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## Personnel Audit As A Necessary Element Of The Personnel Management System In Organizations.

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### ABSTRACT

The article discusses the main directions of personnel audit are concretized for each individual organization and depend on its goals, on what the audit subjects would like to know in order to make optimal management decisions. Currently, personnel audit is an analysis of the personnel management system operating in the organization, the goal is to improve the work of staff in the organization. The analysis of the personnel audit in organizations. The proposed approaches to the external and internal audit staff.

**Keywords:** personnel audit, external audit, internal audit, personnel potential, shots, random inspection

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## SHORT REVIEW

Today, government agencies are paying close attention to the correctness of personal documentation in the organization, and therefore the demand for competent personnel audit specialists is increasing. Therefore, the popularity of this type of audit services as personnel audit has increased. At the legislative level, the concept of "personnel audit" is not fixed, which leads to differences in the interpretation of this concept by experts in the field of audit.

Since January 2018, amendments to Art. 360 of the Labor Code of the Russian Federation, which determines the order of organization and inspections of employers for compliance with the requirements of labor legislation and other regulatory legal acts containing labor law norms.

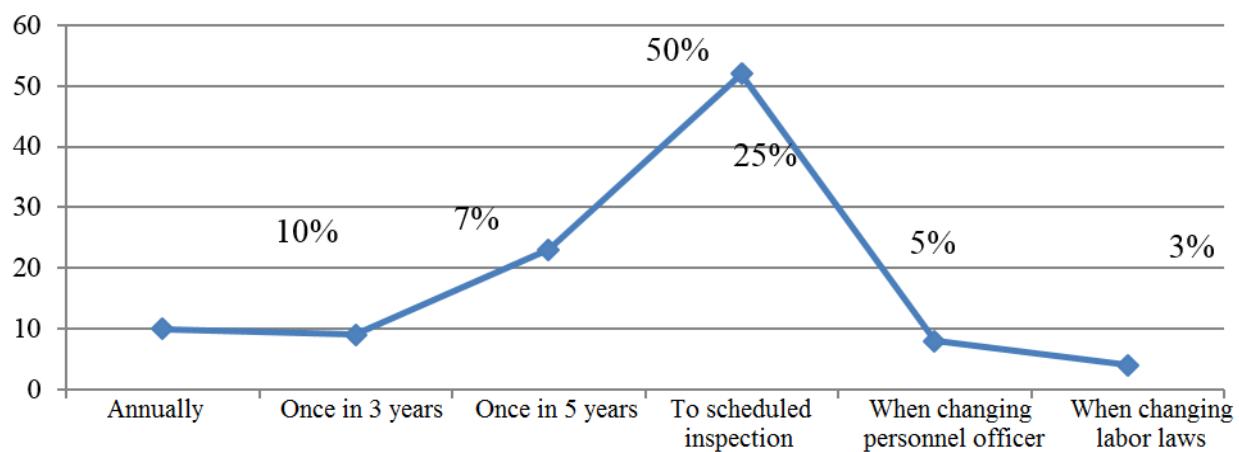
Personnel audit is a comprehensive audit of personal documentation, which is conducted at enterprises with hired personnel, for its compliance with the requirements of labor legislation and personnel records management. For the personnel audit procedure, it is customary to invite independent auditors under a leasing or outsourcing contract who have relevant knowledge in the field of labor law and can make an objective, independent, professional assessment.

One of the main directions of a personnel audit is the study of personnel potential - the workforce of the organization. The indicators of the volume of production, the level of prime cost and the quality of products, the financial result obtained, and ultimately the economic potential of an economic entity, depending on the efficiency of personal use.

The object of the audit - the personnel of the organization, indicators of their work. Quantitative and qualitative signs of labor resources determine and characterize the size of the labor potential of the organization.

The purpose of the audit of personal potential is to determine whether the organization has the human resources necessary and sufficient for its functioning and development; whether the staff is able to work effectively and in accordance with the chosen strategy, as well as the identification of labor resources, their more complete and effective use. At the same time, efficiency refers to the situation when the return on the use of resources exceeds their cost. To do this, it is necessary to assess the actual composition of workers, as well as the characteristics of the staff itself, the presence of professionally important qualities and characteristics among employees.

In Russia, according to statistics, a personnel audit is carried out only by large organizations, which is 52%, because the labor inspectorate, as a rule, does not affect small businesses. The frequency of its implementation is presented in Figure 1.



