HUMAN RESOURCES
LEGISLATIVE COMPLIANCE AUDIT

NGC Lifecycle Human Resources

Contents

Designed to be scored by HR practitioners, line managers and non-HR business owners alike.

Aligned to the LRA, BCEA, EEA, SDA, POPIA, OHSA, COIDA, NMWA and King IV.

Prepared for:

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Audit Date:

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HOW TO USE THIS AUDIT

This audit is designed so that anyone in the business — not only HR specialists — can complete it accurately. Follow these five steps for each of the 25 policy areas:

1. Read the policy area's purpose. Each section opens with a short, plain-language "Why this matters" box explaining the practical risk in everyday terms.

2. Gather the evidence. The "Evidence to Look For" column tells you exactly what document, record or form should exist. If you cannot find it, the requirement is very unlikely to score above 0–1.

3. Score each requirement 0–3. Use the scoring key below. Be honest — an inflated score only hides risk, it doesn't remove it.

4. Total the section. Add up the scores for that section and enter them into the small scoring table beneath each audit table.

5. Roll up to the scorecards. Once every section is scored, transfer the totals to the Master Scorecard near the end of this document to see your organisation's overall compliance percentage and risk rating.

Scoring Key

Score	Description
0	Non-Compliant
1	Partially Compliant
2	Compliant
3	Best Practice / Fully Embedded

Risk Rating (Once Scored)

Compliance %	Risk Level	Required Action
90 – 100%	**Low Risk**	Maintain and monitor
75 – 89%	**Moderate Risk**	Improvement plan required
60 – 74%	**High Risk**	Immediate corrective action required
Below 60%	**Critical Risk**	Significant legal, financial and reputational exposure

Worked example

If a section has 6 audit requirements, its maximum score is 18 (6 × 3). If your organisation scores a total of 12 across those 6 requirements, its compliance percentage is 12 ÷ 18 = 67% — which falls into the High Risk band on the table above, meaning immediate corrective action is required for that policy area.

LEGISLATIVE FRAMEWORK

This audit is aligned to the following South African legislation, regulations and governance codes. It should be conducted at least annually, and after any significant change to the law, the organisation, or its workforce.

Legislation	What It Covers
Constitution of the Republic of South Africa, 1996	The supreme law — underpins the right to fair labour practices, equality, privacy and dignity.
Labour Relations Act (LRA) 66 of 1995	Governs dismissals, discipline, retrenchment, unions and the CCMA/Labour Court process.
Basic Conditions of Employment Act (BCEA) 75 of 1997	Sets the legal minimums for hours, leave, pay and termination.
Employment Equity Act (EEA) 55 of 1998	Prohibits unfair discrimination and requires designated employers to plan and report on transformation.
Skills Development Act (SDA) 97 of 1998 & Levies Act 9 of 1999	Governs SETAs, the skills levy, WSP/ATR submissions and grants.
National Minimum Wage Act (NMWA) 9 of 2018	Sets the legal minimum hourly wage, reviewed annually.
Protection of Personal Information Act (POPIA) 4 of 2013	Regulates how personal information is collected, used, stored and shared.
Occupational Health and Safety Act (OHSA) 85 of 1993	Sets employer duties to provide a safe working environment.
Compensation for Occupational Injuries and Diseases Act (COIDA) 130 of 1993	Provides compensation for workplace injury/illness in exchange for limiting an employer's civil liability.
Employment Services Act 4 of 2014	Regulates labour brokers / private employment agencies.
Protected Disclosures Act (PDA) 26 of 2000 (as amended)	Protects whistleblowers from occupational detriment.
Prevention and Combating of Corrupt Activities Act (PRECCA) 12 of 2004	Criminalises bribery and corrupt activity, including in the workplace.
Companies Act 71 of 2008	Sets director duties and corporate governance obligations.
King IV Report on Corporate Governance	South Africa's leading corporate governance code (not law, but expected practice).
Broad-Based Black Economic Empowerment Act 53 of 2003	Governs B-BBEE scorecards, linked closely to EE and skills development performance.
Unemployment Insurance Fund (UIF) Act & Contributions Act	Provides for UIF contributions and claims, including maternity/parental benefits.

PART 1

Employment Lifecycle

Recruitment, Labour Brokers, Induction, Employment Equity & Skills Development

1. Recruitment & Selection

Legislative reference: EEA · LRA · BCEA · POPIA · Constitution

Why this matters

Recruitment is one of the most common sources of CCMA claims and Employment Equity findings. A fair, well-documented process protects the business and the candidate — and is your first line of defence if a rejected candidate ever challenges the outcome.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Written recruitment policy exists	There is an approved, dated policy every manager refers to before advertising a role.	Signed policy document		No defence if a rejected candidate challenges the process
Adverts contain objective, job-related requirements	Adverts describe the job, not the person — no age, race, gender or marital status wording.	Copies of adverts		Unfair discrimination claim under the EEA
Shortlisting and interview scoring is documented	Every candidate is scored against the same criteria and the scoring is kept on file.	Scoring sheets / selection matrix		Cannot prove the best candidate was chosen fairly
Interview panel members are trained	Panellists know what they may and may not ask (e.g. no questions on pregnancy, health or family plans).	Training register		Inconsistent, legally risky interviews
Background and reference checks are done lawfully	Candidate consent is obtained in writing before any checks are run.	Signed consent forms		POPIA complaint
Employment contracts comply with the BCEA	Contract contains all BCEA Section 29 particulars (hours, pay, leave, notice, etc.) before the employee starts.	Signed contracts		Labour Inspector compliance order; unclear terms are read in the employee's favour

