organisational HR Audit, firstly as shadow auditor and secondly as an auditor in two dynamic institutions was an incredible experience in HR auditing. The approach that was adopted was developmental in that areas of development were identified.

It was just marvellous to be part of the superb and resourceful team of professionals that were committed to walk the talk and fully apply the HR Audit methodology.

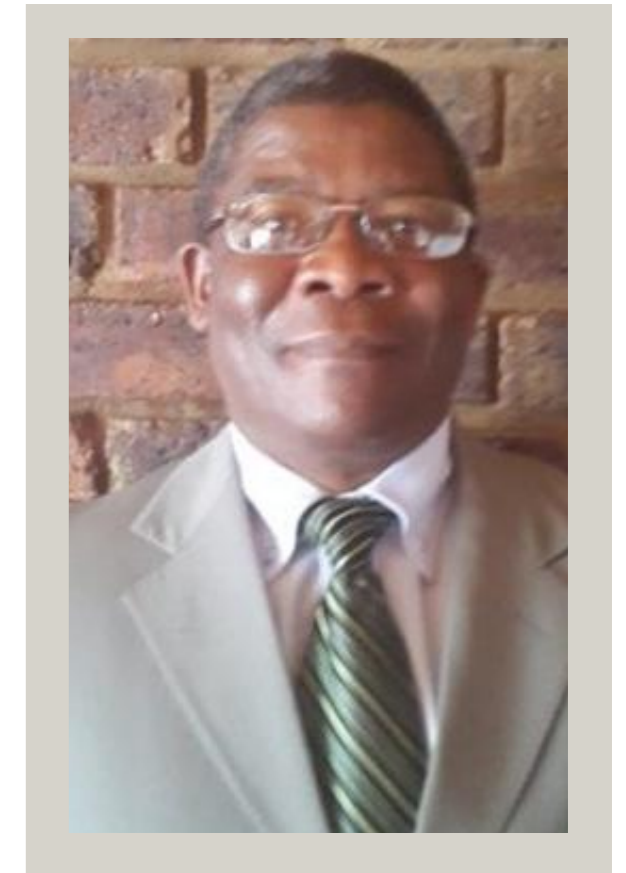
The experience of the audits revealed the importance of strategic positioning of HR in making a meaningful contribution towards organisational growth and development. It further confirmed the notion that repositioning of this function as a Strategic Business Partner is long overdue.

One of the auditees is a perfect example of the strategic positioning of HR with the unwavering support of top management to add value and make a meaningful contribution to the organisation's success and sustainability.

The reflections below depict the wealth of knowledge acquired as a participant in the HR Audit projects. These thoughts have been modelled around the lessons learnt at the above institution.

Guidelines	Auditor's Experience	Advice to the aspirant auditees
Solicit support and commitment from the Executive Committee	Preparations for the HR Audit are crucial.	Create urgency, embark on the journey and sustain the momentum.
Initiate a project of aligning processes to the new business strategy	The training of the HR Team on the HR Standards is critical to the success of achieving and maintaining the standard.	Solicit support and commitment from the Executive Committee as the sponsor from the beginning.
Align HR practices and processes to the SABPP Standards	Share the benefits of the HR Audit with the HR Team before the commencement of the audit.	Prioritising those HR Standards that are critical to business success is key to the success of this audit.
Train the HR team members on SABPP Standards.	Appoint champions and allocate responsibilities.	Train HR team on the HR Standards and emphasise team work and integration.
Appoint champions to facilitate the processes.	Establish awareness and partner with the departments to allow the involvement of employees in the participation of the HR Audit.	Plan and prepare diligently for the audit to ensure that evidence collected is adequate and sufficient to satisfy the HR Standard.
Identify or appoint team leaders for the Standards.	Employees must be prepared and invited in time for the audit interviews.	Openly share successes of the audit to build credibility for HR.
Prepare for the HR Audit in a reasonable time period.	Communicate the outcome of the audit with all the stakeholders: Exco, HR Team and employees.	Maintain momentum until the end of the audit process.
Monitor and Evaluate the implementation of the SABPP HR Standards.	In the same way discuss with these stakeholders how the organisation will derive value.	Ensure that you have a solid business case for the HR Audit.
Hold regular meetings with the HR team to assess progress (if necessary involve Internal Audit);	Sustain the momentum in the HR Audit process.	Arrange regular sessions with the HR team to ensure a high level of awareness.
Assess the readiness for the audit two weeks prior to the HR Audit to allow for amendments.	Implement and embed the HR Standards in organisational delivery Model, Frameworks, Policies, Processes etc.	Develop a complete HR Audit organisational readiness assessment and implement appropriate actions.

In light of the above, it is clear that HR Audits add significant value to organisations. Not only does an audit help you to ensure that you meet the National HR Standards, it also identifies opportunities for improving your HR function as a business-driven organisational department delivering impact, relevance and value. To achieve success with HR audits, you need to focus on good planning, preparation, policies and processes.



MOLEKO VICTOR RANNONA (MHRP)

Background: Auditing is well established in fields such as Finance and Health & Safety. The Human Resource Department on the other hand is usually audited in bits and pieces during internal audit as part of the aforementioned fields. Thus, Human Resources have not been audited independently until recently.

This is an anomaly as most organisations proclaim that Human Capital is their greatest asset. To correct this glaring deficiency, the SA Board for People Practices (SABPP) launched the National HR Audit Framework on 28 August 2014 so as to audit organisations against the thirteen National HR Standards, being Strategic HR Management, Talent Management, HR Risk Management, Workforce Planning, Learning & Development, Performance Management, Reward & Recognition, Employment Relations, Employee Wellness, Organisational Development, HR Service Delivery, HR Technology and HR Measurement. The establishment of auditing heralds an exciting and progressive phase for the Human Resource profession. I am one of the first group of Senior HR Professionals to be trained as an Auditor and Lead Auditor.



Audit Process: The HR audit is conducted by a team of Auditors led by the Lead Auditor. The audit process commences with the organisation contacting the SABPP Audit Unit and expressing the desire to be audited. The SABPP Audit Unit prepares the organisation in consultation with the Lead Auditor who has the responsibility to ensure that the appointed Auditors are well prepared and co-ordinated to conduct the audit successfully. From my experience, I found the team of auditors to be well prepared, professional and dedicated. The auditors exercised high level of integrity and observed principles of confidentiality.

The audit process consists of the scrutiny of documentary evidence and oral interviews using a random sample of employees. During the audits it appeared that sometimes the organisations being audited were more concerned about the audit results than the process itself. This could stem from fear of the unknown as HR Audit is still in its infancy. It emerged during interviews that some employees were anxious about how they were selected for interviews and how the information that they provided is going to be used. Their concern diminishes once they had been assured that the focus of audit is on systems, policy and procedures, and not on individuals.

Lessons learned: Accordingly, it is imperative for auditors to be professional and knowledgeable at all times. It is important to consistently remind organisations that they are being audited against the set standards and the results of the audit results will be based on the audit framework. In certain instances, the organisation may have all the elements of the National HR Standards in place, but such elements are not integrated or aligned with the strategy, therefore they struggle to provide sufficient evidence during the audit.

Advice to organisations: The organisations who are preparing to be audited should first have their HR staff trained on the National HR Standards. They must align their HR systems and processes with the National HR Standards prior to the audit. In addition, it makes business sense to be audited by using uniform HR National Standards, in order to benchmark the organisation against competitors. In addition, after more organisations have been audited, the audit trends shall be established. HR Auditing will go a long way in assuring Top Management and Human Resource professionals that their Human Resource systems and processes are up to standard and is comparatively benchmarked with other organisations.