**Figure 1: The frequency of personnel audit in organizations in 2017, %**

According to Figure 1, it can be seen that organizations most often resort to this procedure only during a routine inspection of a labor inspection or every five years. This is due to the fact that the annual personnel audit requires a lot of time and human costs, a high level of data bias if the company conducts it on its own. And the involvement of an external consulting consultant causes large financial expenses, increases the risk of leakage of confidential information and obtaining biased results due to ignorance of the specifics of the organization's activities.

Personnel audit should be carried out in accordance with a number of the most important requirements (principles) that guarantee its effectiveness. As a rule, the personal audit is carried out on the basis of the principles generally recognized for any audit. These include scientific, systematic, objectivity, independence, reliability, professionalism.

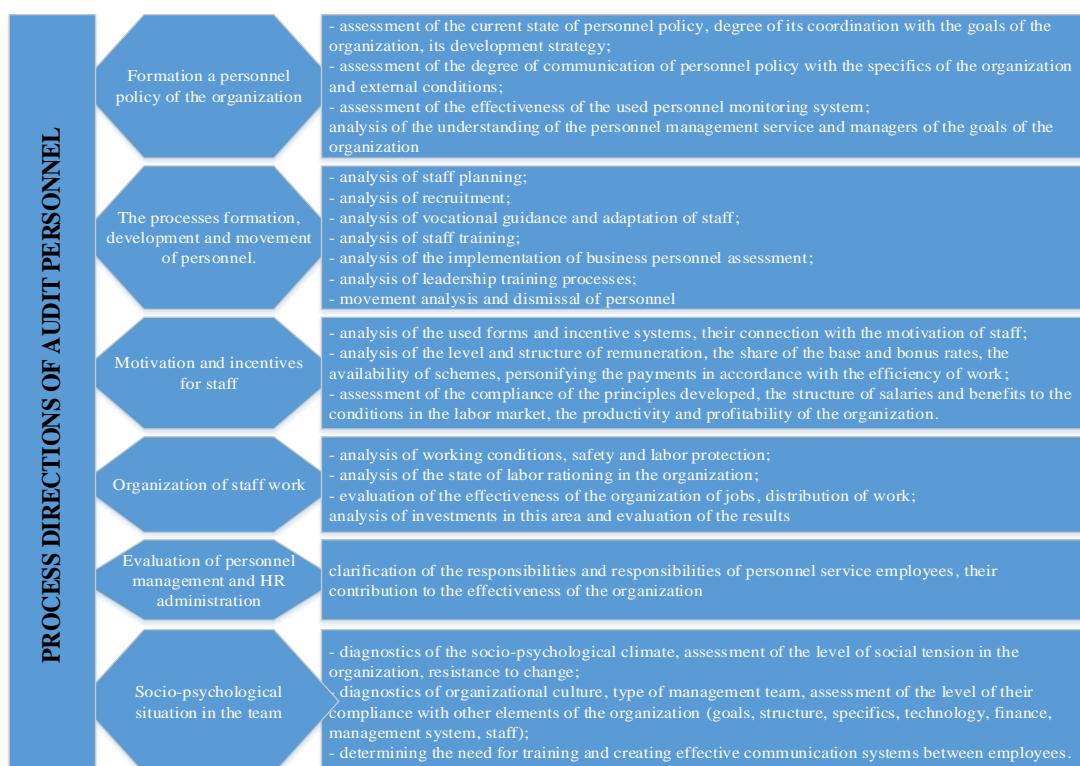
A personal audit using these principles will ensure its high efficiency, effectiveness, and cost-effectiveness.

Three main areas are subject to audit. In other words, there are three types of personnel audit facilities:

- processes - managerial and personnel, their compliance with the strategic goals and objectives of the organization, the technological level;
- structures - the effectiveness of the organizational structure, its adequacy to the processes implemented;
- personnel - quality, number, distribution within the organization, availability of personnel reserve, quality of reserve.

Some researchers also consider an audit of personnel records as a separate object of personnel audit.

Diagnostics of personnel processes are aimed at determining the effectiveness of each of the areas of human resource management in an organization. Audit of personnel processes involves checking in the following main areas, presented in Figure 2.



