

# Auditing Human Resources Processes in Higher Education Institutions

***Marta Pile, Alexandra Pontes***

Institutional Studies and Planning Office

Instituto Superior Técnico

Universidade de Lisboa

# ORGANIZATION

---

1. AUDIT

2. PORTUGUESE STANDARD NP  
4427:2004 MANAGEMENT SYSTEM

3. CHALLENGES

4. EXAMPLES

## ***Audit: what is it?***

### **Systematic, documented, independent Process**

- ✓ To obtain audit evidence and assess it objectively in order to determine the extent to which specified requirements are fulfilled

***Source: ISO 19011:2011***

## Audit: *what is it for?*

- ✓ Where do we currently stand against requirements?
  - ✓ of an external standard (ISO or other)
  - ✓ of our own Quality Management System (QMS)
  - ✓ of our Clients
- ✓ Check adequacy and effectiveness of our QMS
- ✓ Identify improvement opportunities
- ✓ Suggest any corrective and preventive actions

## **Audit: *concepts***

### **Auditor**

Personal qualified to carry out an audit

### **Audit Client**

Organization or person that requires an audit

### **Auditee**

Organization being audited

### **Audit Criterion**

Policies, procedures or requirements

### **Audit Evidence**

Records, statements, facts or other verifiable information relevant to audit criteria

**Audit Finding** Assessment outcomes of audit evidence, collected and compared with audit criteria

# Audit: *Concepts*

## Process

- ✓ Deals with a number of procedures which transform inputs into results or impacts and, as such, added value
- ✓ Processes in public services may vary between relatively abstract activities (development of regulatory policies), and very specific activities (such as service provision)

## Procedures

- ✓ How activities are performed
- ✓ How processes are put in place
- ✓ How processes are controlled (considering the sequence of tasks, details and responsibilities)
- ✓ How equipment and documents are used for optimal management and conduction of records



## Principles

- ✓ **Organization focused on the citizen/user**
- ✓ **Leadership**
- ✓ **Involvement of people**
- ✓ **Introduction of rules and procedures**
- ✓ **Systematic approximation to management rules**
- ✓ **Continuing improvement**
- ✓ **De facto approximation to decision-making processes**
- ✓ **Mutual benefits in terms of relationships with suppliers**

# Audit: duties

## AUDIT TEAM LEADER

- ✓ ENSURE THE GROUP QUALIFICATION
- ✓ DISTRIBUTE TASKS WITHIN THE GROUP
- ✓ PREPARE, CONDUCT, REPORT, CHECK
- ✓ CONDUCT AUDIT, AND CLOSE MEETINGS
- ✓ SOLVE “CRITICAL DEADLOCKS”
- ✓ MAKE AUDIT MEETS ITS OBJECTIVE
- ✓ ENSURE ALL AUDITOR’S DUTIES

# Audit: duties

## AUDITOR

- ✓ ENSURE HIS/HER QUALIFICATION
- ✓ REMAIN ATTENTIVE AND REPORT NON CONFORMITIES
- ✓ BE IMPARTIAL AND OBJECTIVE
- ✓ CLARIFY DOUBTS AND AVOID DISPUTES
- ✓ KEEP CONFIDENTIALITY AND ETHICS