KARIN NJI (HRP)

Background

I was highly humbled and privileged to be part of an audit team consisting of two Auditors, one Lead Auditor and two shadow Auditors for an audit that took place in the last quarter of 2015. I was assigned to audit four Human Resources (HR) standards namely: Workforce planning, Performance Management, Employee Relations and Organisational development. These are the HR functional areas that I am passionate about. After much preparation in crafting the audit questions that are in line with the various standard objectives, and equally researching on the auditee's background, I confidently arrived at the company's premises ready to audit their HR practices.

The Audit process.

Under the watchful eye of the previous Head of SABPP HR Audit, Christine Botha and our Lead Auditor, we set out to conduct the audit. Time was of the essence as we had to complete the audit in one day. The day started with a pre-briefing meeting with the Company's executives and HR team to share the audit process. Everything was well organised in terms of what needed to be done at what time, with whom and

where. It was an incredible experience to conduct the interviews and assess the HR practices in terms of the quality of approach, extent of application and quality of results in performing the HR function. The scoring and assessment of the evidence was done in accordance with the HR standards. As an auditor, I was able to multi-skill, be confident, knowledgeable, open minded, listen carefully, think on my feet and not narrow myself only to the prepared questions but to probe further depending on the responses. In the auditing process it was necessary to be observant, maintain eye contact and take notes during the interviews. Furthermore, interviews with selected employees were conducted to assess the employees' experience of HR practices. Finally, a close out meeting was held with the employer to report on the audit process and the achievement of the audit objectives. Overall, the audit was equally a learning experience for me.

Lessons learnt

The following lessons were learnt as a result of the audit:

- Having strategies, policies, procedures, processes and resources in place but not implementing accordingly puts the company at risk.
- The standards are interrelated and therefore evidence was shared between the auditors so that the evidence is integrated and analysed against the HR Standards.
- Collaboration between the auditors is very critical in arriving at a common conclusion.
- Being focussed and decisive helps tremendously in time management.
- Not only knowledge of the HR standards but the auditor's knowledge of HR practices and experiences assist with the HR Audit process.

Advice to Companies preparing for Audit / considering taking an Audit.

People are the most important resource for a company. They fuel the company's engine to work but this greatly depends on the company's HR practices. It is the right decision to undertake an audit which will enable the company to know the status of their HR practices. Based on this knowledge of HR Standards, the HR practices will be maintained and sustained so that the HR System remains relevant.

"An HR Audit is the only way to objectively measure their HR Practices" from an external viewpoint.



SIVAAN MARIE (CHRP)

The Objective Assessment of the Factual State of Affairs within an Auditee:

One needs to be permanently aware of the risks to objective assessment during the audit process. In fact, these risks begin to threaten to influence the audit even before the audit day, and sometimes even after the audit visit has been completed. This need for vigilance has shown itself in various different audit experiences, in differing ways, and to differing degrees. Heightened vigilance on the part of the audit team allows for one to identify the threats to an objective presentation (and consequently assessment) of the factual state of affairs within the employer entity. By identifying the threats, one is better prepared to filter out the effects thereof, and ensure that the assessment is not tainted, and the auditors are not unduly influenced.

On a more fundamental level, one is actually better prepared to ensure that the audit can proceed to begin with, as was evidenced in one audit experience, explained below.

It is easy to accept that such threats and risks exist and must be managed, but less obvious (until experienced), that such threats can emanate from any level within the employer entity; and from within and without the HR team, and management team.

Some of the factors that may precipitate threats against the objective presentation of the factual state of affairs within the employer entity include (non-exhaustively):

- Relationships between audit stakeholders (and other interested parties within the employer entity).
- The true reason/s for requesting the audit, to begin with
- Competing individual agendas within the employer entity
- The mood within the employer entity at the time of audit
- The relationship between the interviewee and the perceived owners of the HR function
- The perception of the audit process as an opportune vehicle to air personal grievances or grind personal axes
- The culture of the organisation
- Politics within the organisation or external forces
- Subjective versus objective evidence

Does this diminish the business case for HR Auditing? I submit a resounding "NOT AT ALL!" If anything, it further builds the case for the holding of audits and the implementation of improvement plans post-audit. It is precisely because of the inevitable existence of these confounding factors, almost all based upon subjective human experiences and relationships, as well as competing interests within the employer entity, that the need for objective external assessment of the HR environment is critically required by any employer wishing to ensure the successful operation thereof.

An independent, external audit of the HR function by competent, experienced, specialist professionals, based upon the National HR Standards framework, and assessed on the objective facts and evidence provided (whilst filtering out the obfuscations of the above, and other, confounding factors), is the only sure way to gain an accurate reading of the present level of functioning against the National HR Standards, so as to found a suitable course of continuous improvement in this area. In fact, continuous improvement in this area, can only lead to continuous improvement in the organisational performance.



SNANZENI NDIWENI-MHLANGA (CHRP)

Background

I found the audit experience very exciting as well as enlightening in many ways. Getting into an unknown company as an HR Auditor and having to review fellow HR professionals, of their HR functions against the National HR standards is an opportunity on its own for one to learn and develop self.

Obviously the first audit I found to be a bit unnerving, but being comfortable with the standards I was taking lead on made it easier as well as enjoyable. Seeing the involvement of the CEOs and/or Senior Executive members at the opening of the Audit was positive to know top management are supportive of the SABPP audit process. A challenge faced was the time factor as the site visit component of audit is one day only and one requires to ensure all relevant interaction is done and sufficient evidence collected and concluded on.

The HR teams of both the auditees especially the first company I audited was prepared well and had gone through the HR standard assessment tool. In the first company all the HR team members including new personnel were up to speed with all the activities and it was exciting being involved where the HR Department was very competent and supportive. Their apparent enthusiasm for the new HR Standards translated to the company achieving an overall average score of above 60% on all the 13 HR Management Standards and attaining full certification.

The second company that was audited was less prepared and was not readily able to process the appropriate

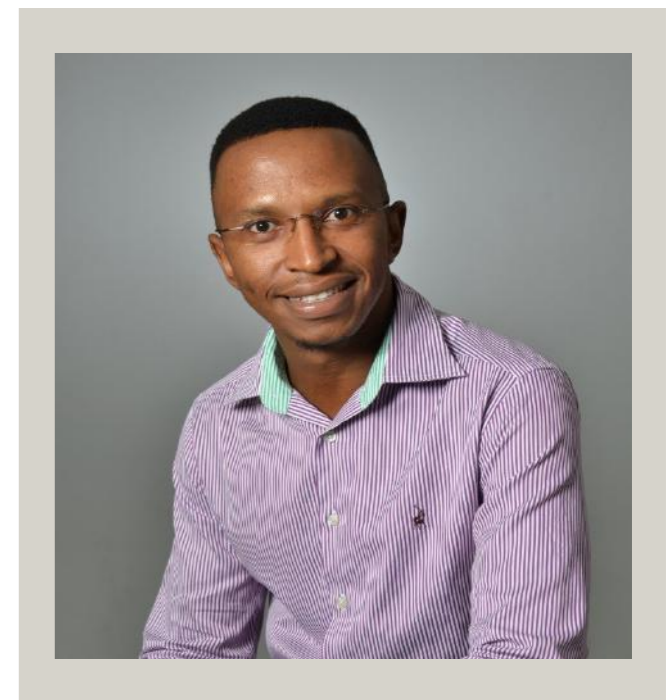
documentation for auditing purposes. There was a lot of HR documents presented but not the required data for verification purposes. It was also interesting to note that the gaps identified against the National standards were minor in some standards as the HR teams would ensue certain HR practices but these practices were not documented. Another challenge encountered at the second company was where the HR personnel appointed to assist were not the staff who dealt directly with the actual standards which in turn slowed down the process.

