

THE **SABPP™**

FACT SHEET

DEC/JAN 2023
NUMBER 2023/06

AUDITING THE PEOPLE PRACTICES AND GOVERNANCE STANDARD

2023

STANDARDS

Introduction

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In the previous [October 2023 Fact Sheet](#), we discussed the continuing importance of setting good people practices in the evolving world of work and relatedly the launch of the National People Practices and Governance Standard (PPGS). We explained the renaming of the HR Management Standards as PPGS, given the evolving context, discourse, practices, and increasing trend to rename HR as the people function. In this Fact Sheet we explore how we could audit the PPGS as implemented in organisations. We begin with the SABPP HR Audit Methodology that was developed previously and discuss its application to the PPGS.

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SABPP HR Audit Methodology

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Different types of audits used for a variety of purposes can be distinguished, as indicated in the below table.

1

Process Audit

During a process audit, one or several of the processes involved in manufacturing a product or providing a service, for example, will be reviewed with a particular focus on risks or incident-prone aspects. In addition, this audit can identify potential for increases in effectiveness and efficiency, thus helping you to optimise the processes in an organisation in a deliberate manner.

2

Certification Audit

A certification audit includes a comprehensive system review and monitoring, which comprises at least three years. It is designed to last for many years. The actual certification audit serves to establish conformity with standards or specifications, which is then confirmed by a certificate. An important prerequisite of a certification is the independent, objective and impartial evaluation by a competent third party.

3

Supplier Audit

Suppliers are evaluated with a focus on improving their management systems. Supplier audits create uniform corporate guidelines and transparency along the entire chain of supply, all the way to the previous supplier. This serves to stabilise an organisation's own manufacturing process, for example, and improves an organisation's competitive sustainability.

4

Internal Audit

Internal auditing is an independent, objective, internal assurance activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

5

Compliance Audit

Compliance means adherence to rules, which is why a compliance audit always aims to identify to what degree an organisation is committed to abide by certain guidelines. This often concerns adherence to voluntary codes of conduct; that is self-generated guidelines for conduct vis-à-vis customers or internet trading, for example. Other compliance audits verify adherence to legal requirements; that is legal compliance. This may concern areas such as the protection of resources, occupational health and safety, or quality certification.

6

Performance Audit

During a performance audit, a systematic and objective review is used to determine whether or not the selected objective has been achieved. In addition, this audit will provide information on the use of resources employed. Finding out if you have achieved your objective effectively, with an economically reasonable amount of effort. In short, it is an audit of everything related to the achievement of objective – except for accounts, which are subject to financial audits.

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The SABPP HR Audit is positioned as a performance and certification audit. It is an independent, impartial, and evidence-based audit. It focuses on performance and certification of an organisation and its HR management system against the HRM System Model and Standard. A management system is the way an organisation systematises their structures and processes in order to be successful.

The HR audit evaluates an organisation against the HRM System Model and Standard along three dimensions as shown below:

- quality of HRM approach
- extent of application across and throughout the organisation
- quality of results



The SABPP audit approach is aligned with international approaches such as ISO and the European Quality Management System, and is focused on people practices and the value add of those to the achievement of organisational outcomes.

