

Three Keys to Easier HR Employee Document Audits



EXECUTIVE SUMMARY

Your HR department has a wide range of responsibilities including many strategically important initiatives. However, most HR departments are so bogged down in paperwork that these initiatives often take a back seat.

With changing business demands, many employers are also focusing on employee retention, and providing retraining and recertification to retool the workforce. All of this revamping is driving even more paperwork into HR.

At the same time, in our heavily regulated and litigious business environment, the need to collect and maintain appropriate documentation is increasing at a rapid rate. Companies face internal and external oversight audits, and potential fines and penalties if they are unable to produce required documentation in a timely manner. Already over-taxed HR departments are increasingly unable to keep up with the day-to-day challenges paperwork brings, let alone respond to audits. The result is companies struggling to react to oversight. This incurs overtime and temporary labor costs while the HR department is consumed with reacting to demands instead of making progress on strategic initiatives.

There is a better way. With a comprehensive approach to automating HR document management and a progressive move to eliminate paper documents in favor of electronic forms, your HR department can become **proactive** instead of **reactive**. Paperwork manages itself, and audits and oversight become a breeze.

Introduction



Over the last few years, a major transformation has begun to take place within Human Resources. Organizations are recognizing more and more that it is their people that drive business. Because of this shift towards people, companies are looking for HR to play a more strategic role in keeping and growing those people.

Today, words and phrases like workforce planning, big data, recruitment and employee engagement can be heard throughout most organizations. These strategies have encouraged businesses to begin retraining, re-certifying and retooling their existing workforce. All of this “revamping” is causing already strained HR departments to slip even further underwater.

Let's take a moment to understand why this is happening.

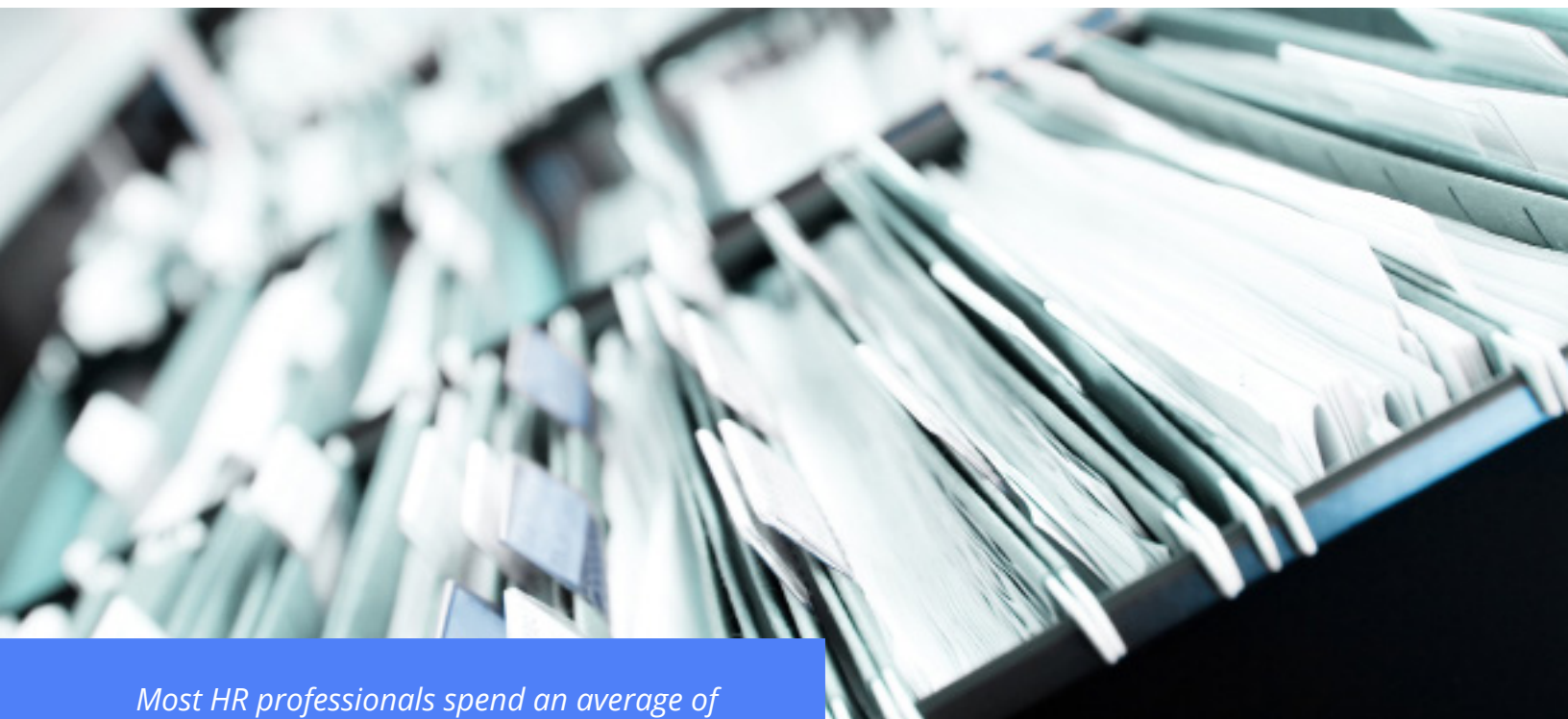
As we all know, the workforce demographic is changing at a rapid pace. Retiring baby boomers are being replaced by millennials, and there is a decided shift towards a very decentralized workforce.

