

Internal control

Chapter 6: Internal control in the business processes D. Human Resources

4. Human resources

1. General

- manage, maintain, develop and allocate the human capital present in the company in an efficient and effective way

2. Tasks of the HR-department

2.1. Staff planning en staff information system

- Staff planning should be aligned with:
 - Production planning
 - Sales/commercial planning
 - Financial planning
- Staff information system: which data?

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2.2. Staff selection and recruitment

- Input of functional superiors is needed
- Selection: assess the candidate
- Recruitment: negotiating terms of employment, employment contract
- Details of employment contract should be passed on directly to wage administration consecutive numbered standard forms

2.3. Career management

- Goal: Getting and keeping the right man/women on the right place – reducing staff turnover
- Tools:
 - Training/coaching
 - Assessments/evaluations
 - Career planning
 - Dismissal proceedings

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2.4. Wage administration

- Record keeping function – Calculation of wages
- Paying the wages should be done by somebody else!
- Data needed to calculate the wages:
 - Data from the employment contract: if there is a change, the change should be reported by HR (recruitment,) on consecutive numbered standard forms.
 - Data regarding the actual performances of the employee
- It is important that:
 - Calculations are correct
 - Calculations are timely
 - Is is sure that for alle the wages paid, performances have been made by the employee
- Generated documents:
 - Wage assignment for employee
 - Payslips
 - Reports regarding taxes and social contributions

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2.5. Determination of employee performances

- Hours worked
 - Inside the company
 - Superior
 - employee
 - Punchclock
 - Outside the company
 - Performance sheet approved by work leader or customer
- Other types of performance based remuneration
 - System of reports