# Audit: duties

## AUDITEE

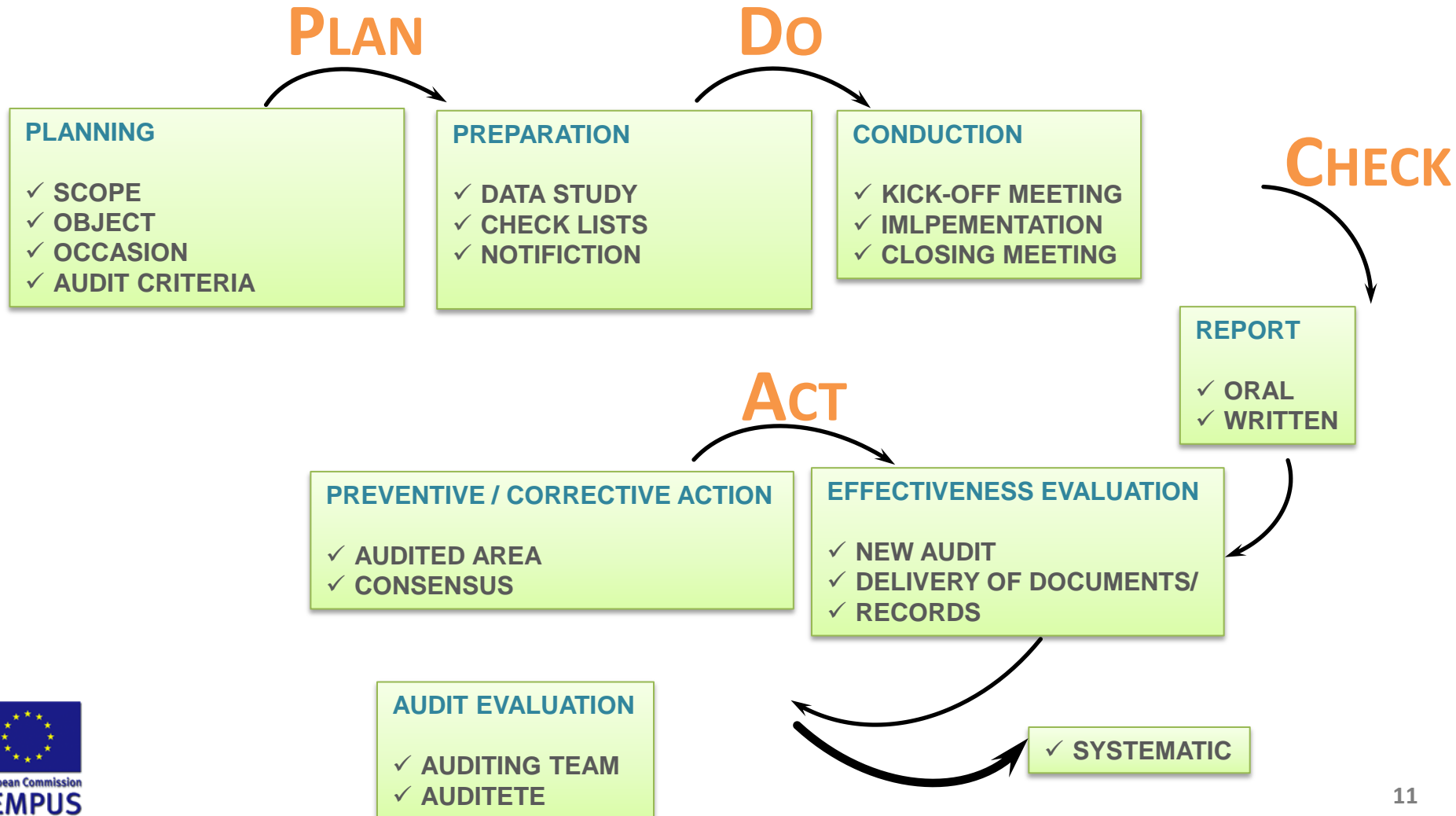
- ✓ COMMUNICATE HIS/HER STAFF ON AUDIT
- ✓ MEET COMMITMENTS WITH AUDITOR
- ✓ DEFINE COMMUNICATION CHANNELS
- ✓ FACILITATE ACCESS TO FUNCTIONS, AREAS AND RELEVANT INFORMATION
- ✓ PROVIDE ELEGIBLE CORRECTIVE/PREVENTIVE ACTIONS