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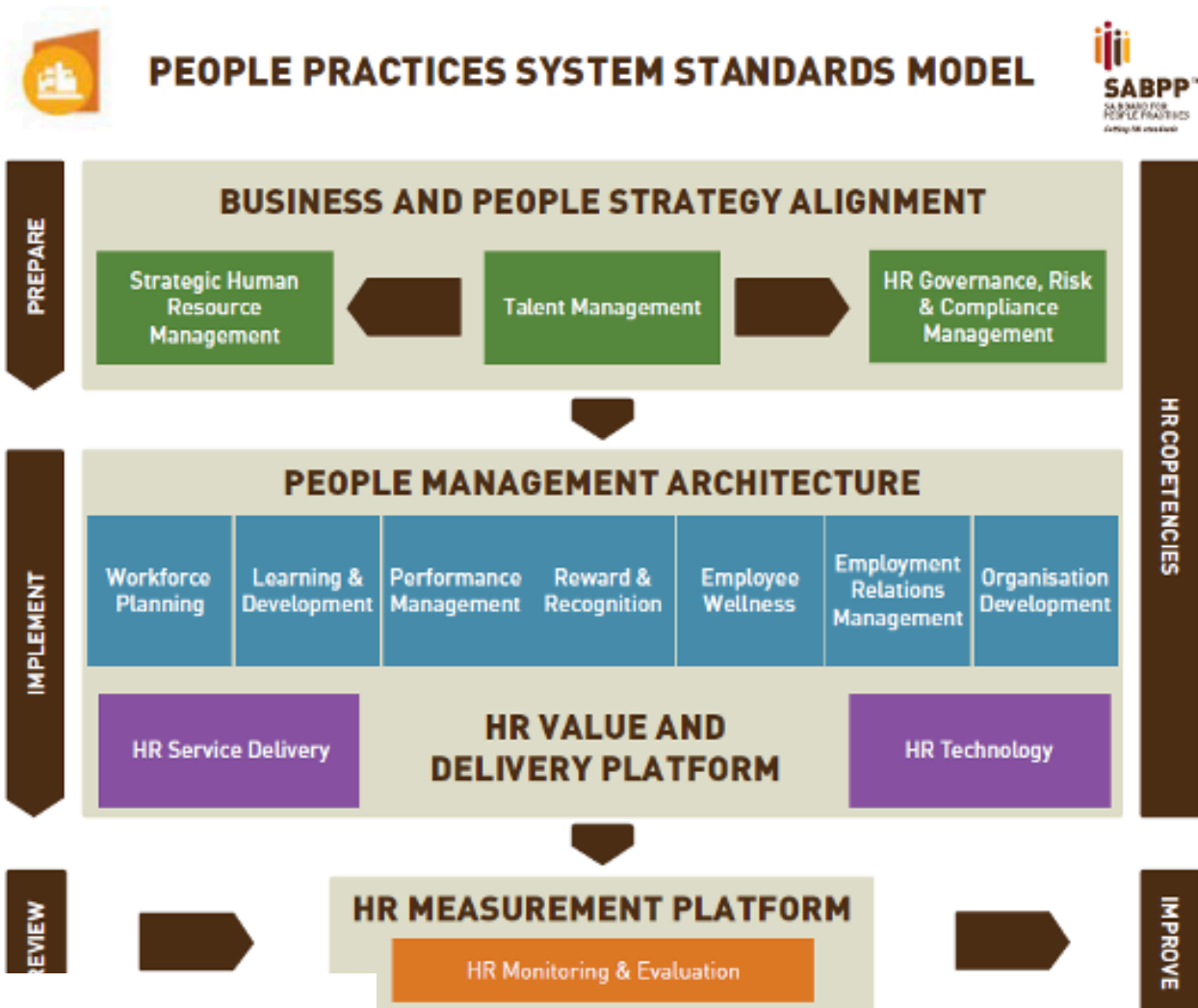
Auditing the PPGS

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The PPGS launched in October 2023 retains the concept of the previous HR Management System Model, with revisions to how the headings and some of the Standard Elements are named given the changing context, discourse, practices, and vocabulary as noted previously. The PPGS System Model is illustrated below. The Standard Elements therein, although revised, retain their structure, comprising a definition, set of objectives, process flow, and guiding principles on interpreting and implementing or realising the objectives.

Thus, the SABPP HR Audit Methodology is still relevant to the PPGS. The approach to performance and certification audit remains valid. In fact, we would argue that it is critical in the light of our evolving world of work that we consider with the revised Standards the:

- management system and quality of approach
- extent of application thereof
- and quality of results achieved.