Lessons Learnt

- It is important as an HR auditor to be fully conversant of the HR standards especially if the auditor is not a generalist so that participation and involvement is maximised. Receiving prior information about the auditee and/or doing some research beforehand is useful to understand what the company being audited is all about.
- During the audit process the capability to work swiftly, systematically and collaboratively is essential.
- If the auditee is well prepared for the audit the assessment process of the standards will be an enjoyable process for both parties.

Advice to companies

- Company to ensure they are prepared for the audit by going through the standard assessment tool and the SABPP Audit Preparation Manual.
- The HR team can do an internal assessment to assess their readiness to be audited and identify areas for development.
- HR team to have a checklist of the requirements as well as gather the required evidence in advance.
- The HR team assigned to assist the auditors should be knowledgeable and able to respond to questions on the particular area audited.
- Employees selected to be interviewed should also be notified in advance, properly briefed about the purpose of the audit and their role and be available and willing to participate in the interview.
- An auditee that receive provisional certification based on standards that require re-auditing should focus on making improvements where necessary so that the re-audit is planned and executed according to the agreed date.



S'THABISO MABASO (HRP)

Background

Performing an HR audit required that we as auditors make numerous judgments about an organisation's HR practices, process improvement and how well they address risks associated with such practices. As part of this process, as an auditor I was able to determine the amount and type of evidence necessary to support the standards I was auditing.

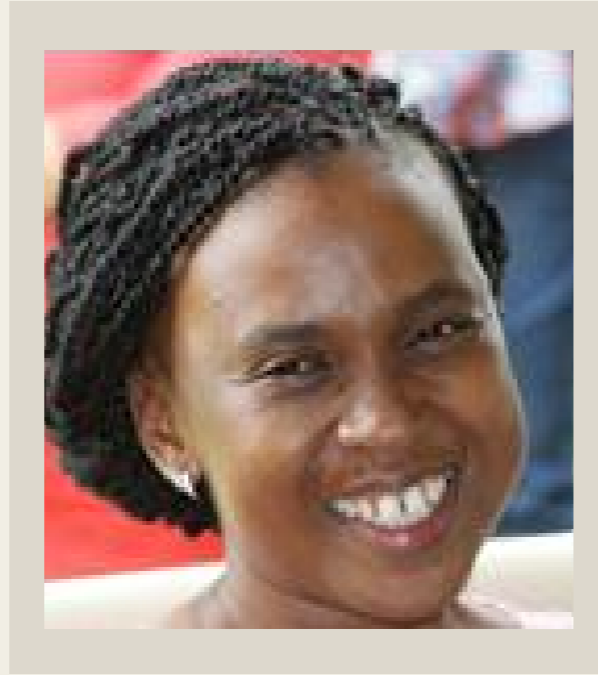
Lessons learnt

- The auditing of an organisation's business processes and management systems is increasing the practical insights of the HR auditors.
- An early and frequent communication and coordination between management and the SABPP HR Audit Unit can never be overemphasised as it creates a more effective and efficient audit process.
- Furthermore, timing is also of paramount importance to enable the auditor to utilise management's work in compliance with the SABPP National HR standards. Finally, most auditors met the SABPP's key expectations and there were no issues with the quality of audits conducted. The auditors had a good understanding of the auditee business processes, which allowed them to carry out an effective audit.

Advice to other companies

- Prepare well for the audit. Planning plays a very important part in the audit's success. It requires a significant amount of judgment, and the decisions made in planning are critical to the effectiveness and efficiency of an audit. Secondly, planning helps to achieve the objective of an audit and eliminates redundancy.

- Due to the additional complexities in planning and executing an audit, it is vital to have senior, experienced HR professionals because performance audits involve professional judgement in order to ensure that the quality of the HR work being done is maintained at all times. I urge organisations who are preparing for an audit to regard it as a process of evaluating the efficiency and effectiveness of their HR management function. The feedback obtained from the audit will assist them to take corrective actions and make decisions on their improvement plan to be implemented.



LOMKHOSI MAGAGULA (CHRP)

The first advert I saw of the consultation session in Krugersdorp caught my eye with great interest. I knew that this intervention would transform the HR profession and I wasn't to postpone my involvement. Being part of this pioneering and historic process has renewed the conviction that HR can continue to add tangible value to business sustainability. The availability of standards which guide the HR profession towards standardised HR practice assures business of quality HR standards of practice. To be certified as an Auditor and subsequently a Lead Auditor, will be a great achievement.

The Audit Process

Experiencing the audit process for the first time, after training as an auditor and working towards my certification, gave me insight into the value that will be derived by organisations that opt to be audited. The process is facilitative and developmental, enabling organisations to incrementally work towards certification. The evidence based audit process provides organisations with factual measurement on their performance against the standard. The process in itself is a standard! It is thorough and requires clear documentation of the process followed and the evidence observed. Quality assurance conducted during and after the audit guarantees all parties of a quality result.

Lessons Learnt

- Correct and consistent application of the process will change HR Standards implementation in South Africa and more generally. It will provide common minimum standards which minimise

inconsistencies in HR practice.

- The continuous efforts to have the standards linked to King IV and similar processes will change the strategic importance of HR within business.
- Quality audits are dependent on the auditor's depth of HR standards knowledge, and thorough preparation pre-audit at the individual and team levels. This also builds a critical mass of competent auditors who will be the extension of SABPP within organisations in maintaining the standards.

Advice for other companies preparing/considering HR audit

I would strongly encourage organisations to consider undertaking the audit. The audit will improve not only the policies, procedures and HR practices, but also enables recruitment, competency assessment and development of HR Practitioners. The audit benefits extend to the value proposition of an HR division/department that not only adheres to benchmarked standards but its impact to the business can be measured. The measurement of HR impact is a continuous challenge and the standards have provided a chopping block from which to continuously improve.



THE RELATIONSHIP BETWEEN HR AND INTERNAL AUDIT

HR and Internal Audit need to partner more effectively. The backdrop is that Internal Audit and HR professionals miss opportunities to add value to the audit process because they do not fully understand one another's areas of responsibility.

For example, the internal audit review of HR practices like reward or remuneration, for example, might seem more like a test for HR than an opportunity for improvement. In a similar vein, the internal audit function does not always have the specialised HR knowledge required to review certain areas within HR and might be less familiar with the risks specific to HR. But through the relationship between Internal Audit and HR there could be greater substantial gains for both functions.

Moreover, from an internal audit perspective, HR auditing is done inconsistently and there are varied approaches used by internal audit to audit HR. One paradigm is to assess the HR Risks, and an associated paradigm is to audit the organisation for compliance.

In essence the relationship model will enrich HR processes and systems and contribute to the human capital strategy. For example, although HR may be extremely efficient in certain areas, such as delivering training to new hires, but effectiveness is not always measured or tracked and it is here that Internal Audit could assist to evaluate the effectiveness of the HR Value Chain. In addition, Internal Audit could design approaches to measure that efficacy of HR programmes and drive continuous improvement. In terms of integrated reporting, boards want a better understanding of the cost/efficacy of HR Programmes, and they want to manage risks by using effective controls. Another area of potential risk that has to be managed differently is third-party vendors managing benefit programmes to ensure that, namely: (1) competitive tendering; (2) the expenses are audited and (3) the evaluation of the vendor's performance; and (4) there is a delineation of responsibilities between the vendor and the company. Besides the aforementioned areas of auditing there are many areas that can be identified like to assess the effectiveness of general HR programmes such as recruiting, training and retaining employees typically has

not been measured or monitored. These HR areas of high-spend must be scrutinised to ensure the efficacy of HR. The growing relationship between HR and internal audit can improve an organisation dramatically. The relationship between HR and Internal Audit can be developed through open communication and collaborating to understand the HR context.