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

2. Labour Brokers & Temporary Employment Services (TES)

Legislative reference: LRA (incl. s198 / 198A) · Employment Services Act

Why this matters

Using a labour broker does not remove your legal responsibility. Get this wrong and your business can become jointly liable for the worker's wages and statutory obligations, or the worker can become your deemed permanent employee.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
TES is registered with the Department of Employment and Labour	Confirm registration before signing any contract with a broker.	Registration certificate on file		Using an unregistered broker is unlawful; joint liability
Written service agreement in place	A signed contract sets out duties, pay and who is responsible for what.	Signed service agreement		Legal disputes over responsibility
Section 198A duration limits monitored	Track how long each placed worker has been on assignment — after 3 months in the same role (for lower-earning employees) the worker may become your deemed employee.	Placement register with start dates		Unplanned permanent employment obligations
Equal treatment applied	TES workers doing the same work as permanent staff must receive no less favourable treatment on pay and conditions.	Payroll comparison		Compensation claims at the CCMA
TES compliance monitored	Periodically confirm the broker is paying UIF, PAYE and complying with the BCEA for placed workers.	Audit reports / proof of payment		Client found jointly and severally liable
Workers informed of their employment arrangement	Placed workers know who employs them and who to raise issues with.	Induction records		Unfair labour practice claims

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

3. Induction

Legislative reference: BCEA · LRA · OHSA · POPIA · Best Practice

Why this matters

A properly inducted employee understands what's expected from day one. This reduces disputes later and is essential evidence if a dismissal or disciplinary matter is ever challenged.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Formal induction programme exists	Every new starter goes through the same structured programme, not an ad-hoc chat.	Programme document / checklist		Higher early-stage turnover, inconsistent onboarding
Employment conditions explained and acknowledged	New employee signs to confirm they understand pay, hours, leave and probation terms.	Signed acknowledgement		Disputes over what was agreed
Key policies communicated	Employee receives and confirms understanding of core policies before the company relies on them in a hearing.	Induction sign-off sheet		Cannot enforce a policy the employee was never shown
Health and safety induction completed	Employee is shown emergency procedures, PPE requirements and hazards relevant to their role on day one.	OHS induction record		OHSA penalties; harder to defend a COIDA claim
POPIA obligations explained	Employee understands what personal information the company holds and their duties when handling others' data.	Training record		Data breaches caused by untrained staff
Induction records retained	Signed induction records are filed in the employee's HR file.	Employee file		Evidentiary gap in a dispute

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

4. Employment Equity Implementation

Legislative reference: EEA 55 of 1998 (as amended, incl. 2022 Amendment Act) · EE Regulations

Why this matters

Employment Equity is not a once-a-year report — it's a live plan. Designated employers that get this wrong risk escalating fines and losing the right to do business with government.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Designated employer status confirmed	You have checked whether the EEA applies to you (headcount and/or applicable turnover threshold, per the sector).	Workforce analysis		Incorrect statutory reporting obligations
EE Policy approved and a senior manager assigned accountability	A named, senior person — not just HR — owns EE performance.	Policy + appointment letter		Labour Inspector findings
EE Committee established and consulted	A representative committee meets regularly and is consulted on all prescribed topics before the plan is finalised.	Meeting minutes		Plan can be rejected as invalid
Workforce profile and barrier analysis done annually	You know your numbers by race, gender and disability at each level, and why targets aren't being met.	Workforce report / barrier analysis		Cannot set realistic, defensible targets
Formal EE Plan with numerical goals in place	A written plan (typically 5 years) sets targets aligned to the applicable sector numerical targets.	Approved EE Plan		Non-compliance findings; ineligible for an EE Compliance Certificate
EEA2 and EEA4 reports submitted on time, CEO-signed	Annual online submission completed within the prescribed window (usually 1 September – 15 January).	Submission confirmation		Fines under EEA s59 — a percentage of turnover, rising steeply for repeat non-compliance
EE Compliance Certificate obtained where required	Needed to tender for state or organ-of-state business.	Certificate		Loss of government contracts

Maximum Possible Score	Actual Score Achieved	Compliance %
21		

5. Training & Skills Development

Legislative reference: SDA 97 of 1998 · SDLA 9 of 1999 · SETA Regulations

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HUMAN RESOURCES

Why this matters

Skills spend that isn't planned and reported is money left on the table — and a compliance risk if your SETA audits your grant claims.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Skills Development Facilitator (SDF) appointed	A named, trained person manages your relationship with your SETA.	Appointment letter		Poor-quality submissions, missed deadlines
Skills needs analysis conducted	Training is based on identified gaps, not guesswork.	Skills gap analysis		Training spend doesn't reduce operational risk
Workplace Skills Plan (WSP) submitted annually	Filed with your SETA by the deadline (usually 30 April) after employee consultation.	Submission proof		Forfeiture of the mandatory grant (20% of the skills levy)
Annual Training Report (ATR) completed with evidence	Confirms what training actually happened against the plan.	ATR + attendance registers / certificates		SETA audit findings; grant clawback
Skills Development Levy (1% of payroll) paid correctly and on time	Paid to SARS monthly via the EMP201.	SARS payment records		Penalties and interest
Designated groups prioritised in training and development	Training spend visibly supports your EE targets.	Training reports by demographic		Weak transformation outcomes; B-BBEE scorecard impact

