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HR AUDIT

CHECKLIST

Introducing Consultivo **HR Audit Checklist**
for Self Assessment



Contents

Mark each checkpoint against the evidence sighted, and record the corrective action owner and due date for every gap identified. The sequence follows the employee life cycle. Provident Fund and ESI compliance checklists are provided in the annexures.

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1. HR Policies and Processes

- ☐ Compliance: Are policies and practices up to date and compliant with HR statutory and regulatory requirements?
- ☐ Coverage: Do policies cover the full employee life cycle, from hiring to separation?
- ☐ Accessibility: Are policies easily accessible to, and understood by, all employees?
- ☐ Effectiveness: Are policies consistently implemented and enforced across locations and grades?
- ☐ Review and update: How often are policies reviewed, approved and version-controlled?

2. HR Practices and Processes

- ☐ Efficiency: Are HR processes streamlined, documented and free of duplication?
- ☐ Effectiveness: Are processes achieving their intended outcomes against defined HR metrics?
- ☐ Automation: Are opportunities for automation and employee self-service being utilised?
- ☐ Employee Satisfaction: Are employees satisfied with the responsiveness and quality of HR processes?
- ☐ Records: Are personnel files and statutory registers complete, current and securely retained?



Find more on HR Audit Service

3. Recruitment, Selection and Onboarding

- ☐ Manpower Planning: Is hiring driven by an approved manpower budget aligned to business goals?
- ☐ Job Descriptions: Are they clear, accurate and up to date, reflecting actual duties and requirements?
- ☐ Recruitment: Are strategies effective in attracting diverse, qualified candidates and top talent?
- ☐ Selection: Is the process fair, unbiased, structured and compliant with legal regulations?
- ☐ Verification: Are background checks, references and age and eligibility documents verified consistently?
- ☐ Onboarding: Does induction cover policies, code of conduct, **POSH**, safety and statutory benefits, and does it effectively integrate new employees?
- ☐ Probation: Is the probation review and confirmation process defined and applied on time?



[Find more on HR Due Diligence Service](#)

4. Talent Development

- ☐ Needs Assessment: Are training programmes aligned with organisational needs and identified competence gaps?
- ☐ Competence: Are role-wise competence requirements defined, mapped and assessed?
- ☐ Plan and Coverage: Is an annual training calendar delivered as planned, with adequate opportunities provided equitably to all employees?
- ☐ Statutory Training: Are safety, POSH and other mandatory trainings completed and recorded?
- ☐ Effectiveness and ROI: Is training effectiveness evaluated post-training, and do programmes demonstrate a positive return on investment?
- ☐ Career Development: Are growth, internal mobility and development opportunities available and communicated?
- ☐ Succession Planning: Is there a plan for identifying and replacing key employees and critical roles?



Find more on HR Training and Capacity Building

5. Performance Management

- ☐ Framework: Is there a documented performance management system covering all categories of employees?
- ☐ Goal Setting: Are KRAs/KPIs defined, measurable and cascaded from business objectives?
- ☐ Review Cadence: Are reviews conducted at defined intervals, with documented mid-year and annual appraisals?
- ☐ Feedback and Calibration: Do managers give regular evidence-based feedback, and is there a moderation mechanism to keep ratings consistent and free from bias?
- ☐ Underperformance: Is there a defined performance improvement plan process, applied fairly and documented?
- ☐ Linkage: Are appraisal outcomes clearly linked to increments, incentives, promotions and development plans?
- ☐ Effectiveness: Is the system effective in driving performance, with a channel to raise appraisal disputes?



Find more on HR Audit & HR Due Diligence

6. Compensation and Benefits

- ☐ Competitiveness: Are compensation and benefits competitive with the market?
- ☐ Alignment: Are they aligned with the organisation's goals and values?
- ☐ Internal Equity: Is there pay parity across gender and comparable roles within a defined grade structure?
- ☐ Employee Satisfaction: Are employees satisfied with their compensation and benefits?
- ☐ Cost-effectiveness: Are compensation and benefits cost-effective for the organisation?
- ☐ Statutory Pay: Are minimum wages, overtime, bonus, gratuity and leave entitlements correctly computed and paid on time?
- ☐ Payroll: Is payroll accurate, reconciled and audited, with payslips issued to all employees?