Other areas internal audit will focus on include HR's oversight of planned expenses paid to the vendors and the investment fees being charged. Plan expenses are an area of increasing participant litigation and governmental audits, leading more employers to look at ways to install a proper plan governance structure to handle these issues. Compensation news is on the front page almost daily, so the risks (financial and reputational) are well known. Assuring that proxy disclosures are correct, stock-based compensation information is accurate and that these programs are in line with governmental requirements is of paramount importance. Internal audit will want to be sure that HR is attuned to the accounting and proxy requirements and ensure that proper controls and safeguards are in place.

Internal audit functions audit HR from a compliance perspective to ensure that all compliance and legal issues are adhered. In addition, the internal audit function identifies risk and develops strategies to mitigate the risk. Internal auditors do not have human resource skills and hence are not able to fully audit an organisation's HR practices. Furthermore, in the absence of a generally accepted framework or standard for HR known to internal auditors, inconsistencies are likely to occur.

SABPP Strategy

In explaining a relationship between Internal Audit and HR managers, SABPP developed a number of strategies to encourage collaboration and synergy between the two functions.

- Firstly, SABPP engaged the Institute of Internal Auditors (1) for reciprocal learning; (2) to capacitate internal auditors about HR Standards; (3) for internal

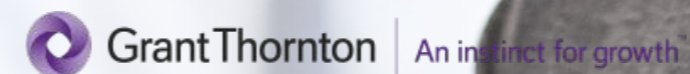
audit to contribute to the continual development and improvement of the HR Audit methodology; (4) to develop a risk-based approach to HR Auditing; (5) and to develop HR governance approaches.

- Secondly, after companies are audited, Internal Audit could support and advise HR on areas that require improvement and refinement.
- Thirdly, after the company is certified, internal audit can assist the HR Department to maintain the HR System according to the National HR Standard Systems Model.

Partnership with Grant Thornton

From an internal auditing perspective, the audit firm Grant Thornton recognised the need to capacitate their internal audit team on the National HR Standard. With understanding of the National Standard internal auditors can optimise and positively contribute to the auditing of HR. Using the SABPP assessment tool, Internal Auditors can more effectively audit the HR value chain.

This partnership culminated in SABPP providing HR Standards Training to the Internal Audit Department and the HR Department of Grant Thornton. The Internal Auditors acknowledged that the National HR Standard provides good insights about the scope of internal auditing of HR. In addition, the SABPP National HR Standards allow internal audit to transcend and evolve audit approaches of HR.



THE JOURNEY TO EVALUATING HR THROUGH AUDITING: LESSONS FROM AUSTRALIA

Chris Andrews

When I first started looking at Human Resource Auditing, the prevailing view was that it was good for ensuring that all of the components of a human resources programme were in place and operating correctly. The problem was that it was not seen to provide a direct link between the audit results and the organisation's overall effectiveness.

I was convinced that it should be possible to design an audit assignment that did provide a strong link to organisational effectiveness. I wrote a paper for an MBA assignment that followed that argument.

In my doctorate, supervised by Dr Simon Fry and Professor Ben Swanepoel, I wanted to develop a methodology that would be acceptable to a Board, to Senior Management, that analysts in the financial sector would accept, that was applicable to any industry and at any location, which could be used in the public or private sectors, and was open to replication. The methodology should be future orientated. It should add value to any HR Department, especially to an already well regarded HR Department. The methodology should be evidence-based and cater for different organisational histories, maturity, missions and priorities. Little did I know that the methodology already existed, patiently waiting for me to make that discovery.

I had completed an extensive literature review but the body of knowledge on HR Auditing was difficult to reconcile. Professor Alan Clardy (2004) put it well when he wrote that, "the term audit was used indiscriminately so that almost any kind of study can be considered an audit". My problem was that I was looking at it from the wrong perspective. What I needed to do was ask, "How would an auditor do it?"

I joined a local professional body (The Institute of Internal Auditors Australia - IIAA) and attended formal auditing training. I asked about experts in

human resource auditing but they could not suggest an Australian specialist. I discovered there was a relevant IIA publication by Marilyn Dolenko that had been written in 1990. I organised for a photocopy to be sent from the IIA headquarters in the US since the publication was long ago out of print. Many years later I managed to buy a second-hand copy of the original monograph on Ebay for A\$2, plus postage!

The monograph deals with generally accepted management principles (what we expect to see) as human resource audit criteria. What if we find that what we expected is not there? The auditor should seek to understand why the expectation was not met, and this leads to asking yourself, "So what?" If the absence of that which was expected is not material, move on to something else.

Dolenko identified the potential tension between HR Managers and auditors: when someone who is paid to get it right has to deal with someone who gets paid to find out what is wrong, it spells trouble. She emphasised the need for a balance of positive findings (commendations) and the auditor holding a constructive, positive perspective concentrated on areas where the recommendations will make a difference to future practices. The auditor did not need to be a HR specialist, according to Dolenko.

How do you know when to stop looking for evidence? According to Dolenko, it is when you have sufficient support for your findings. If the auditee knows about and admits the problem, making a recommendation rather than a finding may be more appropriate.

In the preface of the monograph is the statement: "Auditors can play a key role in helping the organisation determine whether it is acquiring, motivating and utilising its staff to achieve organisational objectives and improve productivity and performance."

Here was a clear statement that human resource auditing was potentially what I was looking for in an evaluation methodology. The discovery of an Australian Auditing

Standard (then AUS 806 & 808) dealing with performance auditing sealed the deal. If a performance audit was conducted under the Australian Auditing Standard I would be likely to have the Board and analysts on side.

There is a small band of auditors that understand performance auditing conducted in line with the Australia Auditing Standards. I was extremely fortunate to meet Seema Patel, the Director of Efficiency & Audit at QUT University in Australia, and to have the direct support of the (then) HR Director at QUT, Graham MacAulay. QUT became the case study for the dissertation. The Audit team comprised Seema as the audit expert and me as the external human resources specialist and the Audit formed part of the annual Audit Plan. This combination worked well, probably because of Seema's extensive auditing knowledge and experience, and the positive expectations of the audit by the QUT HR Department. They knew they were good but also wanted to be better.

One of the significant areas we selected for the audit was 'Crucial HR Issues for future success'. We wanted to see if these were identified, were well understood and there was consensus between the Board, Senior Management, the HR Department and the key clients surrounding their strategic importance and resource priority. Think of your own organisation and try to think how you would go on this criterion. It's tough. It is worth the effort as the conversations and shared understandings that arise in the discussions build a useful consensus for future action.

The Final Report found the HR Department was providing a valued service but needed to be more pro-active and could obtain better results from existing resources. The Audit Committee accepted the report's eighteen specific recommendations and three confirmations, and action plans were created to address each. Various post-audit interviews and follow up events occurred in line with good auditing practice. Overall, the HR Director concluded: "... it is a really valuable document which will assist us greatly in our planning and improvement processes."

In summary, human resource auditing is very good for ensuring that all of the components of a human resources programme are in place and operating the way they were designed, against standards previously agreed. These types of audits can cover different elements of strategic contribution, policy framework, operations, value added, timeliness, compliance and key client satisfaction.

If you want to examine the HR Department's current and future efficiency, effectiveness and economy (the three E's), then a good performance auditor can show you the way to do it. Based on my own experience, it is a searching examination that challenges even a well-regarded and award winning HR Department.

In 2006, IIAA invited me to speak at the 2006 South of the Pacific Area Conference (SOPAC) on the topic of human resource auditing. This is a major international event in the internal auditing calendar. Mine was a side session, one of four running simultaneously. My most pressing concern was that no one would choose to attend a session given by a non-auditor. The session was well attended and I was able to share my own knowledge on human resource auditing while also meeting audit practitioners who confirmed I was on the right track



Dr Chris Andrews is an HR Director with a doctorate in the area of human resource management performance auditing. In the course of his research he identified the need for HR standards and later pursued that topic in relation to the Australian university sector, where he works for Bond University, Australia, www.bond.edu.au. This article was previously published in HR Today and HR Future.