# Audit: duties

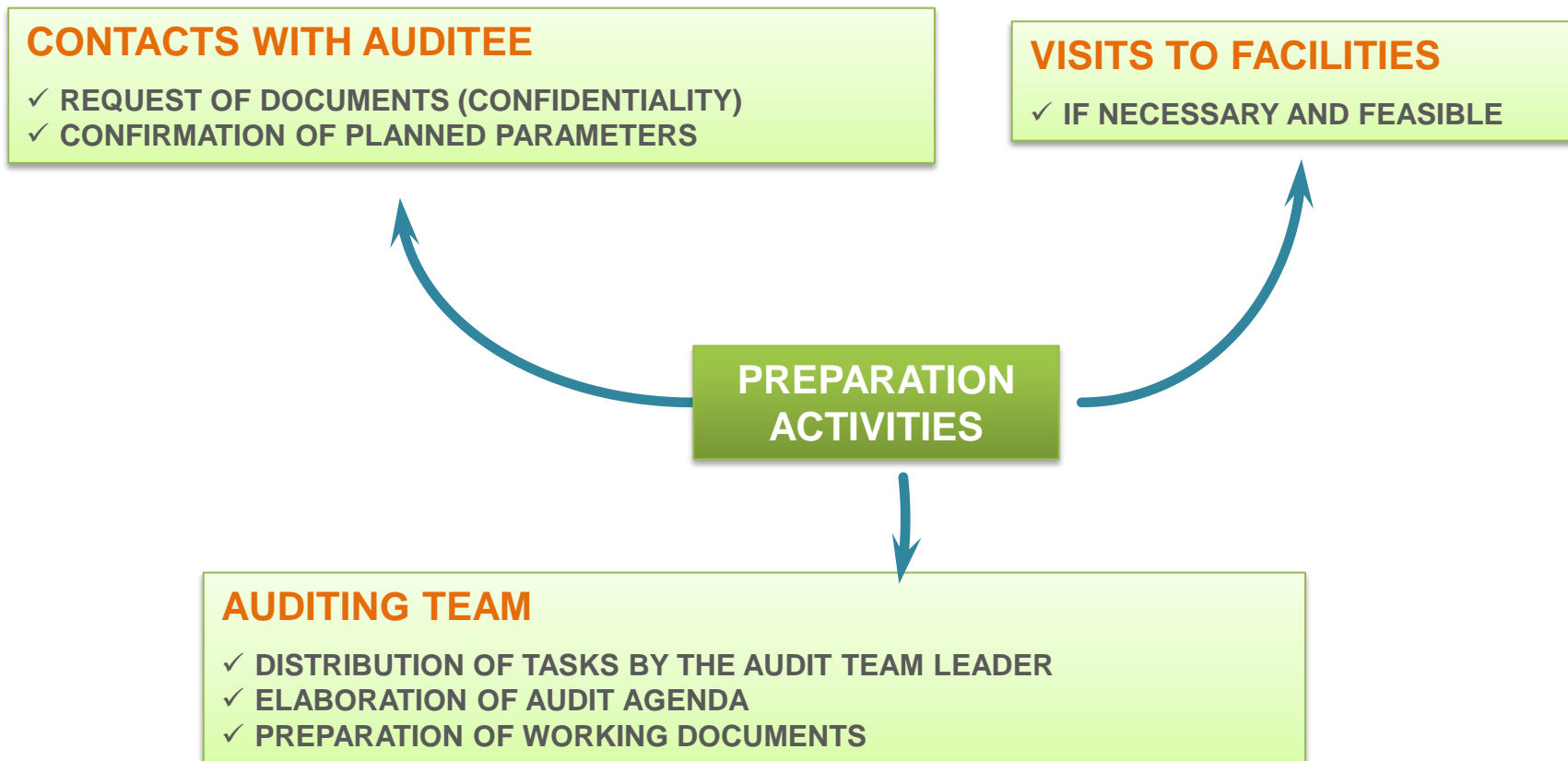
## AUDIT CLIENT

- ✓ DETERMINE THE NEED AND START THE AUDIT PROCESS
- ✓ APPOINT AUDITORS AND CHOOSE / AGREE AUDIT CRITERIA
- ✓ DEFINE ACCESS TO RESULTS (CONSENSUS WITH AUDITEE)
- ✓ RECEIVE AUDIT OUTCOMES AND REACH CONSENSUS ON ELEGIBLE ACTIONS

