

Civil Rights Audit Features

Since the first civil rights audit was conducted in the private sector in 2016, they have rapidly become a best practice, and for good reason. First, conducting a civil rights audit positions a company to address potential civil rights issues in its business operations proactively. Similar to a financial audit, a complete and comprehensive civil rights audit can help identify potential legal and regulatory risks under relevant civil rights laws, as well as significant issues that may not rise to the level of legal and regulatory risks but may nevertheless raise reputational risks or otherwise affect a company’s products, services, or practices. Second, conducting a comprehensive civil rights audit is an opportunity to lead: Companies can be responsive to a changing environment, mitigate risk, and position themselves as responsive to employees, customers, investors, or other essential stakeholders to advance their business objectives. Indeed, a well-executed audit can add tremendous value to a company by creating or strengthening relationships with investors, employees, customers, civil rights groups, unions and worker groups, and other key stakeholders. This information sheet clarifies how a Civil Rights Audit compares to other mainstream social audits and assessments.




	CIVIL RIGHTS AUDIT	RACIAL EQUITY AUDIT	DIVERSITY, EQUITY & INCLUSION (DEI) AUDIT	CULTURE REVIEW	HUMAN RIGHTS IMPACT ASSESSMENT
PURPOSE	<p>The purpose of a civil rights audit is to ensure that the company is engaging in the following actions:</p> <ul style="list-style-type: none">Identifying and taking steps to prevent or mitigate the risk of bias and discrimination consistent with the principles embodied in federal and applicable local civil rights laws;Advancing equity, inclusion, and equal opportunities for all in every aspect of the company’s operations and practices; andAddressing concerns of key stakeholders such as employees, customers, investors, impacted communities, and regulators	<p>A racial equity audit examines how a company’s policies, practices, and products may cause, reinforce, or perpetuate racial inequity.</p>	<p>A diversity, equity, and inclusion audit aims to collect data and understand how an organization performs against diversity, equity, and inclusion metrics.</p>	<p>A culture review aims to utilize a proactive process used to evaluate a company’s culture and identify areas for improvement.</p>	<p>A human rights impact assessment aims to to identify, predict, and respond to the potential human rights impacts of a company’s business activities and relationships, considering international human rights standards and national laws.</p>
CRITICAL FEATURES	<p>The Civil Rights Audit Standards "the Standards" set forth below are intended to provide necessary consistency and clarity while allowing sufficient flexibility to meet the specific circumstances of the audited company. The Standards also help ensure the quality of these audits and meaningful results for companies and their various stakeholders. The nine generally applicable Civil Rights Audit Standards are:</p> <ol style="list-style-type: none">Comprehensive scopeIndependent, qualified auditorMeaningful engagement with key stakeholdersAccess to critical informationRigor and objectivityTransparencyTimelinessRegular frequencyBoard oversight and accountability <p>Each Standard is set forth within the Civil Rights Audit Standards https://www.policylink.org/civil-rights-audit-standards and is accompanied by an “Explanation” section and an “Implementation” section. The “Explanation” section provides background and context for the Standard. The “Implementation” section assists in determining whether the audit has met that Standard.</p>	<p>Because the Civil Rights Audit Standards were developed to be comprehensive and encompass the attributes of a racial equity audit, refer to the civil rights audit features.</p> 	<p>Critical features of a DEI Audit include:</p> <ul style="list-style-type: none">Data-driven: Use quantitative and qualitative data to measure and track progress referencing People & Culture/HR documentationEmployee experience emphasis: Gather employee feedback on their experiences and perceptions of DEI in the workplaceComprehensive scope: Cover all employee lifecycle aspects, from recruitment and hiring to retention, promotion, and offboardingActionable insights: Provide specific, measurable, achievable, relevant, and time-bound recommendations to improve DEI in the organization	<p>Critical features of a Culture Review include:</p> <ul style="list-style-type: none">Proactive and forward-looking: Emphasizes preventing future issues rather than solely addressing past eventsIndependent and objectiveComprehensive scope: Cover all employee lifecycle aspects, from recruitment and hiring to retention, promotion, and offboarding.Data-driven: Use quantitative and qualitative data to measure and track progress referencing People & Culture/HR documentationActionable insights: Provide specific, measurable, achievable, relevant, and time-bound recommendations to improve the organization’s cultureAssessment of core values and beliefsAnalyze leadership and management styleCollect insights on employee experience and perceptionAssess communication and decision-making practicesReview inclusion and equity metricsEvaluate innovation and risk-taking climate	<p>Critical features of a Human Rights Impact Assessment include:</p> <ul style="list-style-type: none">Salient human rights issues, which have the most severe negative impactsDue diligenceStakeholder engagementIntegration with other assessments like political risk assessment or legal due diligence

