

Compliance Concerns For Growing Business

A Wilmington, Delaware financial services firm with 85 employees.

Key Challenges

The owner of this company asked to meet with us to discover how his firm could know with confidence if they were in compliance with all appropriate regulatory issues involving benefits and human resource processes and practices. He was concerned that their accelerated growth and the evolving legislation that regulated benefits and HR might leave the firm with some exposure.

MBA Solution Presented

We agreed that keeping up with the latest federal and local business laws is a daunting task. Our team suggested an audit of general business, human resource and benefits practices and procedures, specifically assessing compliance with the:

- Health Insurance Portability and Accountability Act (HIPAA)
- Fair Labor Standards Act (FLSA)
- Occupational Safety and Health Act (OSHA)
- Uniform Guidelines for Employment Selection Procedures
- Age Discrimination in Employment Act (ADEA)
- Consolidated Omnibus Budget Reconciliation Act (COBRA)
- Affordable Care Act (ACA)
- Family and Medical Leave Act (FMLA)

The review would look at things like the company's employee handbook, employee personnel files, the compensation system, performance evaluation procedures, employee and management training programs, etc.

Measureable Results

The results of the audit showed most compliance to most applicable requirements, but there were a few changes that the company needed to make. The most significant issues involved the mis-classification of certain 1099 and W-2 status employees, missing I-9 forms, and a few questions on their new hire screening process that could be perceived as discriminatory. These were all corrected immediately, but fines, penalties and interest, even for unintentional mistakes, could be costly.



Had the issues been discovered prior to correction, they could have resulted in costs to the company of over \$75,000.