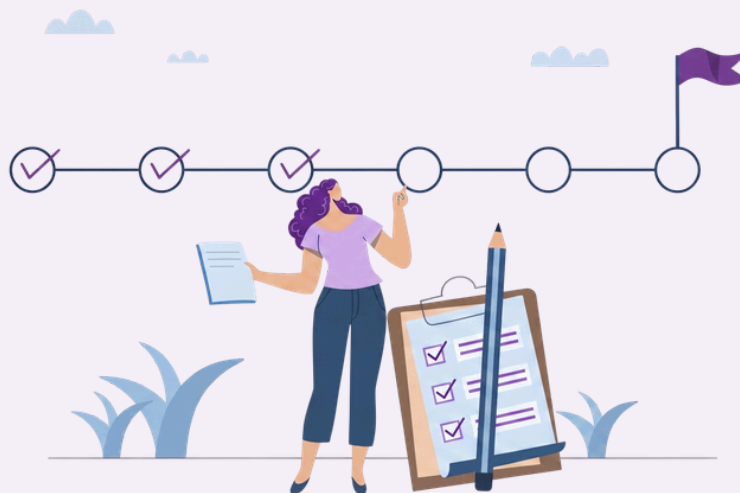
Statutory contribution checkpoints (PF and ESI) are detailed in Annexures A and B.



Find more on HR Audit & HR Due Diligence

7. Employee Engagement and Satisfaction

- ☐ Engagement: Are employees engaged in their work and committed to the organisation?
- ☐ Surveys: Are employee satisfaction and engagement surveys conducted regularly, confidentially and, where appropriate, independently administered?
- ☐ Action on Results: Are findings shared with employees and converted into time-bound action plans, with the previous cycle's actions closed and scores trended?
- ☐ Feedback Mechanisms: Are there channels for employees to voice concerns between survey cycles?
- ☐ Recognition and Rewards: Are employees recognised and rewarded for their contributions?
- ☐ Well-being: Are policies and initiatives in place to support employee well-being and work-life balance?
- ☐ Attrition Insight: Are attrition, absenteeism and exit feedback analysed alongside engagement data?



Find more on Independent Employee Engagement Survey

8. Employee Relations

- ☐ Positive Climate: Does the organisation have a positive and productive employee relations climate?
- ☐ Communication: Is communication clear and open between employees and management?
- ☐ Grievance and Conflict: Is a documented grievance procedure in place, with effective conflict resolution and records of closure?
- ☐ **POSH:** Is the Internal Committee constituted and trained, and is the annual return filed?
- ☐ Discipline: Are disciplinary actions conducted following the principles of natural justice and standing orders?
- ☐ Collective Bargaining: Are relations with unions or works committees constructive, with settlements honoured?

9. Diversity, Equity and Inclusion

- ☐ Policies: Are diversity policies and initiatives in place to promote a diverse and inclusive workforce?
- ☐ Hiring Practices: Do they actively recruit and hire individuals from diverse backgrounds?
- ☐ Non-discrimination: Are pay, promotion and access to opportunity free from discrimination?
- ☐ Inclusion: Do employees from all backgrounds feel valued, respected and included?
- ☐ Accessibility: Are reasonable accommodations provided for persons with disabilities?

10. Leadership and Culture

- ☐ Leadership Effectiveness: Do leaders create a positive, supportive and inclusive work environment?
- ☐ Communication: Is communication clear, open and transparent throughout the organisation?
- ☐ Values Alignment: Are organisational values clear and consistently upheld?
- ☐ Ethics and Compliance: Is there a strong commitment to ethical behaviour and legal compliance?
- ☐ Speak-up Culture: Is a whistle-blower mechanism in place, with protection against retaliation?

11. HR Systems and Technology

- ☐ Integration: Are systems integrated with payroll, finance and time and attendance systems?
- ☐ Security: Are systems secure and do they protect sensitive employee data?
- ☐ User-friendliness: Are systems easy to use for employees and HR staff?
- ☐ Data Quality: Is master data accurate, complete and reconciled with statutory records?
- ☐ Analytics: Does the system generate reliable HR dashboards and metrics for decision-making?

