

Auditing Expatriate Management Programs

Author: Yvonne Bosson, [Bosson Consulting](#)

Chair for the Forum for Expatriate Management's [D/FW Chapter](#)

Quality reviews and audits within the global mobility programs are crucial as both domestic relocation and international assignment programs have expensive benefits. It is strongly recommended that HR conduct quality reviews of both in-house and out-sourced programs, periodically.

Mistakes happen and are unintentional! However, the sooner mistakes are found, the faster steps can be taken to correct the error and change processes accordingly in an effort to avoid similar mistakes in the future.

Based on the current recession, many companies have been downsizing. As companies conduct layoffs, employee documents must be current and in order. Specifically related to global mobility, HR must ensure they have signed agreements in order for the terms and conditions of such agreements to be enforceable (payback terms, tax advances, tax compliance and tax equalization settlements).

Although the importance of random, periodic audits is understood, many companies do not take the time to conduct such reviews. It's time to make this a priority! Companies and suppliers both need to focus on quality by periodically validating adherence to required quality management standards by conducting audits.

The validation process involves comparing actual vs. required processes and documentation. These analyses enable identification of critical performance gaps and opportunities for improvement. Constant improvement in quality management helps to reduce the risk of costly and embarrassing errors. Additionally, audits help build confidence within senior leadership that risk is being properly managed. Through these audits, companies can evaluate quality and compliance with adherence to defined processes and required documentation. However, this comes at a cost, as audits are time-consuming!

Compliance within the scope of the contract should be discussed as part of the periodic reviews for programs outsourced. These formal, regularly scheduled discussions will ensure joint alignment on expectations. Such discussions need to be open and honest, as this is the first step to a

successful, long-term partnership. Both the company and supplier will benefit and grow from these discussions and audits.

During quality reviews, you may discover that the contract needs to be revised as a company expectation may not be included in the contract with the supplier. Contract revisions are common as the scope does change, this is inevitable and contract compliance is important for all parties involved.

If your company has an internal audit team, ask for their help as you detail all the activities necessary to accomplish the goals and objectives of the audit. Once the audit plan and protocols are defined, understood and agreed, HR or the audit team can coordinate with the internal team/suppliers to make sure that all necessary personnel will be available within the specified time. Failure to provide access to the information or a misunderstanding of the audit process can delay the audit.

Concluding audit stages need careful attention! This is where the audit findings are translated into actionable steps for improvement with timelines for compliance. Before deciding if there is a need to improve or add controls, determine the severity of the problem. HR should discuss the potential consequences with all parties involved, and then determine the probability or frequency of the problem.

Several basic planning steps are essential for audit success, which are outlined below:

1. Co-develop an audit schedule:
 - a. involve the key stakeholders (Finance, A/P, Payroll, Audit, etc.)
 - b. list all items to be audited: agreements; cost estimates; balance sheets (with applicable back-up); checklists; policy exception approval/tracking; accuracy of reports, financials and billing process (if outsourced); invoice and expense report review/approval process
 - c. include approx. amount of time it will take to conduct each line item
 - d. who will do the audit for each line item
 - e. list of parties to be involved with each line item
 - f. state the location of the data to be audited
 - g. if any portion of the program is outsourced, review the scope of work in the contract and use this a guideline
 - h. randomly select files to be audited, including a sampling from all policy types and regions
2. Announce the schedule for audit to all parties and confirm timelines based on mutually available calendars



3. Document the results of the audit
4. Determine applicable corrective actions and timelines for compliance
5. Re-audit the corrective actions
6. Provide an executive summary of the audit for senior management
7. Based on corrective actions/concerns, tentatively schedule next audit

As we move forward into a world of globalization, organizations must protect themselves by setting and monitoring the quality management standards of their global mobility programs including suppliers. Quality management audits require precise planning to be effective and efficient.

Now more than ever, organizations need to have a better understanding of the quality management systems of their suppliers and the extent of associated. A company's future may depend on it.

Author: Yvonne Bosson, [Bosson Consulting](#)

Chair for the Forum for Expatriate Management's [D/FW Chapter](#)