# Audit: Audit phases



# Audit: preparation



## **Audit: conduction**

- ✓ Visit facilities
- ✓ Collect evidence (interviews, documents, records and activity observation)
- ✓ Carry out at-random sampling
- ✓ Use working documents
- ✓ Use tracking techniques
- ✓ Interfere as little as possible
- ✓ Manage audit time

## Audit: closing meeting

- ✓ Coordinated by the leading auditor
- ✓ Fast and objective
- ✓ Confirmation of parameters
- ✓ Clarification of doubts

- Reintroduce auditors
- Thank auditee
- Reconfirm planning
- Reconfirm agenda
- Present strengths and weaknesses
- Deliver individual and non-compliance reports

## NP 4427: 2004

### PORTUGUESE NORMA – HUMAN RESOURCE MANAGEMENT SYSTEM

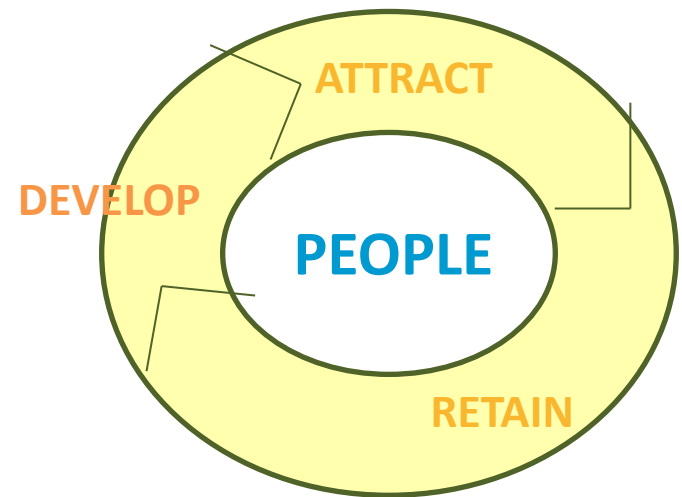
✓ **Objective:** define guiding principles to put in place a Human Resource Management System (HRMS) that may be certified by an independent entity

✓ **First standard at international level that allows an organization to be certified on this area**

## PORTUGUESE STANDARD NP 4427:2004

*“A Human Resources Management System should be conceived and developed as an integral part of an organization, reflecting its mission, vision, values and the strategic principles established by top management.”*