12. Separation and Exit

- ☐ Process: Is the separation process defined, with notice period and clearance steps followed consistently?
- ☐ Exit Interviews: Are they conducted, analysed and reported to management for action?
- ☐ Full and Final settlement: Is F&F, including gratuity and leave encashment, completed within the committed timeline?
- ☐ Statutory Formalities: Are relieving letters, Form 16, PF withdrawal or transfer and ESI de-linking completed?
- ☐ Termination and Redundancy: Are these handled in line with law, policy and the principles of natural justice?
- ☐ Handover: Is knowledge transfer, asset return and access revocation completed and documented?

13. Risk Management and Legal Compliance

- ☐ Safety and Health: Are policies and procedures in place to protect employee safety and health?
- ☐ Workplace Violence: Are measures in place to prevent and address workplace violence?
- ☐ Data Privacy: Are measures in place to protect sensitive employee data?
- ☐ Labour Laws: Are HR practices compliant with all applicable labour laws, with a live compliance calendar for returns, registers and licences?
- ☐ Contract Labour: Are contractor licences, wage payments and statutory contributions verified as principal employer?
- ☐ Audit and Inspection: Are inspection observations and internal audit findings tracked to closure?

Annexure A

Provident Fund Compliance Checklist

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF, EPS and EDLI Schemes)

Coverage and Registration

- ☐ Applicability: Has coverage been correctly determined, and is the establishment registered with EPFO with the correct code(s) for all units?
- ☐ Enrolment: Are all eligible employees enrolled from the date of joining, and are excluded categories properly identified and documented?
- ☐ International Workers: Are they identified and covered under the special provisions, with contributions on full wages?
- ☐ UAN and KYC: Is a UAN allotted and activated for every member, with Aadhaar, PAN and bank details seeded and verified?

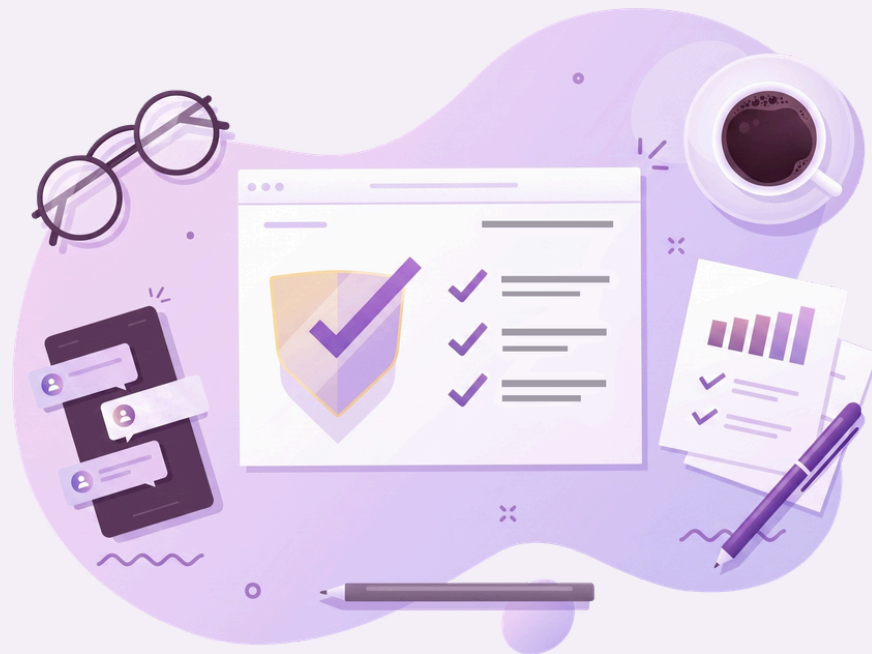
Contributions and Wages

- ☐ Wage Base: Is PF computed on basic wages, DA and retaining allowance, without artificial splitting of wages into allowances to reduce liability?
- ☐ Rates and Ceiling: Are employee and employer contributions, EPS apportionment, EDLI and admin charges applied at notified rates, with the wage ceiling applied consistently?
- ☐ Higher pension or higher contribution: Where opted, are joint options, approvals and computations on record?
- ☐ Deposit: Is the monthly ECR filed and the challan remitted within the statutory due date, with no delay in the audit period?
- ☐ Reconciliation: Are contributions reconciled monthly with payroll, the ECR and the general ledger, and annually with the financial statements?