This shift means that to retain the top talent in this new generation, the promise of a gold watch after 40 years isn't good enough. Millennials have high expectations, and they won't be satisfied with sub-par platforms, apps or devices. They believe the Internet is a right, not a privilege, and they expect all business to be digital and online. This new generation of workers are entrepreneurial, and the lines between their work and social life are blurred. They also tend to work whenever and wherever they want. It is the true death of the 9 to 5 workday.

This connected generation is constantly on the move, so organizations that are serious about retaining their top talent are redoing their employee-centric programs to provide better perks that include professional growth, training and certifications which make the employee more skilled and more proficient at their job.

This, in turn, is creating more administrative work for HR departments who must keep up with additional paperwork such as employee certifications and acknowledgments.

It may not sound like much, but this little word, "paperwork," accounts for approximately 60% of the time allocated in HR. That translates into three days of every week that is dedicated to paperwork! Guess how much time is devoted to those strategic programs we mentioned earlier? Half a day. Given the disproportionate nature of the time allocation, it's no wonder that the current foundation of HR departments cannot keep up with the necessary fall out of the new programs. And it doesn't end there.



Most HR professionals spend an average of three days each week on paperwork alone!

Given the type of paperwork that is being generated from these new programs, the work isn't completed just by filing the document away. These recertification and retraining programs are in a constant state of renewal. Therefore, HR is in a constant state of maintenance to verify all certifications and training requirements are up-to-date and current.

If that wasn't enough to completely level an HR department, audits are on the rise. And it's not just external audits. Businesses need to know that their people are compliant with training and certification requirements. So how do they ensure this compliance?

They deploy an internal audit team whose job is to verify documents exist, training and certifications are up-to-date, and that licenses have not expired. It's better to find the problems yourself than to wait for an internal auditor or agency to create trouble. This puts HR in the no-win situation of having too few resources to effectively address strategic initiatives, handle all the paperwork, respond to increasingly frequent audits and, all the while, keep employees happy and working.

So, what's an HR department to do?

One answer is to reduce the time spent on paperwork and audits by leveraging technology.

Let's talk about audits for a minute.

It seems that “failing” an internal audit has become a way of life. I've even had prospects laugh off an internal audit, saying they are just going to fail it anyway. But what if that wasn't an internal audit?

What if ICE or OSHA came knocking at your door? Are you 100% certain that you have:

- Signed non-compete documents for all your employees?
- I-9s with proper, non-expired backup?
- Certifications, licenses and training documentation for your employees?
- A complete set of documents with the most up-to-date versions for all your employees?

Trying to prepare for an audit is the wrong time to realize you don't have the proper documentation. Reacting to audits will cost you money, time and resources, and it will distract you from your daily obligation to grow your employees.

We took a poll where we asked that same question: Can you say you have a complete set of documents for all your employees?

It turns out most HR departments weren't very confident at all. Only 6% of respondents said they were very confident that their employee files were complete. That means that 94% of respondents believe that one or more parts of their employee files are missing or incomplete.

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A Before and After Client Story

Before: *Reacting* to Audits

A large organization had its active employee documentation stored in rows and rows of filing cabinets lining its offices — a pretty typical sight for many companies. Their small but effective HR department was pretty typical as well. Overwhelmed, under-resourced and drowning in requests from internal and external parties but somehow still managing to get the job done.

One day a board member asked the executive team an innocent but curious question, “Do we have all of our employees’ I-9s?”

That simple question put the HR department into a tailspin for 24 months as they attempted to track down all of the I-9s across their large organization. There was no audit or litigation. Just an innocent question. With their paper-based HR processes, they could not identify what was missing, nor could they react quickly to the question.

Even worse, this company was subjected to frequent, external audit requests, often at the same time. Any given audit could take well over five days to gather documents, and that generally required at least three temporary employees to mostly satisfy the requests. They spent countless amounts of money, hours and hours of labor, plus, the people they hired to perform ‘filing’ never actually got to it because they were needed elsewhere. It was a downward spiral of paperwork that wasn’t getting any better.

After: *Proactive* Compliance

Several months after becoming a client and deploying CartaHR, the life of this small but effective HR department was transformed. Audits still occur, but with a proactive approach to compliance, they are easy to address.