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

PART 2

Leave & Remuneration

Annual, Sick, Parental & Special Leave, Pay and the National Minimum Wage

6. Annual Leave

Legislative reference: BCEA Section 20

Why this matters

Annual leave is one of the simplest areas to get right — and one of the most commonly mismanaged when balances aren't tracked accurately.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Entitlement meets the BCEA minimum	21 consecutive days per year (or 1 day per 17 days worked) — the contract or policy may not offer less.	Policy document		BCEA compliance order
Leave balances tracked accurately	Every employee's leave balance is correct and available to them on request.	Leave system reports		Labour Inspector penalties
Leave paid out correctly on termination	Accrued, unused leave is paid out at termination — it may not simply be forfeited.	Final payslip / payroll records		Wage disputes, CCMA claims
Leave approval process documented and consistently applied	A clear process for requesting and approving leave, applied the same way to everyone.	Leave forms / system		Employee relations disputes, perceived favouritism

Maximum Possible Score	Actual Score Achieved	Compliance %
12		

7. Sick Leave

Legislative reference: BCEA Section 22

Why this matters

Sick leave is calculated over a 36-month cycle, not a calendar year — a detail that trips up many employers and payroll systems.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Sick leave cycle applied correctly	6 weeks' paid sick leave per 36-month cycle for a 5-day-a-week employee — not simply '10 days a year'.	Policy document		Underpayment claims
Medical certificate requirements are lawful	A certificate may only be required for 2+ consecutive days' absence, or a pattern of Monday/Friday absences.	Procedure document		Unfair deductions or discipline overturned
Sick leave records maintained	Absences and certificates are filed and tracked against the current cycle.	Leave records		Labour inspection findings
Process exists for managing suspected sick leave abuse	A fair, documented way to investigate a suspicious pattern before acting.	Investigation records		Inability to address abuse, or unfair action if no process is followed

Maximum Possible Score	Actual Score Achieved	Compliance %
12		

8. Maternity, Parental & Adoption Leave

Legislative reference: BCEA (as amended) · UIF Act · EEA

Why this matters

The 2019 BCEA amendments extended leave rights to all parents, not only mothers. Policies drafted before then are usually out of date.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Leave provisions comply with the BCEA	Policy reflects current entitlements: maternity leave, 10 days' parental leave, and adoption / commissioning parental leave.	Policy document		Labour Inspector findings

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Employees informed of UIF benefits	HR proactively explains how to claim from UIF, since the employer isn't required to pay salary during this leave unless it chooses to.	Information notices		Employee complaints, reputational harm
No discrimination against pregnant employees or parents on leave	Pregnancy or parental leave plays no role in recruitment, promotion or selection for retrenchment.	Recruitment / promotion records		Automatically unfair dismissal — compensation of up to 24 months' remuneration
Return-to-work process exists	A plan covers handover, phased return and breastfeeding breaks (BCEA s25).	Procedure document		Retention issues, complaints
Medical information kept confidential	Pregnancy and medical details are shared on a need-to-know basis only.	Access controls		POPIA breach

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

9. Family Responsibility & Special Leave

Legislative reference: BCEA Section 27 · Best Practice

Why this matters

Family responsibility leave only applies to employees who qualify — applying it too broadly, or too narrowly, both create risk.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Family responsibility leave complies with BCEA s27	3 days per year, correctly applied only to employees who qualify (4+ months' service, working 4+ days a week).	Policy document		Compliance orders
Additional leave categories clearly defined	Study, compassionate and religious leave (where offered) are clearly described and their terms known.	Policy document		Inconsistent treatment, disputes
Leave approval process documented	Same process for everyone, records kept.	Leave records		Employee relations disputes
Leave practices applied consistently across all staff	No group of employees is treated more favourably without a lawful reason.	Leave reports		Discrimination claims

Maximum Possible Score	Actual Score Achieved	Compliance %
12		

10. Remuneration & the National Minimum Wage

Legislative reference: NMWA · BCEA Section 34 · EEA Regulations

Why this matters

The National Minimum Wage increases annually (usually 1 March) — a policy that was compliant last year may not be compliant this year.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Remuneration policy approved and communicated	Pay principles are written down, not just 'what we've always done'.	Policy document		Governance findings
National Minimum Wage compliance confirmed annually	Hourly rates are checked every year against the latest NMWA increase.	Payroll reports		Fines of up to twice the value of the underpayment, or twice the employee's monthly wage — whichever is greater
Equal pay for work of equal value applied	Pay differences between employees doing similar work can be objectively justified (e.g. experience, performance).	Remuneration analysis		Employment Equity equal-pay claims
Deductions comply with BCEA s34	Nothing is deducted from pay without the employee's written consent or a legal/court order.	Payroll records		Unlawful deduction claims
Overtime managed per the BCEA	Overtime is voluntary, capped, and paid at the correct premium (1.5x, or 2x on Sundays/public holidays).	Payroll / time records		Wage claims
Payroll confidentiality maintained	Only authorised people can see salary data.	Access controls		POPIA breach