**Figure 2: Directions of personnel audit processes**

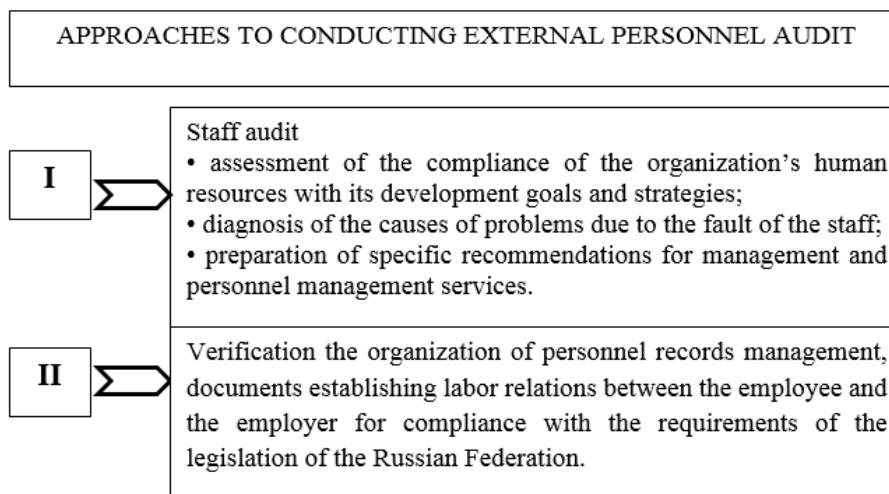
The result of the verification is the development of recommendations regarding changes in the policy and strategy of managing the organization's personnel, improving the formation and use of personnel.

The purpose of the audit of personal potential is to determine the ability of an organization to own human resources necessary and sufficient for its functioning and development, the ability of staff to work efficiently and in accordance with the chosen strategy, as well as to identify reserves of labor resources, more fully and effectively applied. At the same time, efficiency means a situation where the return on the use of resources exceeds their cost. To do this, it is necessary to assess the actual composition of workers, as well as the characteristics of the staff itself, the presence of professionally important qualities and characteristics among the employees.

Assessment of personnel potential allows to solve the following tasks:

- to assess the provision of the organization with the necessary personnel in terms of number, composition, structure and level of qualification;
- to investigate the compliance of the professional qualification level of employees with the requirements of the scope of the organization;
- to analyze the movement of personnel and its impact on the efficiency of the organization, the dynamics of production or the provision of services, as well as to identify the main reasons for the movement of personnel;
- to investigate the use of working time and the identification of reserves to reduce unproductive expenditures of working time;
- to identify the level of implementation of labor standards for the structural units of the organization;
- to study social indicators and aspects of labor activity (labor motivation, professional qualification growth, marital status, housing security).

Personnel audit can be conducted by both external auditors and internal auditors. External auditors conduct an audit of calculations with staff on remuneration both in the framework of the audit of the accounting (financial) statements and in the provision of services related to the audit. At the same time, they are regulated on the basis of the Federal Law "On Auditing" of 30 December 2008 No. 307-FZ. Personnel audit helps companies avoid many problems in the case of external audits, and also allows you to optimize the organization of the workflow. There are two main approaches to conducting an external personnel audit, Figure 3.



**Figure 3: Approaches to the external personnel audit**

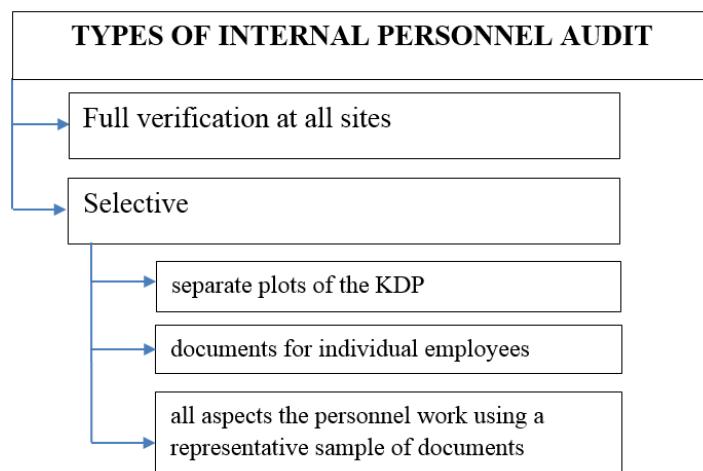
The personnel audit specialist assesses the correctness of the preparation and execution of employment contracts, staffing, orders, job descriptions, employment records and identifies various shortcomings in the work of the personnel department. The tasks of the internal audit service also include

the analysis of staff performance, the preparation of recommendations and suggestions for the management to improve the work of the personnel department and to optimize the workflow. A personal audit specialist should be well versed in labor legislation, know the rules of office work, be able to analyze the socio-psychological climate in organizations, employee loyalty and their motivation to work.