HR STANDARDS AT THE EPICENTRE

The purpose of the HR Standards initiative driven by SABPP was to reduce inconsistencies in HR practice and to provide a common and standardised framework for sound HR practice. The HR Standards project enabled the HR profession to improve its credibility, status and impact in the workplace. The National HR Standards Journey (2013-2016) has been an unprecedented success with many different milestones along this exciting journey.

Key highlights on the National HR Standards Journey are as follows:

- In 2014, an additional 19 HR Professional Practice Standards were created to support the HR Management System with clear professional practices being implemented by HR professionals in the workplace. These Professional Practice Standards range from absenteeism management and succession planning to career development. Specific professional practice standards were also developed for skills development practitioners, i.e. learning needs analysis, learning design, facilitation, and learning evaluation. On 2016 three new professional practice standards that was developed in 2015 will be launched, i.e. employer branding, change management and workplace learning.
- Another spin off of the National HR Standards Model is that it provides an understanding of the requisite knowledge, skills and abilities that are required of HR professionals to implement the standard and is depicted in the Competency Framework.
- A HR Candidationship Programme was developed in 2015 to provide a more structured approach for HR graduates to receive workplace training and mentoring according to the National HR Standard System Model.
- The South African HR Standards were the first set of its kind in the world and attracted interest from 23 countries. Several countries on the African continent have either adopted or slightly adapted the HR Standards for their purposes.
- Top HR professional bodies and interest groups from the USA, UK and other countries have reacted

favourably to the African HR Standards with some of them like CIPD visiting SABPP to learn about the process and outcomes. Likewise, our HR professional body counterparts in Zimbabwe, Zambia, Namibia and Swaziland have responded positively by considering the application of the standards in their countries.

- A total of 22 universities have committed to adapt their curricula to the HR Standards and the first master's degree on the HR Standards has been successfully completed by a senior HR Manager.
- The Minister of Justice and Correctional Services, Advocate Michael Masutha approved HR professionals as Ex-officio Commissioners of Oaths when the Standards were submitted as part of the motivation to his office.
- The world's first HR audit framework was developed so that companies can be audited against the National HR Standards. A total of 200 auditors have been trained to audit companies against the standards and 17 companies in five provinces have already been audited.

In 2016 SABPP continued to provide in-house and public workshops on HR Standards Training Workshops across the country and also outside of the country. Before companies indicate interest in HR Auditing they undergo HR Standard Training.

HR Standards Journey of Distell

Distell's strategy is to align to the National HR Standard Model and hence approached SABPP to design a process to embark on HR Standards Journey. A few meetings that were held with Distell culminated in the first step towards meeting the National HR Standard. The Distell HR Team underwent a full day training workshop in April 2016 on the National HR Standard.

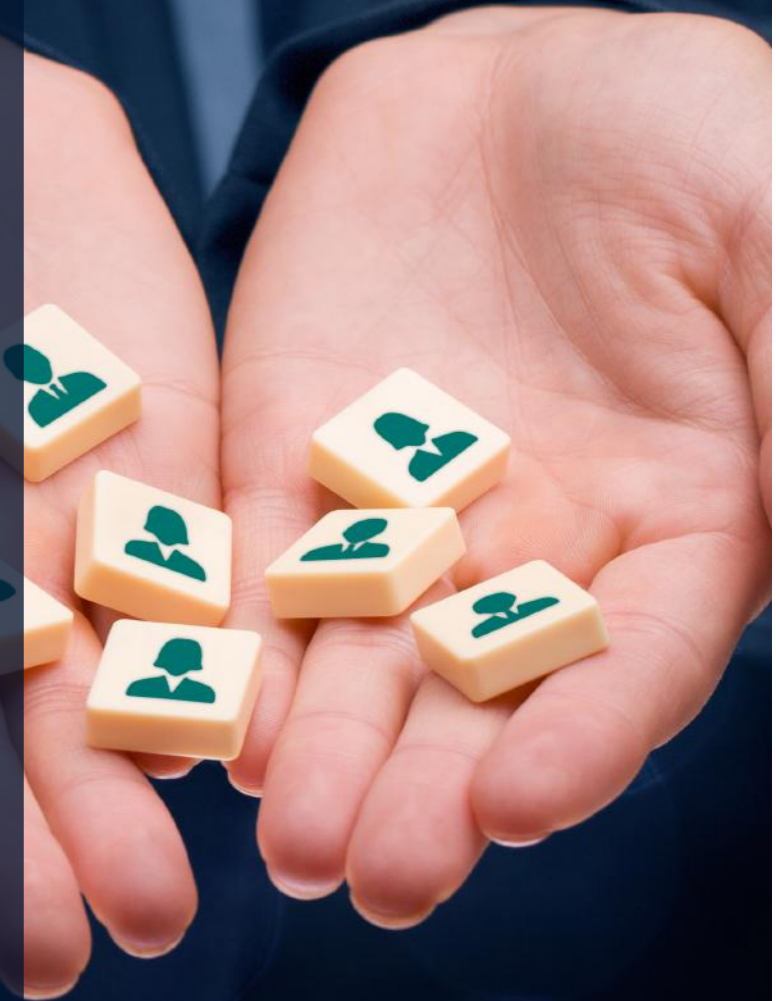
With the understanding of the National HR Standard Distell can now use the HR Standards Assessment Tool prior to the audit to identify, review, develop and refine the HR systems and practices. Another area

for Distell to focus on pre-audit is to ensure that there is consistent application of the HR Systems, programmes and policies across the organisation. A further consideration for Distell would be to strive for continual improvement of the HR systems by assessing the 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.

Finally, using the competency framework Distell can assess the HR Team's knowledge, skills and abilities to implement the National HR Standard. The competency framework can be used to identify the gaps and to implement a training and development strategy to fully capacitate the HR professionals with the requisite knowledge and skills required. SABPP also advised Distell to register the HR team as professional members so that there is an independent assessment of the level of qualification, skills and knowledge.

The preparation of aligning to the standard outlined above will fully prepare the organisation towards the HR Audit. The benefits of an SABPP external audit are numerous. Audits can improve a company's efficiency; stability, sustainability and profitability by helping the management better understand their own HR systems. It provides HR Professionals with a robust, risk-based framework to ensure an integrated, aligned and well-governed approach to auditing the National HR Standards and ensures that HR controls quality and consistency in accordance with the spirit of good governance as documented in King IV. Management, as well as shareholders,

suppliers and financial auditors, are also assured that the human capital risks in their organisation are understood and effective systems and controls are in place to manage them.



HR STANDARDS IN AFRICA



The SABPP's approach is not a purposeful strategy to do any proactive marketing in other countries, however, the work on HR Standards and HR Audit Training in African countries started from invitations only. In most cases, these invitations came from professional bodies in our neighbouring countries, in particular, the Institute of People Management of Zimbabwe, the Institute of People Management of Namibia, the Institute of People Management of Swaziland, the Institute of Human Resource Management in Botswana and the Zambian Institute of HR Management. In addition to these formal invitations, individuals in some of these and other countries have expressed their support for the HR Standards Project. When presenting the HR standards in these African countries, we explicitly made it clear that our goal was not to export the South African standards to other countries. In fact, in all these cases we offered our support and suggested two options:

1. Develop your own unique country HR Standards from scratch;
2. Review the South African standard and adapt it where necessary.