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

PART 3

Workplace Safety & Risk

Health & Safety, COIDA, Retrenchment and Fitness for Duty

11. Occupational Health & Safety and COIDA

Legislative reference: OHSA 85 of 1993 · COIDA 130 of 1993

Why this matters

Every employer has safety duties under the OHSA, and every workplace injury has a COIDA claims process attached to it. This is one of the most under-audited areas in South African HR compliance.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
OHS policy and risk assessments in place	Hazards for each work area have been identified and controls documented.	Risk assessment register		OHSA prosecution, fines, or imprisonment of responsible persons for serious breaches
Health and safety representatives / committee appointed	Legally required once the relevant headcount threshold is reached.	Appointment letters		Non-compliance finding on inspection
Incidents reported and investigated	Workplace injuries are reported to the Compensation Fund and investigated internally.	Incident register, WCl forms		Loss of COIDA cover defence; Department of Labour penalties
COIDA registration and Letter of Good Standing current	Company is registered with the Compensation Fund and assessments are paid up to date.	Letter of Good Standing		Employer becomes personally liable for injury claims instead of the Fund
PPE and emergency procedures in place	Correct protective equipment provided free of charge; evacuation procedures posted and drilled.	Issue registers, drill records		OHSA penalties, civil claims
Annual OHS training and toolbox talks conducted	Staff are refreshed regularly, not only at induction.	Training records		Increased incident rate, weaker legal defence

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

12. Retrenchment & Operational Requirements

Legislative reference: LRA Sections 189 / 189A

Why this matters

Retrenchments are one of the highest-risk HR processes in South Africa. Getting the process wrong — even when the underlying business reason is sound — routinely results in reinstatement or large compensation awards.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Retrenchment policy / procedure exists	Managers know they may not simply 'let someone go' for operational reasons without a formal process.	Policy document		Automatically or substantively unfair dismissal
Section 189 consultation process followed	A meaningful, documented consultation happens with affected employees/unions before any final decision.	Consultation notices and minutes		Procedurally unfair dismissal; reinstatement
Section 189A facilitation used where required	CCMA facilitation is engaged for large-scale retrenchments (thresholds depend on employer size).	CCMA referral		Dismissal set aside for non-compliance with s189A
Fair selection criteria applied	Criteria (e.g. LIFO, skills, performance) are objective and agreed or justified, not arbitrary.	Selection matrix		Discrimination or unfair selection claims
Severance pay calculated correctly	At least one week's pay per completed year of service (BCEA s41).	Final payslip / calculation		Underpayment claims
Alternatives to retrenchment considered and documented	Redeployment, short time or other alternatives were genuinely explored first.	Consultation records		Dismissal found unfair for lack of good-faith consultation

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

13. Substance Abuse & Fitness for Duty

Legislative reference: LRA Schedule 8 · OHSA · Best Practice

Why this matters

A clear, fairly-applied policy protects both safety and fairness. Dismissing for incapacity related to dependency requires a different, more rehabilitative approach than dismissing for simple misconduct.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Policy distinguishes misconduct from incapacity	Being under the influence at work vs. a diagnosed dependency are treated differently, per Schedule 8 of the LRA.	Policy document		Unfair dismissal if the incapacity approach isn't followed
Testing procedures (where used) are lawful and consistent	Testing is applied consistently, with dignity, and any device used is validated.	Testing procedure / records		Unfair labour practice, privacy claims
Employee Assistance / referral pathway available	Employees with dependency issues have somewhere to be referred for help before dismissal is considered.	EAP records		Dismissal for incapacity likely unfair without evidence of support offered
High-risk roles have specific fitness-for-duty rules	Extra controls apply where impairment creates a safety risk (driving, machinery).	Role-specific procedures		OHSA and COIDA exposure

Maximum Possible Score	Actual Score Achieved	Compliance %
12		

PART 4

Employee Relations

Discipline, Performance, Grievances, Retention and Employee Loans

14. Discipline

Legislative reference: LRA · Code of Good Practice: Dismissal (Schedule 8)

Why this matters

Most unfair dismissal findings turn on process, not on whether the employee actually did wrong. A fair process is your single biggest protection.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Disciplinary policy exists, communicated and understood	Rules are written down, explained at induction, and available to every employee.	Policy + acknowledgements		Procedural unfairness findings
Progressive discipline applied	Verbal → written → final written → dismissal, matched to the seriousness of the offence.	Warning records		Compensation awards for disproportionate sanctions
Investigation conducted before charges are laid	Facts are gathered first — no hearing is called on assumption alone.	Investigation report		Procedurally unfair dismissal finding
Employee given written notice and adequate time to prepare	At least 48 hours' notice (best practice) with clear, specific charges.	Hearing notice		Compensation of up to 12 months' remuneration
Employee allowed representation and to state their case	A co-employee or shop steward may assist; the employee gets a genuinely fair hearing.	Hearing minutes		Procedural unfairness

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Chairperson is impartial and sanctions applied consistently	Someone not involved in the incident decides; similar cases get similar outcomes.	Appointment letter, sanction register		Outcome set aside; discrimination claims for inconsistency
Appeal process available and records retained	Employee can challenge the outcome internally; the full case file is kept.	Appeal records, personnel file		Inability to defend at CCMA / Labour Court

Maximum Possible Score	Actual Score Achieved	Compliance %
21		

15. Performance Management

Legislative reference: LRA Schedule 8 · POPIA · EEA

Why this matters

Performance ('incapacity') dismissals are only fair if the employee was clearly told the standard, properly supported, and given a genuine chance to improve.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Policy and current job descriptions exist	Every role has clear, signed-off standards to measure against.	Policy, job profiles		Cannot prove the standard wasn't met
KPIs are measurable and communicated	Targets are specific and the employee has signed to confirm understanding.	Scorecards		Performance dismissals overturned
Regular reviews, feedback and coaching given	Underperformance is flagged early, not saved up for a single annual review.	Review / coaching records		Dismissal likely found unfair without a documented trail
Reasonable assistance and training given before action is taken	The employee is properly supported to improve before any sanction.	Development plans, training records		Substantive unfairness finding
Performance Improvement Plan (PIP) used with	Clear plan, clear timeframe, clear consequences — agreed with the employee.	PIP documents		Reinstatement risk