In internal personnel audit, the improvement of the activity of the personnel department and minimization of the employer's possible risks is. Monitoring of risks that an employer may be subject to in the process of passing an inspection by government agencies or resolving emerging labor disputes with employees is one of the most important aspects of internal personnel audit.

An internal personnel audit can be carried out without waiting for the instructions of the supervisory authority on the upcoming scheduled inspection. At the beginning of the year, a consolidated inspection plan for the year is posted on the website of the Prosecutor General's Office of the Russian Federation or the prosecutor's office of the relevant subject of the Russian Federation.

Consider the types of internal personnel audit, which is presented in figure 4.



**Figure 4: Types of internal personnel audit**

As a rule, an internal personnel audit is desirable to conduct in the last three years of its activities. The recommended period for checking a full internal personnel audit is from 7 to 14 working days, and a selective internal personnel audit from 5 to 7 working days. Incorrectly drafted documents on personnel may subsequently become a reason for bringing an employer to an administrative fine.

Taking advantage of a personnel audit, an employer can count on both an objective assessment of personnel records in an organization, receiving recommendations for eliminating possible inconsistencies with the labor legislation of the Russian Federation, and checking the documents governing personal data for compliance with current legislation; verification of accounting forms and primary personnel documentation; auditing the maintenance of work records of company employees, as well as accompanying documents that regulate their accounting; qualified assistance in carrying out procedures related to the field of personnel management.

The advantages of a personnel audit are presented in Figure 5.

## ADVANTAGES OF PERSONNEL AUDITING

- Reception by the head of a complete information picture regarding the personnel management system as a whole
- Opportunity to correct all existing violations, preparing for future inspections (by trade union organizations, tax authorities, labor inspectorate, etc.), without additional time spent on finding shortcomings
- Objective assessment of the real situation in the field of personnel workflow management, as well as a general assessment of the activities of the personnel department of the company and the competence of its employees
- Minimization the risks in the sphere of labor relations, substantial strengthening of labor discipline
- To make it clear to hired employees that the employer is worried about their labor rights, thus gaining increased loyalty

**Figure 5: The advantages of personnel audit**

The results of the personnel audit should be expressed in a form that will ensure objectivity and impartiality of the assessment of audit results. A good tool, for example, is the various assessment methods with numerical indicators. They are applicable to the analysis of professional suitability of employees, staff turnover, use of working time, productivity.

As a result of a personnel audit, a detailed management concept with defined and uniquely described HR processes can be used.

As a result of personnel evaluation, an employer may issue a kind of policy program document defining the company's personnel policy. The results of staff assessment may be reflected in individual opinions on employees and departments. Such reports must contain characteristics, analysis of the situation, conclusions, recommendations and plans for the further development of the organization.

Carefully prepared and well-conducted staff assessment will give the employer a large amount of reliable and useful information. According to the results of the personnel audit, you can get a clear picture of the state of personnel in the organization, intragroup processes, problems and difficulties. On the basis of the information received, it is possible later to carry out remedial measures, build a strategy for the development of personnel potential, change the system of personnel motivation, and increase the involvement of employees in management processes. As a result, an assessment of the organization's staff is given the opportunity to influence employee performance and profit.

It should be noted that, in fact, personnel audit is a specific type of analysis of the personnel potential of an enterprise, assessment of its level of human resources, a way to ensure compliance of the personnel component with development goals and strategy, as well as a tool for determining the organization's readiness for changes due to its personnel potential. The existing difficulties in its implementation significantly reduce the effectiveness of the results of the personnel audit, and the proposed

recommendations will improve the procedure for its conduct, and, consequently, increase the effectiveness of the enterprise's activities at the expense of the personnel component [1-9].

Personnel audit is a regular, multi-stage and phased process, its essence lies in constant observation, and not in periodic events. Further studies require the specification of methodological approaches and personnel audit procedures.

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