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SCOPE	A Civil Rights Audit (CRA) reviews civil rights concerns raised by stakeholders, including those who requested the audit. Furthermore, periodically conducting a comprehensive CRA is a best practice and encompasses reviews of each key aspect of a company’s operations, including its products, services, policies, practices, workforce, and community impact.	Because the Civil Rights Audit Standards were developed to be comprehensive and encompass the attributes of a racial equity audit, refer to the civil rights audit scope. 	A diversity, equity, and inclusion audit scope covers all aspects of the employee lifecycle , from recruitment to exit. It examines both formal policies and informal practices that impact employee experiences .	The scope of a culture review can vary depending on the organization's specific needs and concerns. It could involve a company-wide assessment or focus on particular departments, teams, or issues .	The scope of a Human Rights Impact Assessment covers a company's entire operations , including its supply chains and business relationships. It also considers the context of international human rights framework and national laws, and industry-specific risks .
FOCUS	<ul style="list-style-type: none">Identify and take steps to prevent or mitigate the risk of bias and discrimination consistent with federal, state, and applicable local civil rights lawsAdvancing equity, inclusion, and equal opportunities for all	<ul style="list-style-type: none">Identifying and addressing systemic racism within the companyAssessing and improving the company’s policies and practices related to racial equity	<ul style="list-style-type: none">Identifying and addressing disparities and gaps in experience for different employee populations across key aspects of the workplaceAssessing and improving the company’s policies, practices, and culture to create a more inclusive and equitable environment	Ensure the culture aligns with the organization's strategic goals and values . Key focus areas may include: <ul style="list-style-type: none">Leadership effectivenessEmployee experienceAlignment of valuesDiversity, Equity, and Inclusion	<ul style="list-style-type: none">Identifying and assessing actual and potential human rights risks and impacts.Developing and implementing mitigation and management strategies to address adverse impacts and enhance positive ones
METHODOLOGY	The methodology for conducting a Civil Rights Audit includes: <ul style="list-style-type: none">Identifying civil rights concerns or areas of potential bias or discrimination raised by audit proponents or stakeholdersReview of existing policies, practices, and proceduresInterviews with key stakeholdersAnalysis of data and documentsEvaluation of efforts to prevent or mitigate bias and discrimination and to promote equity and inclusionDevelopment of specific, concrete, and actionable recommendations	Because the Civil Rights Audit Standards were developed to be comprehensive and encompass the attributes of a racial equity audit, refer to the civil rights audit methodology. 	The methodology for conducting a diversity, equity, and inclusion audit include: <ul style="list-style-type: none">Diversity, equity, and inclusion readiness assessment (Optional): Assess the organization's motivation and readiness to conduct a diversity, equity, and inclusion auditData collection from multiple sources, including demographic data, employee surveys, interviews, and focus groupsReview of policies, procedures, and practicesData analysis to identify trends and disparities across demographic groupsIdentification of strengths and risksDevelopment of recommendations for specific, measurable, achievable, relevant, and time-bound actions	The methodology for conducting a Culture Review includes: <ul style="list-style-type: none">Surveys: Gather employee perspectives on various cultural aspects using standardized questions and rating scalesInterviews: Allow in-depth exploration of individual experiences and perceptions through one-on-one conversationsFocus groups: Facilitate group discussions to gain insights into shared experiences and cultural normsObservations: Involve direct observation of workplace interactions and behaviors to assess the culture in actionDocument review: Examination of organizational documents, policies, procedures, and communication materials to understand the formal aspects of the culture	The methodology for conducting a Human Rights Impact Assessment includes: <ul style="list-style-type: none">Desk research and data collection to understand the human rights contextStakeholder engagement to gather information and perspectivesImpact assessment using tools and methodologies to identify and analyze potential harmsDevelopment of action plans to mitigate and manage risksMonitoring and evaluation of the effectiveness of efforts
DO STANDARDS EXIST?	Yes, standards exist. PolicyLink convened a Civil Rights Audit Standards Committee "the Committee"comprised of a diverse, cross-sector group of 11 professionals, including business executives, civil rights experts, investors, and worker advocates. Over 12 months, the Committee developed and approved “the Standards” through a collaborative process, with the guidance and support of Farhana Khera, a civil rights lawyer and civil rights audit expert (advisor to the Committee), CapEQ, and PolicyLink. As of July of 2024, the Standards are available here: https://www.policylink.org/civil-rights-audit-standards	Because the Civil Rights Audit Standards were developed to be comprehensive and encompass the attributes of a racial equity audit, refer to the civil rights audit standards: https://www.policylink.org/civil-rights-audit-standards). 	Because the Civil Rights Audit Standards were developed to be comprehensive and encompass the attributes of a diversity, equity, and inclusion audit, refer to the civil rights audit standards: https://www.policylink.org/civil-rights-audit-standards). 	Draft Standard 4: "Workplace culture fosters inclusion and belonging for all," of the Corporate Racial Equity Alliances' Corporate Standards details six performance targets for culture, each containing several additional resources: https://corporateracialequityalliance.org/sites/default/files/CREA2024PCP-DraftStandard-Four.pdf Mapping to other standards and frameworks that address similar issues will be included with the launch of the final standards.	Draft Standard 2: "Internal infrastructure is established for long-term success" of the Corporate Racial Equity Alliances' Corporate Standards details two performance targets, 2.4 and 2.5, containing dozens of resources, including the Guiding Principles of the United Nations (UNGP). https://corporateracialequityalliance.org/sites/default/files/CREA2024PCP-DraftStandard-Two.pdf Mapping to other standards and frameworks that address similar issues will be included with the launch of the final standards.