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
reasonable time to improve				
Process distinguishes incapacity from misconduct	The correct procedure is used for the right situation ('can't' vs. 'won't').	Investigation notes		Wrong process followed = dismissal set aside
Dismissal only considered as a last resort	All reasonable alternatives have been tried and documented first.	Full case record		Compensation or reinstatement

Maximum Possible Score	Actual Score Achieved	Compliance %
21		

16. Grievance Management

Legislative reference: LRA · EEA Code of Good Practice · POPIA

Why this matters

Unresolved grievances are one of the most common paths to a constructive dismissal claim — a formal, trusted process helps resolve issues before they escalate.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Formal grievance policy exists and is communicated	Employees know exactly how to raise a concern and what happens next.	Policy document		Escalation of disputes that could have been resolved internally
Grievances investigated and resolved promptly	There's a target turnaround time and it's tracked.	Investigation reports, timelines		Constructive dismissal claims
Written outcomes issued	Employee receives a written response, even if the grievance isn't upheld.	Outcome letters		Procedural disputes
Protection against victimisation	Raising a grievance can never be held against the employee.	Policy statement		Automatically unfair dismissal
Harassment and discrimination grievances handled per the EEA Code	These get a specific, confidential process, separate from general grievances.	Investigation files		Employer vicarious liability for harassment

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Trends reported to management	Repeated grievance themes are flagged so root causes get fixed.	Management reports		Repeated workplace conflict, reputational damage

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

17. Employee Retention

Legislative reference: Best Practice · SDA

Why this matters

Retention isn't just a 'nice to have' — high, unplanned turnover is itself an operational and financial risk that a simple audit can catch early.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Retention strategy documented	There's a deliberate plan, not just reacting to resignations as they happen.	Strategy document		High, costly turnover
Exit interviews conducted and themes acted on	Leavers are asked why, and patterns are addressed.	Exit reports		Loss of institutional knowledge repeats itself
Employee engagement measured	Regular pulse or annual surveys pick up problems before people resign.	Survey reports		Increased resignations
Succession planning in place for key roles	There's a plan if a critical person leaves suddenly.	Talent / succession plans		Business continuity risk
Critical and scarce skills identified	You know which roles are hardest to replace and plan accordingly.	Skills reports		Operational disruption

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

18. Employee Short-Term Loans

Legislative reference: BCEA Section 34 · Common Law · POPIA · EEA

Why this matters

Employee loans feel like a small, informal benefit — but poorly documented loans and deductions are a common and easily avoidable source of disputes.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Loan policy approved and communicated	Terms, limits and eligibility are written down and applied to everyone the same way.	Policy document		Governance findings
Deductions comply with BCEA s34	Written consent is obtained before any repayment is deducted from pay.	Signed consent		Unlawful deduction claim
Loan agreements documented	Each loan has a signed agreement setting out amount, term and repayment.	Loan agreements		Difficulty recovering the debt
Affordability assessed before granting	A basic check confirms the employee can repay without hardship.	Assessment forms		Employee financial distress, reputational harm
Applied fairly and consistently	Same criteria for everyone, no favouritism.	Loan records		Discrimination claims

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

PART 5

Ethics, Conduct & Governance

Ethics, Anti-Harassment, Human Rights, Data Protection and Whistleblowing

19. Business Code of Ethics

Legislative reference: Companies Act 71 of 2008 · PRECCA · King IV

Why this matters

A code of ethics that no one has read is not a defence. Directors can carry personal liability under the Companies Act where governance failures aren't addressed.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Approved Code of Ethics exists and is communicated	Employees have read and signed acknowledgement of the code.	Policy + signed acknowledgements		Cannot enforce standards that weren't communicated
Conflict of interest disclosure process in place	Employees declare outside interests that could compromise their judgement.	Disclosure register		Fraud / corruption exposure
Anti-bribery and corruption provisions included	Policy explicitly prohibits giving or receiving bribes, with practical training.	Policy, training records		Criminal prosecution and fines under PRECCA; director liability under the Companies Act
Gifts and hospitality rules established	Clear limits on what can be given or accepted, logged in a register.	Gift register		Reputational and fraud risk
Ethics reporting mechanism exists	A safe channel exists to report unethical conduct.	Ethics reports		Undetected misconduct
Breaches lead to consistent disciplinary consequences	The code has teeth and is enforced the same way for everyone.	Disciplinary records		Inconsistent sanctions challenged as unfair

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

20. Workplace Respect & Anti-Harassment

Legislative reference: EEA Code of Good Practice · Protection from Harassment Act

Why this matters

An employer can be held vicariously liable for harassment between employees if it did not have a proper policy and process in place — regardless of whether management knew about the specific incident.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Policy specifically prohibits harassment and bullying	Covers sexual harassment and other forms (racial, disability-related, etc.) explicitly.	Policy document		Labour Court claims
Confidential reporting and investigation process	Complainants can report without fear their identity will be exposed unnecessarily.	Complaint procedure		Employer vicarious liability
Managers trained to recognise and respond to complaints	Managers don't ignore or mishandle a complaint out of not knowing what to do.	Training records		'Failure to act' liability
Retaliation protections included	A complainant or witness can never be victimised for coming forward.	Policy document		Automatically unfair dismissal claims
Records retained securely	Sensitive investigation files are access-controlled.	Case files		POPIA enforcement action