Contract workers, Records and Member Services

- ☐ Principal Employer Liability: Is contractor PF compliance (ECR, challan, member-wise remittance) verified against deployed headcount before releasing bills?
- ☐ Nominations and Exits: Are Form 2 nominations and Form 11 declarations obtained, and are exit dates marked on the portal on time?
- ☐ Claims: Are transfer, withdrawal, advance, pension and EDLI claims supported and processed without undue delay?
- ☐ Registers and Returns: Are prescribed registers, the inspection book and returns maintained, and are annual member statements shared with employees?
- ☐ Grievances and Inspections: Are PF grievances, EPFO observations and any 7A/14B proceedings tracked to closure?

Verify against the contribution rates, wage ceilings and portal requirements notified at the time of the audit.



Annexure B -

ESI Compliance Checklist

The Employees' State Insurance Act, 1948

Coverage and Registration

- ☐ Applicability: Is coverage correctly assessed for each location (implemented area and notified employee threshold), and is the employer code obtained with sub-codes for branches?
- ☐ Employee Coverage: Are all employees within the notified wage ceiling registered as insured persons, with IP numbers and family particulars captured?
- ☐ Continuation: Where an employee crosses the wage ceiling mid-period, is contribution continued to the end of the contribution period?
- ☐ Non-coverage: Where ESI does not apply, is alternative cover (Employees' Compensation Policy or group medical insurance) in place and current?

Contributions

- ☐ Wage Definition and Rates: Is ESI computed on the correct wage definition, at notified employee and employer rates, with the low-wage exemption from the employee share applied?
- ☐ Deposit: Is the monthly contribution filed and remitted within the statutory due date, with no delays in the audit period?
- ☐ Reconciliation: Are contributions reconciled with payroll, attendance and the general ledger each month, and with the financial statements annually?
- ☐ Omitted Wages: Have arrears, incentives and payments to omitted categories been assessed for ESI liability, and are any interest, damages or 45A assessments recorded?

Contract workers, Benefits and Records

- ☐ Principal Employer Liability: Are contract, casual and outsourced workers covered, and is the contractor's IP-wise contribution verified before bill release?
- ☐ Accidents: Are employment injuries reported to ESIC within the statutory timeline, and is the accident register maintained?
- ☐ Benefits: Are employees supported in availing sickness, maternity, disablement, dependants' and medical benefits, and are claims tracked?
- ☐ Records and Inspections: Are the register of employees, wage register and inspection book current, and are ESIC observations and dues tracked to closure?

Verify against the wage ceiling, contribution rates and implemented-area notifications in force at the time of the audit.



Consultivo is an ESG, sustainability, environment, safety, and risk management consulting firm supporting organisations across industries and geographies.

Through its practices in Audit & Assurance, Advisory & Consulting, Research & Analytics, and Training, Consultivo helps organisations strengthen compliance, improve operational performance, manage risks, and align with evolving ESG and sustainability expectations.



About Consultivo People Advisory Solutions

Strong people practices begin with knowing exactly where you stand. Start with structured **HR Audit** Services to surface exposure before it escalates, protect value through transactions with **HR due diligence**, and build ethical, rights-respecting operations through our **business and human rights advisory**, **POSH compliance and audit services** and **SA8000 certification support**. When the board needs credible workforce metrics, our human capital reporting aligned to ISO 30414 turns people data into decision-ready insight.

A compliant organisation still needs an engaged, capable and inclusive workforce. Our **DEI consulting** and **DEI training** help translate inclusion commitments into everyday behaviour, while a **gender audit** and **gender pay gap reporting** give you an evidence base for fair, transparent progress. Understand what your people truly think through our **employee engagement surveys**, strengthen role clarity and talent decisions with **competency mapping and assessment centres**, and upskill your teams through our **HR training courses**.

Find a solution that works for you

1. Rights, Equity & Inclusion



- Business and Human Rights
- Diversity and Inclusion
- Gender Audit
- Gender Pay Gap Report

2. Governance, Risk & HR Compliance



- HR Audit
- HR Due Diligence
- SA8000 Consulting
- POSH Consulting and Audit
- ISO 26000 Consulting Services

3. Culture, Engagement & Training



- Employee Engagement Survey
- Competency Mapping & Performance Management
- HR Training Courses

4. Reporting & Disclosure



- HR Reporting as per ISO 30414

Manufacturing Chemicals & Oil/Gas Construction Supply Chain Energy & Utilities IT & InfoSec Agri & Food
Financial Services Education Public Sector Pharmaceuticals Tea & Plantation