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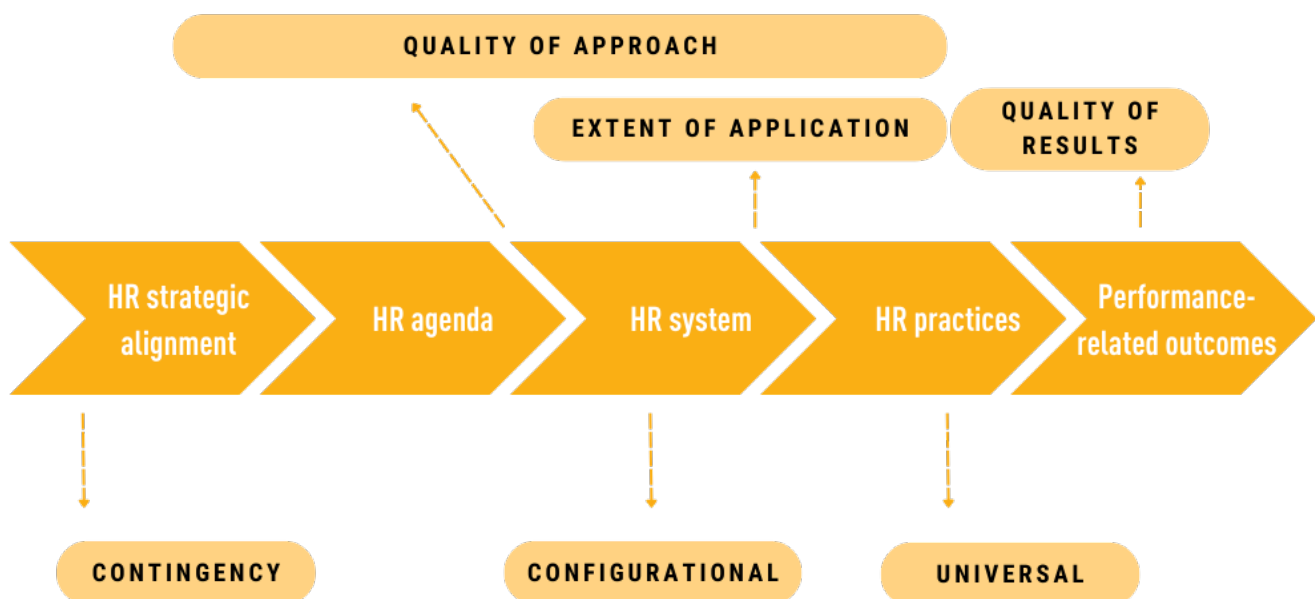
QUALITY

Let's take the example of the revised Talent Management Standard. Therein we have introduced the idea of 'talent ecosystem' to frame the wider scope of talent management given the changes in work, the workforce (with the evolving and various forms of employment relations), and the workplace. The objective set is to foster the talent ecosystem. The Standard does not prescribe one definition or scope of the talent ecosystem – remember the Standards is not a one-size-fits-all or best practice approach. The individual organisation will define and approach the talent ecosystem in alignment with its business and HR or people strategy as well as workforce planning in consultation with stakeholders. An audit of the Talent Management Standard will evaluate the quality of approach, for example, in terms of the soundness and how systematically the organisation defines and approaches the talent ecosystem. The audit will then evaluate the extent of application of this definition and approach to the talent ecosystem across the organisation. Finally, the audit will evaluate the quality of results in relation to the talent ecosystem.

Similarly, the audit will evaluate, in relation to the Strategic HRM Standard, the organisation's approach to the changing world of work, that is, the changes in work, workforce, and workplace. This is in terms of its appropriateness and applicability given the organisation's context, strategy, and contingencies as articulated in the business and HR or people strategies. To assist in interpreting our changing context to define or redefine our HR strategies, we provided a framework of strategic people themes as an example and guide (see the [October 2022 Fact Sheet](#)).

Again, the Standard does not prescribe a one-size-fits-all approach or universal best practices. The Standards are an enabling framework to define our role and professionalism as HR practitioners. As noted in the [October 2023 Fact Sheet](#), the Standards serve to enable constructive and positive processes, results and outcomes for our people and organisations. The Standards are outcomes based and do not specify a particular methodology, method, technique, or technology system. The Standards thus serve as the 'scaffolding' to build the HR or people strategy and value proposition, employment value proposition, and related people management architecture and platforms for delivery and measurement that is aligned to their contexts and organisational strategy.

The three dimensions of the Audit Methodology can be mapped, as illustrated below, to the typical strategic HRM perspectives. These were discussed in the [December 2022 Fact Sheet](#) on the introduction of a HR maturity model in the PPGS. The Fact Sheet explored the shift of focus to the HR System with the development of Strategic HRM. Attention was given to the constituents of HR systems as well as the configuration, arrangement, alignment, or synergy of individual HR practices within the HRM system and the impact thereof on organisational performance.



Source: Adapted from Jivan, A. ¹

1. <https://vantage-lab.com/blog/>

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Using the SABPP Audit Methodology

The SABPP Audit Methodology can be used in two ways, as a self-assessment and process improvement or as a formal audit by the SABPP independent Audit Unit. The formal audit will result in a certification for the organisation.

The Audit Protocol (a description of the evidence that is required in order to ascertain whether the objective set out in the Standard has been achieved) is freely available on the SABPP website for use either as a self-assessment tool or as a guide to preparation for the formal audit.

Toolkits for each of the 13 PPGS standards are also available from the SABPP. Public and in-house workshops are available through the SABPP to fully understand and interpret the PPGS.