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

21. Anti-Modern Slavery & Fair Labour

Legislative reference: Constitution · BCEA · LRA · ILO Core Standards

Why this matters

Increasingly, customers and investors expect visibility into labour practices through your entire supply chain, not just your direct employees.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Policy prohibits forced labour and child labour	Explicit statement, aligned to the Constitution, BCEA and ILO standards.	Policy document		Regulatory investigation, reputational damage
Recruitment fees to workers prohibited	The company (and its labour brokers) never charges workers a fee to get a job.	Contracts		Human rights complaints
Freedom of association respected	Employees may join a union without any form of pressure not to.	Policy document		Labour disputes
Supplier labour practices monitored	Due diligence extends into the supply chain, not just direct employees.	Supplier assessments		Supply chain liability, loss of customer contracts
Fair working conditions audited	Hours, pay and safety are periodically checked against the BCEA.	Audit reports		Labour Inspector sanctions

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

22. Data Protection (POPIA)

Legislative reference: POPIA 4 of 2013

Why this matters

POPIA applies to every business that holds personal information on employees, clients or candidates — this is not an 'IT department only' issue.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
POPIA-compliant policy exists	Covers how personal information is collected, used, stored and disposed of.	Policy document		Information Regulator investigation

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Information Officer appointed and registered with the Regulator	A named, accountable person, registered as required.	Registration confirmation		Regulatory finding
Personal information inventory maintained	You know what personal data you hold, where, and why.	Information register		Cannot respond properly to a data breach or access request
Data breach response procedure in place	A tested plan exists to notify the Regulator and affected people if a breach occurs.	Incident procedure		Fines of up to R10 million, or imprisonment for certain offences
Access controls and employee training in place	Only people who need personal data can access it, and staff are trained on their duties.	Security reports, training records		Data breaches, compliance risk
Record retention schedule established	Personal data isn't kept 'just in case' — there's a defined, lawful retention period.	Retention register		Regulatory non-compliance

Maximum Possible Score	Actual Score Achieved	Compliance %
18		

23. Supplier Code of Conduct

Legislative reference: King IV · Contract Law · PRECCA

Why this matters

Your ethical exposure doesn't stop at your own payroll — a supplier's misconduct can still land on your doorstep if there's no contractual protection in place.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Supplier Code of Conduct approved	Sets minimum ethical, labour and environmental expectations for suppliers.	Policy document		Governance deficiencies

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Suppliers contractually bound to the code	It's a term of the contract, not just a request.	Supplier agreements		No recourse for supplier misconduct
Supplier due diligence and audits conducted	Higher-risk suppliers are checked before and during the relationship.	Due diligence reports		Supply chain and reputational risk
Anti-bribery provisions included	Suppliers are contractually prohibited from bribery in dealings with your company.	Agreements		Corruption exposure

Maximum Possible Score	Actual Score Achieved	Compliance %
12		

24. Whistleblower Protection

Legislative reference: Protected Disclosures Act 26 of 2000 (as amended) · King IV

Why this matters

Whistleblowers are usually the first sign of fraud or misconduct — a business without a safe, trusted channel is usually the last to find out about a problem.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Formal whistleblower policy exists	Employees know how to report wrongdoing and that they're protected for doing so.	Policy document		Governance findings
Anonymous / confidential reporting channel available	A hotline or similar channel that doesn't require identifying yourself.	Hotline records		Misconduct goes undetected
Protection against occupational detriment	No demotion, victimisation or dismissal for a genuine, protected disclosure.	Policy document		Automatically unfair dismissal claims
Reports investigated and escalated appropriately	There's a defined process and someone accountable for follow-through.	Investigation reports		Failure-to-act claims, fraud losses

Maximum Possible Score	Actual Score Achieved	Compliance %
12		

25. Cell Phone / Device Use & Monitoring

Legislative reference: POPIA · RICA · Constitution · OHSA

Why this matters

Any monitoring of employee devices or communications must be lawful under POPIA and RICA — evidence gathered unlawfully can be excluded from a disciplinary hearing.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Policy defines acceptable use	Clear, written rules on personal vs. work use of phones and devices.	Policy document		Inconsistent discipline
Confidentiality and POPIA obligations addressed	Rules cover photographing or recording colleagues, clients or confidential information.	Policy document		Data breaches, privacy violations
Monitoring is lawful	Monitoring of company devices/communications complies with RICA and POPIA — usually requiring consent or a clear, communicated policy.	Consent forms / policy		Privacy disputes; unlawfully obtained evidence excluded from a hearing
BYOD (Bring Your Own Device) rules defined	If staff use personal devices for work, there are rules on security and removing company data on exit.	BYOD procedure		Cybersecurity risk, data loss
Restrictions for high-risk work areas	Phone use is restricted where it creates a safety hazard (machinery, driving).	Procedure document		OHSA / COIDA exposure

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

PART 6

Statutory, Governance & Wellness

Statutory Registrations, Contractor & Immigration Compliance, HR Governance, Record Retention and Employee Wellness

26. Statutory Registrations & Reporting

Legislative reference: EEA 55 of 1998 · Companies Act 71 of 2008 · COIDA · SARS Registration Requirements

