

## **What is Human Capital Audit?      Your First Step for Business Transformation!**

- It is a process of examining the members, capabilities, policies, procedures, documentation, systems, outcomes and practices of an organization's human capital functions.
- It is conducted to examine the capabilities, configurations, resources, and architecture of existing personnel.
- It uncovers the advantages and disadvantages of the organization's human resources system and issues it may encounter.
- It can be a general purpose or special focus review of the human capital function.
- It can also help to:
  - >Ascertain the contribution of the human capital department.
  - >Identify gaps between existing and target competence.
  - >Encourage HR members to assume greater responsibility and professionalism.
  - >Define human capital duties and responsibilities.
  - >Ensure execution of human capital policies and practices and compliance with legal requirements.
  - >Reduce human capital costs through more effective personnel procedures.
  - >Review adequacy of the human capital information system.

### **Human Capital Audit Objectives**

To provide senior management with an accurate understanding of the company's human capital function by addressing the following questions:

- >How does the human capital department in the organization participate in corporate strategic planning and other business planning processes?

- >How does human capital proactively interface with and support senior core management?
- >How is human capital built to support all other business and management functions?
- >What is the level of employee competence and what are the gaps between the current human capital competence and expectations for achieving the corporate goals?
- >How is human capital involved in corporate transformation, helping to meet organizational, business model, cross-functional competence, succession and technology needs and challenges?
- >What are the existing strengths and weaknesses of the human capital department?
- >Are the existing human capital policies, procedures, systems, etc. implemented and executed effectively?