For instance, we have found that labour legislation differs between countries, and that the South African employment equity requirements that feature in the HR standards were two of the areas that are not relevant to other countries. While discussing this with HR Managers in Zimbabwe, they indicated that the principle of equality which underpins employment equity systems was very much relevant to Zimbabwe. Therefore, while context may differ, more similarities were found, for example, the employment equity legislation of Namibia and South Africa is very similar. In fact, the South African legislators studied the Namibian legislation during their fact finding process. In more recent times, following the trend from Middle Eastern countries, in Zimbabwe and Namibia strong indigenisation regimes have emerged, but once again, the underlying requirements of skills development, and skills transfer in particular are of utmost importance to ensure the sustainability and success of this policy and its implications.

In reality, from a pure HR perspective, apart from context,




culture and legislation, very few country differences were found. Whether you are in Zimbabwe, Botswana, Namibia, Zambia, Lesotho or Swaziland, you need good HR practices. As Lomkhosi Magagula of the Royal Swaziland Corporation asserts: "The development of HR Standards provides a good basis for ensuring a practitioner who will understand "the business of the business". It will be crucial to be adaptive to the changing business environment.

The talent management standard is equally relevant in any of these countries, while its contextual application may somewhat differ, e.g. some of these countries may to a certain extent be more dependent on expatriate skills transfer than others. Also, getting the standards embedded may be key in addressing the influx of major international stakeholders operating in Africa such as the French, Chinese, Americans and Indians to prevent the further exploitation of labour in African countries, and ensure that good HR practice becomes the norm and does not remain the exception. Without a significant investment in human capital and skills development in particular, African countries will not be able to sustain its current high levels of economic growth. Sound HR practice is therefore key in building high performing African companies in both the private and public sector.

It is also interesting to note that many African countries have similar challenges. However, there is a clear commitment on the part of HR professionals to deal proactively with these challenges. For instance, when the Ebola virus broke out, many African countries took proactive action in preventing the spread of the virus. Several HR Managers in Zimbabwe had proactive awareness campaigns about the virus. Likewise, South Africa has the most HIV/AIDS cases in the world, yet it also has one of the most progressive HIV/AIDS campaigns in the world. In addition, many African countries continue to struggle with high unemployment rates, such as South Africa (26%) and Namibia (28%). Fortunately, though, areas of strength have also emerged in African countries. Botswana has one of the lowest levels of corruption on the continent, while Zimbabwe has the best schooling system and South Africa the best universities. HR Managers in African countries should be in touch with their socio-economic realities to find solutions for dealing with the challenges impacting on HR practice, such as low skills levels and talent gaps.

PROGRESS ON HR STANDARDS PROJECTS IN AFRICA

Building on the development of the HR Standards in South Africa and its spread in several African countries, we decided to consolidate all current projects in one table. This will make it easy to review the current uptake and to forecast growth in the future. This information could also be used to build cross-border relationships and to support different country projects with the aim of ensuring its success and sustainability. A summary of the current interest and progress in HR Standards in Africa is as follows:

COUNTRY	HR STANDARDS PROGRESS
 South Africa	<ul style="list-style-type: none"> • Launched in 2013, very well supported throughout country, but continuous awareness and capacity building needed (2013). • More than 5000 HR Managers exposed (2013-2016). • 200 auditors trained to audit companies against HR standards (2014-2016). • 17 companies audited against HR standards (2015-2016). • 21 universities busy to align curriculum to HR standards (2014-2016).
 Namibia	<ul style="list-style-type: none"> • HR Standards presented at IPM Namibia conference (2013). • HR Standards presented at HR Leaders Namibia Convention (2016). • Interest from PwC Namibia to do capacity-building and participate in audits (2016).
 Zambia	<ul style="list-style-type: none"> • HR Standards presented at ZIHRM conference (2013). • HR Managers trained in HR Standards (2014).

COUNTRY	HR STANDARDS PROGRESS
 Zimbabwe	<ul style="list-style-type: none"> • HR Standards presented at IPMZ conference (2013). • HR Standards workshop for HR Managers of IPMZ (2015). • HR Standards formally adopted by IPMZ (2015). • MoU and MoA signed between IPMZ and SABPP (2015). First group of HR Auditors trained by SABPP with IPMZ support (2016). • IPMZ starts to accredit universities on HR Standards (2016). • Zimbabwe auditor participated in an audit in South Africa (2015)
 Swaziland	<ul style="list-style-type: none"> • HR standards presented at IPM Swaziland conference (2014). • MoU signed between SABPP and IPM Swaziland (2014). • First group of auditors trained (2015). • Working towards accrediting Swazi universities on HR standards (2016). • Swazi auditor participated in an audit in South Africa (2016)
 Lesotho	<ul style="list-style-type: none"> • HR Standards presented at Lesotho HR conference (2015 & 2016). • First HR Auditors trained (2015). • Lesotho auditor participated in an audit in South Africa (2016).
 Botswana	<ul style="list-style-type: none"> • HR Standards covered at IHRM Botswana gala event (2014). • Presentation at Botswana Chamber of Mines (2014). • Botswana auditor participated in an audit in South Africa (2015) • First Botswana HR Auditor trained (2015). • HR Standards session by Emergence Growth (2016)
 Malawi	<ul style="list-style-type: none"> • Delegates from Malawi attended SABPP HR standards workshop in Johannesburg (2015) • HR Standards presented at Malawi HR conference (2016).



While the above countries are certainly the HR standards leaders in Africa in terms of making tangible progress in launching and or championing HR standards, several other countries have expressed interest in the HR standards, such as Kenya, Angola and Ghana, but no further progress has been made.

Furthermore, during the Africities 2015 conference in Sandton, South Africa, significant interest was expressed among the mayors and local government leaders from across the African continent to learn and leverage from the South African HR standards. Moreover, from across the world in leading Western countries, such as the USA, UK, Australia and Canada, good feedback has been received about the world leadership in HR standards on the African continent. In addition, positive comments were

also received from the East, in particular Malaysia and Sri Lanka, as well as Saudi Arabia, United Arab Emirates and Qatar in the Middle East. It is therefore evident that the pursuit of HR standards has become a global trend spearheaded by the International Standards Organisation. While progress has been slow in the West and the East, it is clear that African countries are continuing rolling out HR standards at a rapid pace, and this trend is likely to continue as more African countries are coming on board. It is also important to mention that Zambia is the first country in the world in which HR has become a full statutory profession, and significant progress has been made by Nigeria, Kenya and Zimbabwe to follow in their footsteps.

HOW TO ESTABLISH HR STANDARDS IN AFRICAN COUNTRIES

Three questions arise:

1. Why are HR standards adoption and growth faster and more effective in certain African countries than others?
2. What are the key factors in ensuring HR standards uptake in African countries?
3. How can we ensure the growth and sustainability of HR standards in African countries?

The answer to the above questions is one word: Leadership. In countries with strong HR professional bodies such as South Africa, Zimbabwe and Zambia it was easy to

establish and grow HR standards. In other countries, certain individuals with leadership abilities played a key role to create awareness and providing leadership in building momentum in growth, such as Gerard Mofolo in Lesotho. Gerard got himself trained as an auditor by SABPP, and he used this knowledge to encourage HR Managers in Lesotho to join the HR Standards journey. In fact, he was so successful in these efforts that he has now been used as an auditor in South Africa.

GUIDELINES FOR GROWING HR STANDARDS IN AFRICAN COUNTRIES

Despite the early successes of HR Standards in certain African countries, it is clear that more awareness and capacity-building is needed to establish and grow HR standards in Africa. Certain countries will continue to be leaders as the early adopters, others will catch up, and others will stay behind. Be that as it may, the opportunity for all African countries to come to the party is open. The following guidelines may be useful to kick-start the process:

- Invite SABPP to orientate African HR professional bodies about HR standards;
- Conduct a full-day HR standards workshop to train HR Managers in HR standards;
- Adapt or adopt the current HR standards to your country;
- Start creating success stories of companies applying the HR standards in your country;
- Train auditors on HR standards;
- Conduct audits against the HR standards in your country;
- Set standards for universities and learning providers to train students in HR standards;
- Encourage post graduate studies and other research projects on HR standards;
- Celebrate successes of companies successfully audited and build capacity in companies requiring improvements to meet HR standards;
- Issue awards to the first companies successfully audited, and write up their case studies;

- Keep a database of companies audited and calculate and share national averages on the performance of companies against the HR standards.