Why this matters

Registrations and periodic statutory reports fall outside day-to-day Employment Equity implementation — missing a filing or registration can block trading with government or trigger automatic penalties, even when your EE Plan itself is solid.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Company registered correctly with SARS for PAYE, UIF and SDL	PAYE, UIF and SDL reference numbers are active and payroll runs under the correct legal entity.	SARS registration confirmation		Payroll non-compliance, penalties and interest
UIF declarations submitted monthly via uFiling	Employee UIF contributions are declared and paid to the Department of Employment and Labour every month, not only deducted.	uFiling submission history		Employees unable to claim UIF benefits; DEL penalties
Statutory HR reporting deadlines tracked centrally	A compliance calendar covers EEA2/EEA4, WSP/ATR, Return of Earnings and CIPC annual returns, each with a named owner.	Compliance calendar		Missed deadlines and automatic non-compliance findings
COIDA Return of Earnings submitted and Letter of Good Standing current	The annual Return of Earnings is filed with the Compensation Fund and a valid Letter of Good Standing is on file.	Return of Earnings confirmation; Letter of Good Standing		No cover for workplace injury claims; barred from tendering
Employment Equity and B-BBEE	Headcount and demographic figures reported to CIPC, SARS, the Department of Labour and your B-	Reconciliation record		Verification agency queries; credibility damage in a compliance audit

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
reporting figures reconciled	BBEE verification agency are consistent with each other.			

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

27. Independent Contractor Compliance

Legislative reference: LRA Section 200A · BCEA Section 83A · SARS Interpretation Note 17

Why this matters

Calling someone a "contractor" doesn't make them one — if the working relationship looks like employment, the law and SARS will treat it as employment, with liability that can be backdated.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Contractor status tested against the statutory presumption	Control, hours, exclusivity and tools-of-trade are assessed against the LRA/BCEA deeming factors before someone is classified as a contractor.	Classification assessment		Deemed employee status; backdated leave, UIF and benefits claims
Written independent contractor agreement in place	A signed agreement records that no employment relationship is created, and sets out each party's obligations.	Signed contractor agreement		No paper trail to rebut a CCMA claim of employment
Contractor invoices the company and manages their own tax affairs	The contractor is registered for tax in their own right, invoices the company, and is not paid through the payroll system.	Invoices; tax registration confirmation		SARS deems the relationship an employer-employee one for PAYE purposes
No day-to-day supervision or integration into company structure	The contractor isn't managed like staff — no fixed hours, no company email or uniform, no performance reviews.	Working arrangement review		Strengthens the presumption of employment
Long-standing contractor relationships reviewed periodically	Contractors engaged for extended, ongoing periods are re-assessed regularly, since duration itself is a risk factor.	Periodic review record		A long-running 'contractor' is the profile most likely to be challenged

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

28. Foreign Nationals & Immigration Compliance

Legislative reference: Immigration Act 13 of 2002 · Employment Equity Act

Why this matters

Employing a foreign national without a valid work visa is a criminal offence for the employer, not only the employee — and can result in fines or imprisonment for company directors.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Work visa or valid permit verified before employment starts	The employee holds a visa authorising the specific type of work — not a visitor's or asylum-seeker permit alone — before their first day.	Copy of visa / permit		Criminal liability under the Immigration Act
Visa expiry dates tracked and renewals actioned in time	A register flags visas nearing expiry with enough lead time to renew before they lapse.	Visa tracking register		Employee becomes undocumented; employer exposed
Quota and critical skills requirements considered for the role	Where a general work visa quota or the critical skills list applies, the role and applicant have been checked against it.	Visa category confirmation		Visa application rejected; recruitment delayed or reversed
Employment Equity reporting reflects foreign national status correctly	Foreign nationals are correctly included or excluded from EE numerical targets, since the EEA treats designated groups by citizenship.	EE workforce data		Distorted EE reporting; compliance findings
Immigration documentation retained and available for inspection	Visa, passport and permit copies are filed and can be produced immediately if the Department of Home Affairs or a Labour Inspector visits.	Employee file		Failed inspection; business disruption

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

29. HR Governance & Reporting

Legislative reference: Companies Act 71 of 2008 · King IV · POPIA

Why this matters

HR data increasingly feeds board and executive decision-making — if the numbers behind it aren't governed and can't be traced, neither can the decisions built on them.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
HR reports to executive management or the board on a defined schedule	Headcount, turnover, EE progress and disciplinary trends are reported at agreed intervals, not only when requested.	Reporting pack / minutes		Leadership blind spots; slow response to emerging risk
HR policies have a named owner and a review cycle	Every policy states who is accountable for it and when it is next due for review.	Policy register		Outdated policies relied on in a dispute
Delegation of authority for HR decisions is documented	It is clear who may approve appointments, terminations, pay changes and disciplinary outcomes at each level.	Delegation of authority matrix		Unauthorised decisions; governance failures
HR document version control is maintained	One current version of each policy or register is in circulation, with older versions archived rather than still in use.	Document control log		Conflicting versions cause disputes and inconsistent decisions
Material HR and labour risk is escalated to leadership	Significant CCMA referrals, strike activity, mass grievances or compliance failures are escalated promptly, not only in the annual report.	Escalation record		Directors' liability; reputational surprise

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

30. Record Management & Retention

Legislative reference: BCEA Section 31 · LRA · POPIA · Companies Act

Why this matters

Different HR records carry different legal retention periods — keeping records too briefly weakens your defence in a dispute, while keeping them too long breaches POPIA's minimality principle.