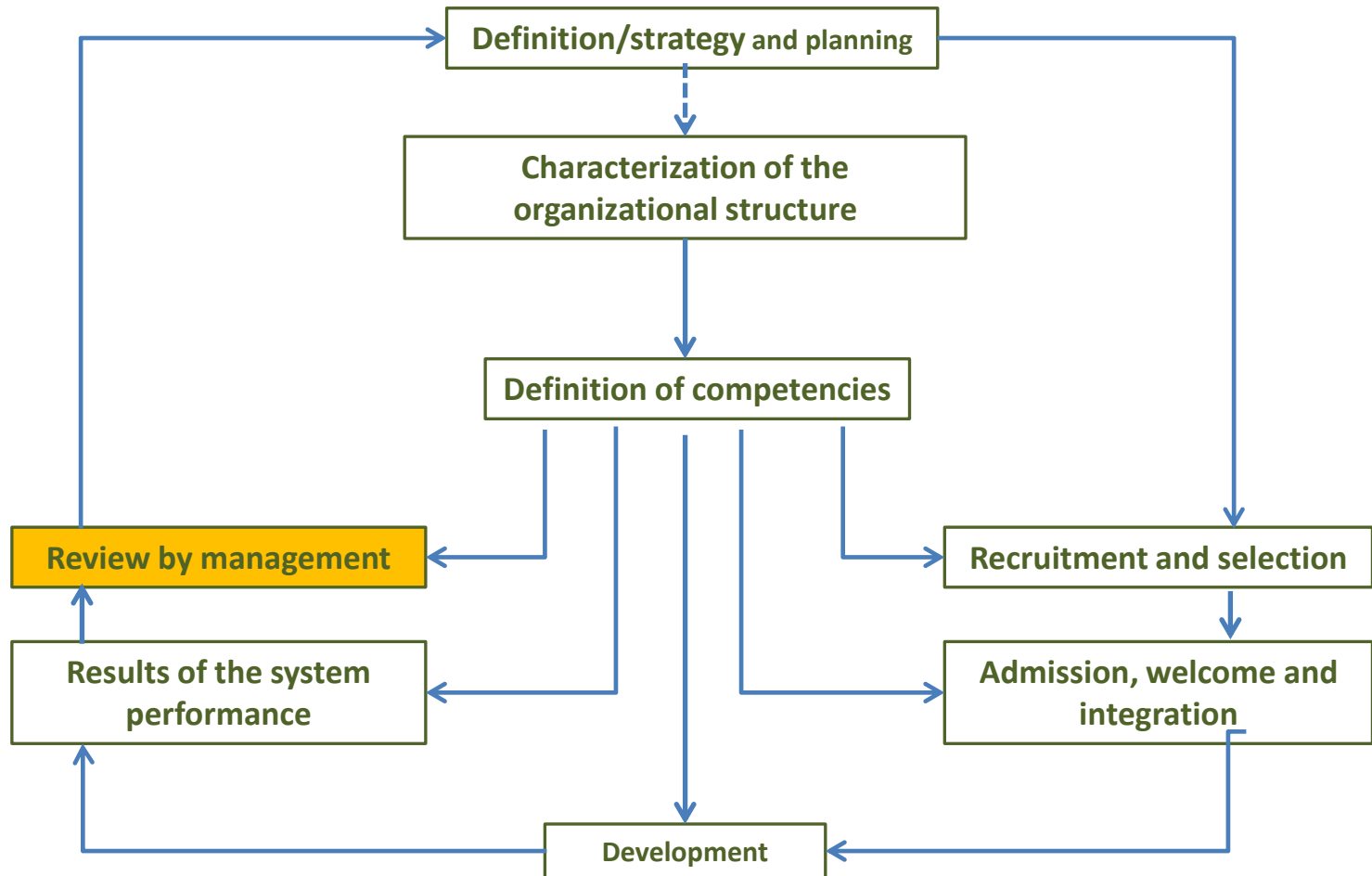
*“Proper management of this process shall ensure that the purpose to attract, retain and develop people is achieved and that the degree of satisfaction and motivation of all who keep labour ties with the organization meets the expectations.”*





## NP 4427:2004

# Schematic representation of the HRMS



## NP 4427:2004

# Portuguese standards requirements

### CHAPTER 4 - HR MANAGEMENT SYSTEM

#### 4.1 General requirements

#### 4.2 Document requirements

##### 4.2.1 HR Manual

##### 4.2.2 Document and data control

##### 4.2.3 Records control

### Examples of documented procedures:

- ✓ Compensations
- ✓ Penalties
- ✓ Recruitment and selection
- ✓ Admission
- ✓ Behaviours
- ✓ Training
- ✓ Careers
- ✓ Internal audits
- ✓ Corrective actions
- ✓ Preventive actions

## NP 4427:2004

# Portuguese standards requirements

### CHAPTER 5 – RESPONSIBILITY OF MANAGEMENT

#### *5.1 Management Commitment*

#### *5.2 HR Policy*

#### *5.3 Responsibility, authority and communication*

##### *5.3.1 Responsibility and authority*

##### *5.3.2 Management representative*

##### *5.3.3 Internal communication*

#### *5.4 Review by management*

## Review by management

Ensure that the HRMS remains appropriate, adequate and effective:

- ✓ Evaluating the organization's needs
- ✓ Identifying improvement opportunities and needs to change the system, including the human resource management policy and its objectives

## NP 4427:2004

# Portuguese standards requirements

### CHAPTER 6 – PLANNING

*6.1 HR Planning*

*6.2 Characterization of organizational structure*

*6.3 Objectives*

*6.4 Legal and other requirements*

*6.5 Rewards*

*6.6 Penalties*

### What HR do we need?

- ✓ In terms of volume?
- ✓ In terms of skills?
- ✓ To perform what tasks?
- ✓ And when?

Planning human resources will work as an input for other HRMS activities, such as:

- ✓ recruitment
- ✓ selection
- ✓ training

## NP 4427:2004

# Portuguese standards requirements

### CHAPTER 7 – HR MANAGEMENT

*7.1 Administrative Management*

*7.2 HR recruitment and selection*

*7.3 Admission*

*7.4 Welcome and integration*

*7.5 Behaviours*

*7.6 Development*

*7.6.1 Training*

*7.6.2 Recognition of competences*

*7.6.3 Careers*

*7.7 Acquisition of goods and services*

### Example of recruitment and selection requirements

- ✓ Definition of methods and techniques to be used in HR recruitment and selection
- ✓ Ensure equal opportunities and treatment for all candidates
- ✓ Objective definition of action, involvement and responsibility of recruitment service suppliers, selection and assignment of personnel



## NP 4427:2004

# Portuguese standards requirements

### CHAPTER 8 – MEASUREMENT, ANALYSIS AND IMPROVEMENTS

#### *8.1 Measurement*

*8.1.1 Performance evaluation*

*8.1.2 Internal satisfaction*

*8.1.3 **Internal audits***

#### *8.2 Control of non-compliant practices*

#### *8.3 Data analysis*

#### *8.4 Improvements*

*8.4.1 Continuing improvement*

*8.4.2 Corrective measures*

*8.4.3 Preventive measures*

NP 4427:2004

Portuguese standard requirements

## Internal audit: objectives?

Determine whether the human resource management system:

- ✓ *Complies with the provisions for HR management*
- ✓ *Was properly implemented and kept*
- ✓ *Effectively meets the organization's policy and objectives*

Give top management information on the results of internal audits:

- ✓ Are internal controls effective?
- ✓ Are standards and procedures in force complied with?
- ✓ Are there suggestions for improvement for procedures in force?

*Audits must be conducted by independent people, who are directly responsible for the activity being audited*