In the light of the above progress report, it is clear that African countries have assumed world leadership in implementing HR standards in their countries. While these countries are currently drawing on the South African HR standards, it is possible that different sets of standards or hybrid models may emerge or evolve when different African countries are making progress and/or reaching a level of maturity regarding the development and application of national or regional HR standards. The HR standards initiative represents a great opportunity for African countries to build on their world leadership as champions of HR standards. It also provides opportunities for cross-border sharing, capacity-building and research – thereby ensuring that HR standards become well embedded in African countries. Who knows, if we get it right, we may start to transfer this knowledge to Europe, Middle-East, Asia and the Americas to provide a unique African contribution to the HR profession at a global level.

STRATEGIC ALLIANCE WITH IPMZ (ZIMBABWE)



In reality, from a pure HR perspective, apart from context, culture and legislation, very few country differences were found. Whether you are in Zimbabwe, Botswana, Namibia, Zambia, Lesotho or Swaziland, you need good HR practices. As Lomkhosi Magagula of the Royal Swaziland Corporation asserts: "The development of HR Standards provides a good basis for ensuring a practitioner who will understand" the business of the business". It will be crucial to be adaptive to the changing business environment.

The relationship with IPMZ began in 2013 and has developed and strengthened over the period and IPMZ is now recognised as a strategic partner of SABPP for the HR

Standards in Zimbabwe. Below is a depiction of the key activities that were initiated with SABPP and IPMZ.

- HR Standards presented at IPMZ conference (2013).
- HR Standards workshop for HR Managers of IPMZ (2015).
- HR Standards formally adopted by IPMZ (2015).
- MoU and MoA signed between IPMZ and SABPP (2015). First group of HR Auditors trained by SABPP with IPMZ support (2016).
- HR Audit Training of HR Professional (April 2016)
- Second HR Auditor Training of HR Professional (August 2016)

FEEDBACK FROM SABPP HR AUDITOR AND HR STANDARDS TRAINING

"Excellent facilitator with a very good ability to link things together and share relevant case studies and examples" -Bytes

"A lot of case studies were shared to bring the training of the standards to life." - Rand Water

"You are changing the world – a real eye opener." - Bytes

"Gain a lot from the interactive nature of the HR Auditing Workshop." - Johannesburg HR Auditor

"A very good understanding of the expectations of an auditor:." - IPMZ HR Auditor Training

PROFILE OF DR SHAMILA SINGH



the several HR teams on the National HR Standards, such as UNISA, Astral Foods, Bytes, IPMZ, Grant Thornton and Rand Water.

Shamila has been appointed Head of Standards at SABPP. Companies interested in HR Standards workshops can contact her on (011) 045 5400 or hrstandards@sabpp.co.za

Dr Shamila Singh has extensive experience as an academic, consultant, coach and Shared Services Manager. She has been appointed as Interim Head of the SABPP HR Audit Unit, the first national HR audit unit of its kind in the world. Shamila completed BBA, and BA (Hons) in Industrial Psychology degree at Unisa as well as MBL and DBL degrees at the Unisa School of Business Leadership. She specialises in HR Management and Corporate Governance and focuses on Strategy, Talent Management, HR Risk Management, Performance Management, Employment Relations Management, Organisation Development and HR Measurement as key standard elements of the National HR Standards developed by SABPP. Shamila is registered as a Master's HR Professional with SABPP. She delivered several papers at local and international conferences. Shamila is involved in academic and research work for Unisa, Mancosa, Open University, and is the Director of Unique Consulting Services. Shamila is doing research supervision for Unisa School of Business Leadership, Mancosa, Regent Business School, Durban University of Technology, University of Kwazulu-Natal and the Institute of Marketing Management. She also chairs the SABPP Monitoring and Evaluation Committee to govern the quality assurance of accredited learning providers as delegated to SABPP by the Quality Council for Trades and Occupations. Recently Shamila trained

PROFILE OF ANNETJIE MOORE



When I accepted my first job offer as an Internal Auditor in a well-known retail fashion company, little did I know how it would open doors later in life to serve the HR profession at a progressive organisation such as the SABPP, as the first full-time Head of the HR Audit Unit.

My passion for HR remained and an opportunity presented itself in the banking arena to become an HR Assistant. Coupled with that, the drive for continuous improvement called to complete B.Com (Hons) part time. Thereafter my career flourished and various roles in marketing and HR followed.

The bulk of my career was spent with an entrepreneurial payTV company where I was promoted on various occasions in the HR divisions. In my final role, I was responsible for the SA HR function for subscriber management services.

Thereafter, I was responsible for both the strategic and operational HR at an ICT company as the HR Director.

After 10 years of steep business learning and completion of M.Com, it was time to move into business development for 5 years at an international executive search company.

In 2013, I was privileged to facilitate at the development of the South African National HR Standard conference at Silverstar Casino where almost 500 HR professionals participated, spearheaded by SABPP.

With a career journey which started in internal audit, crossed to cover all aspects of HR in various roles and industries, linked with extensive local and international business development experience in the executive search area, I am looking forward to lead and grow the HR Audit division with the support of our team and HR professionals, uplifting the HR profession internationally.

In a recent HR Audit study completed by People Matters in India on 72 unique companies at the C-level, the top 3 benefits identified by the participating businesses are:

- Identifying and correcting risks gaps
- Litigation avoidance
- Cost Avoidance

Although these are definite benefits to the business, SABPP's HR Audit processes are more evolved. The focus goes beyond just financial risk management. By assessing good governance (King III and King IV) and best HR practices with constant improvement in front of mind, will leverage the value of the HR team and profession as a whole.

By highlighting star performance against the HR national standards to the stakeholders as well as areas of improvement will build the credibility of the HR team around the Boardroom table as a true business partner to ensure a sustainable business.

Annetjie Moore
Head: HR Audit Unit
Email: hraudit@sabpp.co.za
Phone: +27 11 045 5400

THE AUDIT OFFICER EXPERIENCE

When the HR Standards were developed little did organisations and HR professionals know how this groundbreaking idea would significantly impact the way in which HR is viewed but most importantly how should HR be valued to contribute to sustainability and competitive advantage.

In order to kick start the Audit Unit, we needed HR professionals with vast years of experience to invest some of their time to share their knowledge and expertise to maximise the HR Audits benefits to organisations. Trained HR auditors and internal auditors have a significant role to play in assisting organisations to prepare and conform to the National HR Standards. The aim is to make sure that organisations identify gaps that occur internally, to enhance consistency and have a better practice that adds value towards meeting the organisation's objectives.

To ensure that the SABPP Audit unit produces quality, extensive brainstorming took place to ensure we get the best of Senior HR Generalists and Specialists to form part of the auditor pool as their strategic perspective and experience of HR and business is essential. Their observations on site during audits are supplemented with scoring which will then reflect in their comprehensive findings, recommendations and report presentations to the auditees' executives.