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Retention schedule defines how long each record type is kept	A written schedule sets retention periods for contracts, payroll, disciplinary records, medical information and recruitment data, aligned to the BCEA, LRA, POPIA and tax requirements.	Retention schedule		Records destroyed too early, or kept unlawfully long
Employee records securely stored with access control	Physical and electronic HR files are protected against unauthorised access, loss or damage.	Access control policy		POPIA breach; loss of critical evidence
Disposal of expired records is documented and secure	Records past their retention date are destroyed through a controlled, recorded process, not simply deleted or discarded.	Disposal register		POPIA non-compliance; data breach through careless disposal
Records are recoverable within a reasonable time on request	HR can produce a specific employee's file, or a category of records, promptly if requested by a regulator, court or the employee.	Retrieval test / audit		Failure to comply with a subpoena, PAIA or CCMA request
Payroll and time records kept for the statutory minimum	Records of pay, hours and leave are retained for at least three years after the relevant entry, as required by BCEA s31.	Payroll archive		Unable to defend a wage claim years after the fact

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

31. Employee Wellness & Mental Health

Legislative reference: OHSA · EEA · Code of Good Practice on the Management of HIV/AIDS

Why this matters

Employers carry growing responsibility for psychosocial risk at work — ignoring it isn't neutral; left unmanaged it becomes its own source of injury claims, absenteeism and constructive dismissal risk.

HUMAN RESOURCES AUDIT

NGC LIFECYCLE
HUMAN RESOURCES

Audit Requirement	What This Means	Evidence to Look For	Score 0–3	Risk if Non-Compliant
Employee wellness programme or EAP access available	Employees have access to confidential counselling or an Employee Assistance Programme, and know how to reach it.	EAP contract / communication		Untreated issues escalate into performance, safety or retention problems
Managers trained to recognise and refer wellbeing concerns	Line managers know the warning signs of distress or burnout and how to refer someone for support, without attempting to diagnose or counsel themselves.	Training record		Mishandled situations; potential unfair treatment claims
Reasonable accommodation process exists for mental health and chronic conditions	A documented process exists for requesting and assessing reasonable accommodation, consistent with the EEA's disability provisions.	Accommodation policy / records		Unfair discrimination claims under the EEA
Psychosocial hazards considered in workplace risk assessments	Excessive workload, harassment risk and shift patterns are considered alongside physical hazards in OHS risk assessments.	Risk assessment records		OHSA exposure; unaddressed systemic stressors
Return-to-work support after mental health-related absence	A structured, confidential process supports an employee's return after extended absence for mental health reasons.	Return-to-work procedure		Avoidable relapse, retention loss, discrimination claims

Maximum Possible Score	Actual Score Achieved	Compliance %
15		

OVERALL COMPLIANCE SCORECARD

Summary by Part

Part	Maximum Score	Actual Score	Compliance %
Part 1: Employment Lifecycle	93		
Part 2: Leave & Remuneration	69		
Part 3: Workplace Safety & Risk	48		
Part 4: Employee Relations	90		
Part 5: Ethics, Conduct & Governance	105		
Part 6: Statutory, Governance & Wellness	90		

Detail by Policy Area

Policy Area	Maximum Score	Actual Score	Compliance %
1. Recruitment & Selection	**18**		
2. Labour Brokers & Temporary Employment Services (TES)	**18**		
3. Induction	**18**		
4. Employment Equity Implementation	**21**		
5. Training & Skills Development	**18**		
6. Annual Leave	**12**		
7. Sick Leave	**12**		
8. Maternity, Parental & Adoption Leave	**15**		
9. Family Responsibility & Special Leave	**12**		
10. Remuneration & the National Minimum Wage	**18**		
11. Occupational Health & Safety and COIDA	**18**		
12. Retrenchment & Operational Requirements	**18**		
13. Substance Abuse & Fitness for Duty	**12**		

14. Discipline	**21**		
15. Performance Management	**21**		
16. Grievance Management	**18**		
17. Employee Retention	**15**		
18. Employee Short-Term Loans	**15**		
19. Business Code of Ethics	**18**		
20. Workplace Respect & Anti-Harassment	**15**		
21. Anti-Modern Slavery & Fair Labour	**15**		
22. Data Protection (POPIA)	**18**		
23. Supplier Code of Conduct	**12**		
24. Whistleblower Protection	**12**		
25. Cell Phone / Device Use & Monitoring	**15**		
26. Statutory Registrations & Reporting	**15**		
27. Independent Contractor Compliance	**15**		
28. Foreign Nationals & Immigration Compliance	**15**		
29. HR Governance & Reporting	**15**		
30. Record Management & Retention	**15**		
31. Employee Wellness & Mental Health	**15**		
TOTAL	**495**		

Compliance %	Risk Level	Required Action
90 – 100%	**Low Risk**	Maintain and monitor
75 – 89%	**Moderate Risk**	Improvement plan required
60 – 74%	**High Risk**	Immediate corrective action required
Below 60%	**Critical Risk**	Significant legal, financial and reputational exposure

HUMAN RESOURCES AUDIT

CORRECTIVE ACTION PLAN

List every requirement scored 0 or 1, the corrective action required, who owns it, and by when.

Finding	Risk Rating	Corrective Action	Responsible Person	Due Date / Status

MANAGEMENT DECLARATION

This audit has been conducted in accordance with applicable South African labour, data protection and governance legislation, and recognised HR best practice. Corrective actions identified above will be implemented within the agreed timeframes.

Auditor: ____

HR Manager / HR Executive: ____

Executive Responsible: ____

Date: ____