On any given audit, it now takes about two hours or less to fulfill the information request. They already know that they have their paperwork in order and can quickly retrieve everything they need. They simply fulfill the request and place the documents in a secure file room. No copying, no worries and no sleepless nights.

So, what changed for this client? It was the technology that made all the difference. They look at CartaHR’s compliance monitor and verify that all is right with the world.

If something is missing or about to expire, they can take action immediately, or they can let the system automatically initiate a workflow and document request. Best of all, the entire system is no longer paper-based; it is all digital. Paperwork no longer has any power over them.



Proactive Compliance

What made the difference for this client?

Efficiently responding to an audit requires three key elements:

1. You need to be **confident** the documents exist.
2. You need an **efficient** way to gather up all of the requested documents.
3. You need a **secure** way to share them with the auditor.

Confidence

CartaHR has a unique, built-in compliance monitor. The compliance monitor continually scans the files to guarantee that all the right documents exist in each employee's file, and to ensure that all documents are current and up-to-date. If a document is near its expiration, e.g., a license that is about to expire, then the compliance monitor will alert the administrator and can initiate an automated process to track down the employee and request a new document. With CartaHR's compliance monitor, the system does the background work that enables the HR department to be **confident** the documents exist.

Efficiency

The second step in becoming proactive is to have an efficient process for gathering the requested documents. Instead of deploying an army of temporary staff, and working nights and weekends to pull all the paper documents out of the individual folders, the goal is to automate the process.

Efficiency should start when the documents are entered into the system. Instead of simply attaching documents to individual employee records, CartaHR automatically identifies the specific document type, e.g., I-9, Commission Plan, Benefits Elections, etc. Understanding

the unique document types delivers many benefits related to record keeping, information governance and compliance with retention rules, but for purposes of making an audit efficient, understanding document types is vital.

Audits are typically requested to review specific documents or sets of documents across a range of employees. With CartaHR, it is easy to select exactly the required set of documents. **Efficiency** is built-in.



Security

The third requirement is to have a secure way to share the documents with the auditors. In a paper-based process, once you pull all the documents out of the employee folders, you have to figure out how to deliver them to the auditor.

Do you photocopy and mail them, or do you scan and email them? There simply is no good answer to this dilemma. Both solutions are fraught with security risks and open the company up to significant exposure. You have no idea what happens to paper copies, and the copies of those copies. Similarly, you must assume that email is not secure. Once you press send, there are copies located in your sent items, the recipient's inbox, then potentially the recipient's deleted items, and who knows where the recipient copies and stores the digital images!

CartaHR has its own built-in secure file room. Documents never leave the system. Once you select the documents you need for the audit, you simply put them in the data room and send the auditor a secure link to view them

online. You control what they can do with the documents, such as print, copy, download, etc. And, best of all, every action creates an audit log that clearly identifies who did what with the documents. The data room can be set up to expire after a set date to further control the security of this sensitive information. The result is confidence that you have a **secure** method to share documents with the auditors.

Speaking of audit logs, the entire CartaHR system tracks every action anyone takes with your sensitive HR documents. You always know who looked at any document, and what they did with it.

Conclusion

Audits do not have to require late nights, weekends and a huge army of temporary workers. A proactive approach to managing human resources documents will ensure that your organization is prepared and ready for any auditor's demands.

A proactive approach will also provide you with the confidence to know that you have all the documents you are required to maintain, and they are all up-to-date.

CartaHR will dramatically reduce the paperwork burden for your HR team, and enable them to focus on the more strategic and critical elements of their role such as employee retention and providing retraining and recertification to continually retool the workforce.

CartaHR delivers the three key elements of a proactive approach to audits:

1. **Confidence** the documents exist.
2. **Efficiency** to gather up the requested documents.
3. **Security** when you share the documents with auditors.

CartaHR

CartaHR is built for HR teams and allows you to manage employee documents securely and efficiently— so you can spend less time on paperwork and focus more on recruiting, developing and retaining a winning team.

For more information about CartaHR, or to discuss a personalized ROI analysis, contact: discover@accesscorp.com or visit AccessCorp.com to view our extensive library of Special Reports, recorded webinars and informational videos.

About the Author

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ABOUT ACCESS

Access is the largest privately-held records and information management (RIM) services provider worldwide, with operations across the United States, Canada, Central and South America. Access enables clients to better manage their information, control their risks and transform their businesses. Access' comprehensive suite of information governance services includes records storage and information management in hard copy and digital formats, data protection, secure destruction, scanning and digital document conversion, and data breach reporting services. The business services that Access provides allow clients to focus on growth while reducing the costs and risks associated with information management, retention, accessibility and final disposition.

For more information on Access, please visit [AccessCorp.com](https://www.accesscorp.com).

CartaHR

Speak with a representative to find out how
your organization can benefit from an HR
Document Management Solution.

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