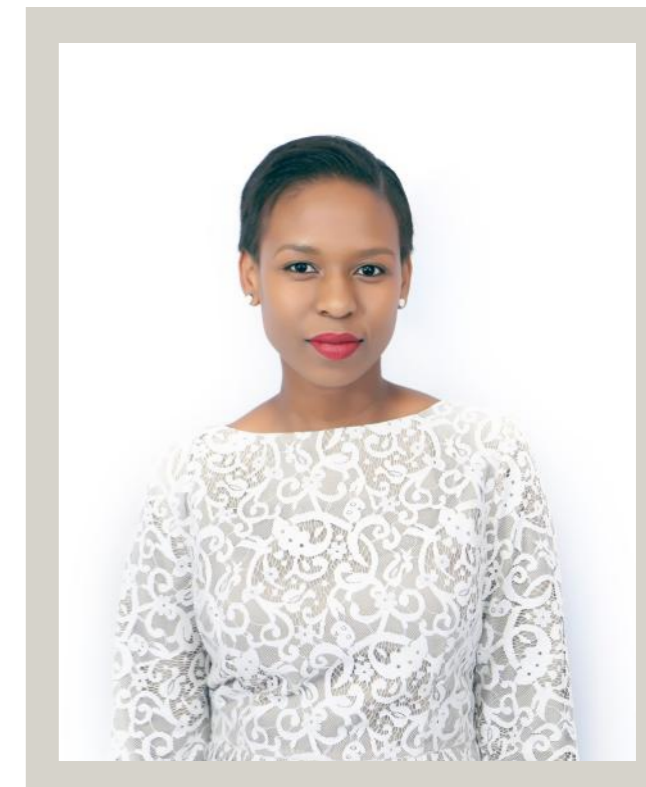
As an Audit Officer, there is a lot that I have learnt from HR professionals with such calibre through forming a healthy and professional relationship with auditors. Building a level of trust and being fair and consistent in the selection criteria is essential to provide opportunities to all who have committed to giving back to the profession. The cascading of information, participation in conferences and continuous development of auditors is another way to finding mutual success in the audit unit.

The aforementioned aids the audit unit to also take into consideration standard element 12: HR Service Delivery, as our foundation to uphold what the department needs to cater to auditees, which is punctual, consistent, credible and quality auditing to assist auditees to improve their HR practices. The end-results is for auditees implementing the recommendations provided by the audit unit and the auditors involved.

We acknowledge the auditors' guidance and advice to

better the audit unit; it is evident that the audit unit is gradually growing from strength to strength. We look forward to many more years of improving HR and adding value. Let us continue setting HR standards and auditing our HR functions against the standards.

I thank all auditors and auditees for the positive engagement during the second year of the SABPP audit unit.



Malebo Maholo
HR Audit Officer

CONCLUSION

The intention of the HR Audit Tribune was to demonstrate that the aligning to the SABPP HR Standards Systems Model is a process and not an event. This can only be fully achieved through the insight of the process and outcome by sharing the experiences of the auditors and auditees.

Another insight derived from writing the HR Audit Tribune that for the alignment to be maintained and sustained is dependent on HR having a continuous improvement mindset to continually improve and develop current HR practices to best practices. Secondly, an assessment of the HR professional's competence is critical to the success of the aligning to the Standard. The results of the skills audit against the competency framework and the registration of HR Professionals as members will reinforce the alignment to the National HR Standards Systems Model.

It is also imperative that the entire HR Team is trained on the HR Standards so that there is a full understanding of the National HR Standard. This will accelerate alignment and when gaps are identified, HR Professionals can respond accordingly and do the requisite development to align to the Standard.

We encourage organisations to embark on the National HR Standard journey, from building capacity to eventually being audited against the standard.

The second edition of the HR Audit Tribune was made possible by contributions from hundreds of stakeholders engaging in the SABPP Audit Unit. We thank all these contributors- from auditors, to auditees, to alliance partners.

In the spirit of continuous improvement and growing the uptake and success of the HR Audits, we welcome comments and contributions to the third edition of the HR Audit Tribune to be published in 2017.



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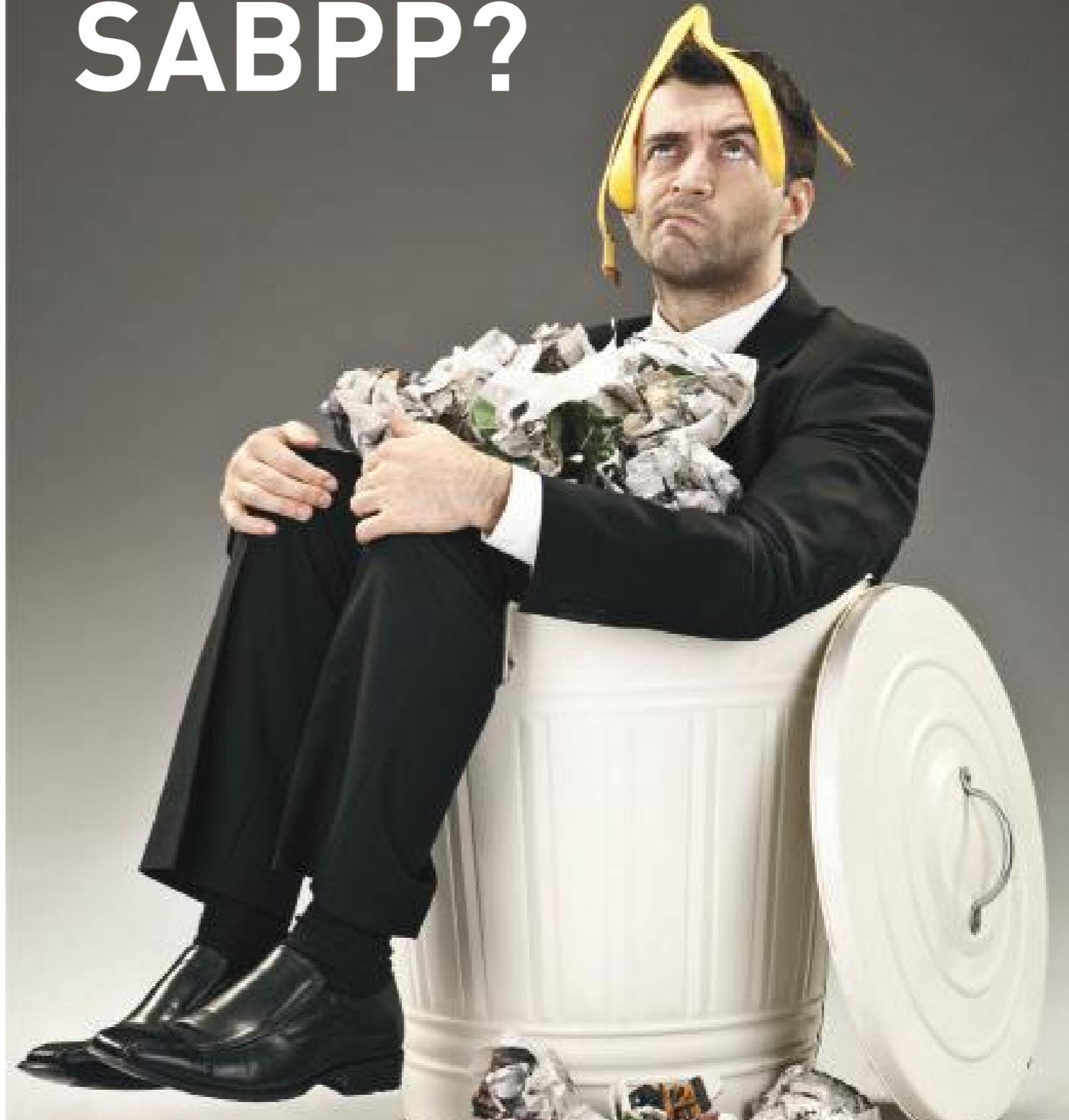
1st Floor, Rossouws Attorneys Building, 8 Sherborne Road, Parktown, PO Box 2450, Houghton 2041, South Africa

F: +27 11 482 4830
T: +27 11 045 5400

info@sabpp.co.za
www.sabpp.co.za

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