## CHALLENGES

### First Challenge

- Deal with people
- Build trust

### Second challenge

- Distinguish between evaluation and assertion



## CHALLENGES

# Challenges: communication?

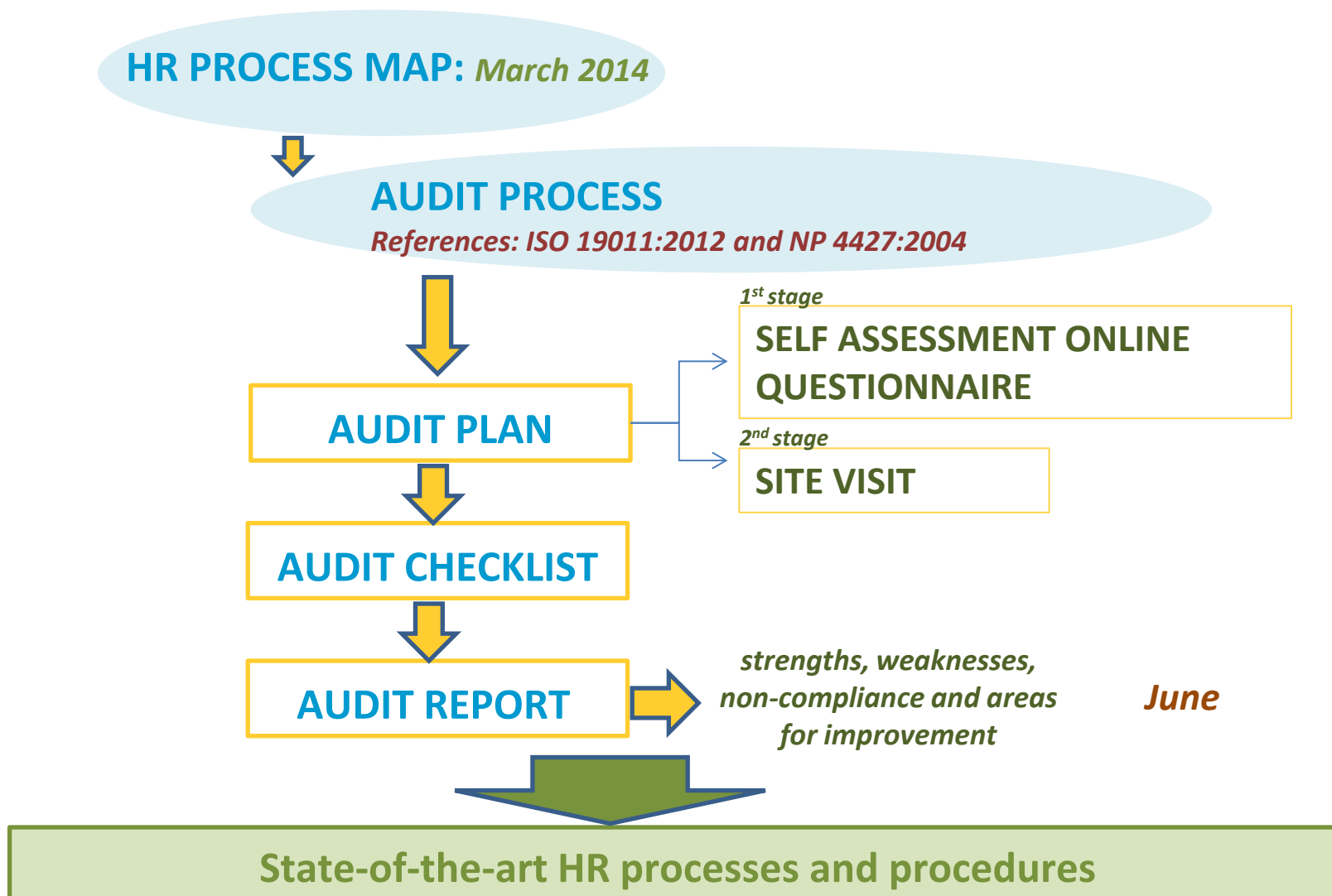
- ✓ Listen to the auditee
- ✓ **Conduct the dialogue**
- ✓ Do not show signs of impatience or distraction
- ✓ **Make open questions, such as:**
  - **What?**
  - **When?**
  - **How?**
  - **Where?**
  - **Why?**
- ✓ **Or closed questions with Yes/No answers**
- ✓ Ask alternative questions
- ✓ **Respect hierarchy**
- ✓ Consider the auditee's anxiety
- ✓ **Remember that the auditor is a visit and that empathy should be created with the auditee**

## CHALLENGES

### The auditee....

- ✓ Talks too much, diverting away from subjects
- ✓ Is resilient
- ✓ Disagrees with some non conformities
- ✓ Arrives late
- ✓ Requests suggestions

