**Pay Equity Audit Checklist**

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| --- | --- | --- | --- |
| **Task** | **Done** | **Not applicable** | **Note** |
| **Initial preparation** | | | |
| Define the scope of the audit (full company, departments, protected characteristics) | ☐ | ☐ |  |
| Set objectives (identifying pay disparities or reviewing systemic issues) | ☐ | ☐ |  |
| Identify the team involved (HR, finance, legal, external consultants) | ☐ | ☐ |  |
| Set a timeline and allocate resources | ☐ | ☐ |  |
| Secure leadership support | ☐ | ☐ |  |
| Prepare for potential compensation adjustments | ☐ | ☐ |  |
| **Collect and clean the relevant data** | | | |
| Collect job descriptions and required qualifications for roles under review | ☐ | ☐ |  |
| Extract employee data — job title, gender, race/ethnicity, hire date, pay, location, hours worked, and other compensation details (bonuses, overtime, benefits) | ☐ | ☐ |  |
| Review and verify that job descriptions accurately reflect duties and required skills | ☐ | ☐ |  |
| Confirm data integrity and consistency across systems (ideally using a pay equity audit tool or spreadsheet) | ☐ | ☐ |  |
| **Conduct the audit** | | | |
| Group together employees performing equal or substantially similar work | ☐ | ☐ |  |
| Analyze average total pay by group and demographic | ☐ | ☐ |  |
| Identify pay differences within those groups | ☐ | ☐ |  |
| Investigate whether differences can be explained by legal factors (e.g., tenure, performance, location) | ☐ | ☐ |  |
| Flag unexplained or non-compliant discrepancies for correction | ☐ | ☐ |  |



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| **Task** | **Done** | **Not applicable** | **Note** |
| **Analyze causes of pay** | | | |
| Review organizational pay policies and any documented justification for differentials | ☐ | ☐ |  |
| Evaluate if current policies are being applied consistently | ☐ | ☐ |  |
| Identify any informal or subjective practices that could be contributing to bias | ☐ | ☐ |  |
| **Create an action plan** | | | |
| Create a plan to correct unjustified pay gaps, including salary adjustments | ☐ | ☐ |  |
| Set priorities based on severity or risk | ☐ | ☐ |  |
| Review and revise hiring, promotion, and compensation practices to prevent recurrence | ☐ | ☐ |  |
| Consider implementing salary bands to ensure greater consistency | ☐ | ☐ |  |
| **Communicate the findings** | | | |
| Share key findings with senior leadership | ☐ | ☐ |  |
| Decide on messaging for employees (if appropriate) | ☐ | ☐ |  |
| Emphasize the company’s commitment to fairness | ☐ | ☐ |  |
| Detail the next steps | ☐ | ☐ |  |
| **Monitoring and follow-up** | | | |
| Schedule regular audits (annually or bi-annually) | ☐ | ☐ |  |
| Use a pay equity audit template and, where possible, pay equity audit software to track changes over time | ☐ | ☐ |  |
| Monitor compensation practices | ☐ | ☐ |  |
| Ensure continued compliance with laws and internal policies | ☐ | ☐ |  |



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| **Results and Findings Summary** |
| **Pay disparities identified** |
| Summarize the pay disparities that you’ve identified in the audit. |
| **Causes of the identified pay disparities** |
| Highlight what may be contributing to the identified pay gaps (e.g., tenure, role differences). |
| **Next steps** |
| Outline the next steps to address the pay disparities that need to be remedied and the timeline for implementing them. |
| **Monitoring and follow-up** |
| Describe how pay equity will be tracked going forward and when the next audit will take place. |

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