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Conclusion

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The SABPP Audit Methodology continues to be relevant to the revised Standards and the evolving world of work. Given the flux, pace, and ambiguity of our evolving context, it is pertinent that as HR practitioners we critically reflect on our quality of approach, the extent of application of this across the organisation, and the quality of results. We need to understand why and what we are measuring before leaping into how we measure with the latest metrics and technology and analytics systems. This is part of ensuring good people practices and good outcomes and ways of achieving these, which is the underlying principle of the Standards



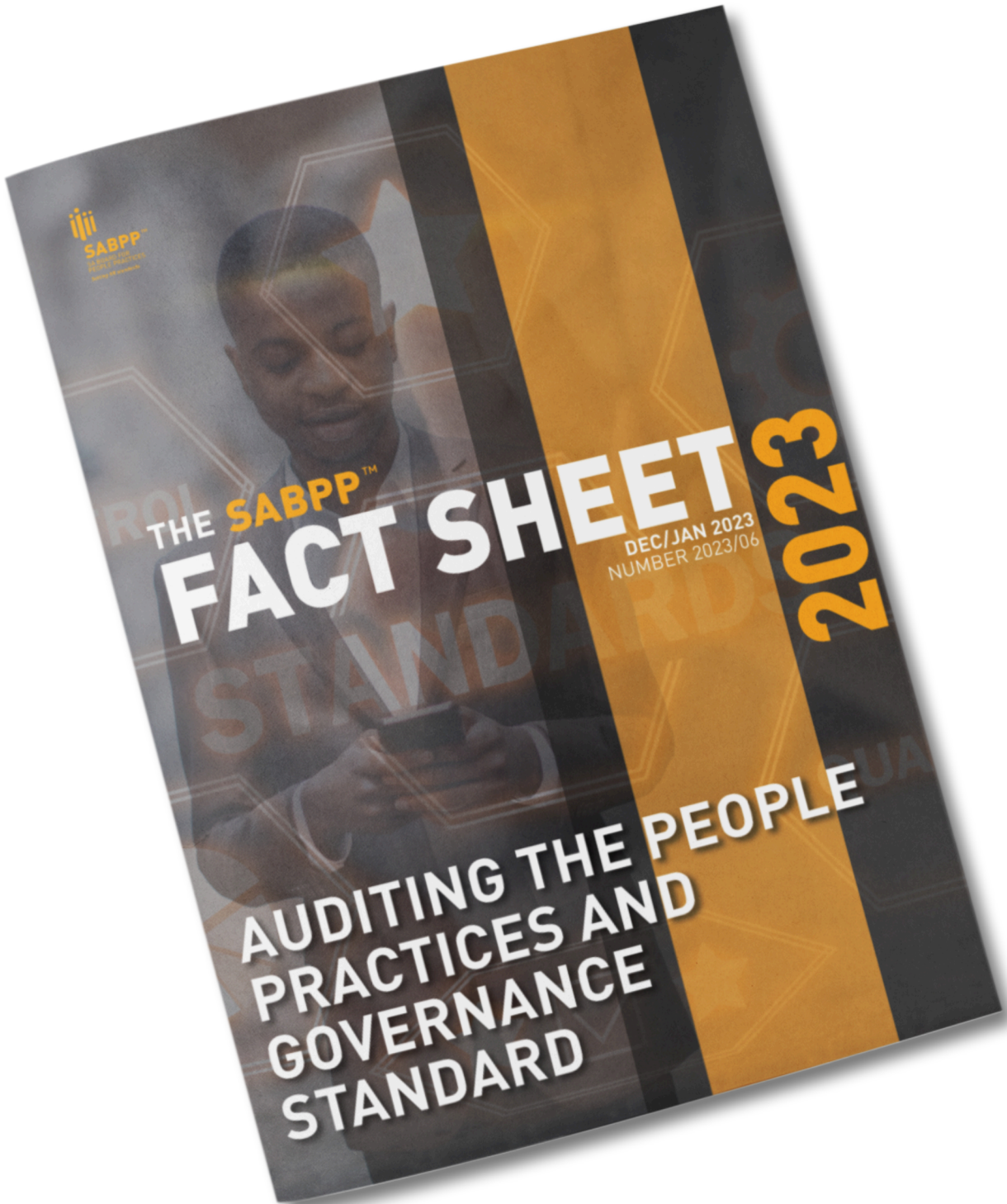
SABPP HR AUDIT UNIT

*Providing external assurance on
People Practices and Governance
Standards*



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Previous Editions of The Fact Sheet

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Setting HR standards

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