## PEOPLE PROJECT EXAMPLES: audit



# PEOPLE PROJECT EXAMPLES: audit plan

Activity	Leaders	Participants	Feb		Mar		Apr		May		Jun		Jul					
			week				week				week				week			
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>1 - HR PROCESS MAP</b>	IST, UPC, KTH	all	Planned															
1.1 Presentation of the partners' structure regarding HR	UPC	all	Planned															
1. 2 Mapping of HR processes identified by each partner institution	UPC, IST	4 Kazakhstan; 3 Armenia; 2 Georgia	Planned															
1.3 Gathering of supporting documents	UPC, IST	4 Kazakhstan; 3 Armenia; 2 Georgia	Planned															
1.4 Characterization of HR	UPC, IST	4 Kazakhstan; 3 Armenia; 2 Georgia	Planned															
<b>2. AUDIT Plan</b>	IST, UPC, KTH		Planned															
2.1 Identification of the HR management processes complying with NP 4427:2004	IST	IST	Planned															
2.2 Online questionnaire based on the predefined process map	IST	IST, UPC, KTH	Planned															
2.2.1 Elaboration of questionnaire (English)	IST	IST, UPC, KTH	Planned															
2.2.2 Construction of the online questionnaire	IST	IST	Planned															
2.2.3 Validation of questionnaire (pre-test)	IST	IST, UPC, KTH	Planned															
2.2.4 launch/conduction of questionnaire	IST	4 Kazakhstan; 3 Armenia; 2 Georgia	Planned															
2.2.5 Processing of results	IST	IST	Planned															
2.2.6 Elaboration of report	IST	IST	Planned															
2.2.7 Validation of results	IST	IST, UPC, KTH	Planned															
<b>2.3 Site visit: roles and responsibilities within the processes and training needs detection</b>	IST, UPC, KTH	4 Kazakhstan; 3 Armenia; 2 Georgia	Planned															
2.3.1 Work meetings with HR managers of the 3 partners institutions	IST, UPC, KTH	4 Kazakhstan; 3 Armenia; 2 Georgia	Planned															
<b>3. AUDIT Checklist: site visit checklist</b>	IST, UPC	IST, UPC, KTH	Planned															
3.3.1 Elaboration of the check list (documents)	IST, UPC	IST, UPC, KTH	Planned															
<b>4. AUDIT Report: strengths, weaknesses, non-compliance and areas for improvement</b>	IST	IST, UPC, KTH	Planned															
4.1 Elaboration of audits reports template	IST, UPC, KTH	IST, UPC, KTH	Planned															
4.2 Elaboration of audits reports	IST, UPC, KTH	IST, UPC, KTH	Planned															
4.3 Follow up ( improvement plan; preventive and corrective actions)	IST, UPC, KTH	IST, UPC, KTH	Planned															

Captions



## PEOPLE PROJECT EXAMPLES: *on line questionnaire*

### EXAMPLE OF QUESTIONS FOR CHAPTER 5: MANAGEMENT RESPONSIBILITY *(adapted from NP 4427:2004)*

#### *HR policy*

- Has the top management of the University defined a HR policy?
- How do they communicate it?
- Has the top management of the University defined objectives/strategy on HRM?

# PEOPLE EXAMPLES: audit checklist

## SITE VISIT CHECKLIST

		Non existant	Needs improvement	Meets requirements
<b>Scoring</b>		<b>0</b>	<b>5 to 9</b>	<b>10 to 20</b>
<b>1</b>	Does the HRMS have all documents required?			
<b>2</b>	Are there control mechanisms of the HRMS documents?			
<b>3</b>	Is a control and safekeeping methodology of the HRMS records implemented?			
<b>4</b>	Does the organization's top management show commitment at the HRMS through:			
a)	The appointment of a top management representative?			
b)	Documented HR policy?			
c)	The definition of authorities and responsibilities at the HRMS?			
d)	The establishment of internal communication processes?			

*Adapted from: Dar + Valor às Pessoas, Gestão de recursos humanos segundo a Norma NP 4427, in: [https://fenix.tecnico.ulisboa.pt/downloadFile/3779576753967/GRH\\_Norma\\_guia\\_metodologico.pdf](https://fenix.tecnico.ulisboa.pt/downloadFile/3779576753967/GRH_Norma_guia_metodologico.pdf)*

**THANK  
YOU!**