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DURATION/CADENCE	<p>Most civil rights audits should be completed within a year from when the auditor is retained to the issuance of the final audit report. However, larger companies or extensive audit scopes may require more than a year. While there isn't a specified timeframe for the frequency of these audits, factors to consider when determining the appropriate cadence include:</p> <ul style="list-style-type: none">• The scope of the preceding audit• The nature of the preceding recommendations• The company's progress in implementing recommendations• Whether a significant civil rights issue has arisen since the prior audit• The type of business and the degree of risk or harm it presents. Most companies would likely conduct an audit every four to five years.	<p>Because the Civil Rights Audit Standards were developed to be comprehensive to encompass the attributes of a racial equity audit, refer to the civil rights audit duration and cadence.</p> 	<p>Mixdiversity.com notes: “The duration of our DEI audits varies depending on the size and complexity of the organisation. Generally, a comprehensive audit can take anywhere from a few weeks to several months. Factors influencing the timeline include the scope of the audit, the availability of data, and the level of engagement from stakeholders.”</p> <p>Once metrics are established, organizations following best practices evaluate progress toward goals on a quarterly and annual basis.</p>	<p>Google AI: "A typical organizational culture review usually takes place on a quarterly cadence, with each review lasting half a day to a full day depending on the size and complexity of the organization, allowing time to gather feedback, analyze data, and discuss actionable insights."</p>	<p>A typical human rights impact assessment can last anywhere from a few months to a year or more, depending on the complexity of the project, the level of due diligence required, and the accessibility of information, with a common timeframe being between 6 and 8 months; however, smaller assessments might be completed in a shorter period, while large-scale projects with significant potential impacts could take longer.</p>
INVESTMENT	<p>The cost of a civil rights audit, can vary depending on the size of the organization and the time required to complete the audit. Factors that affect cost:</p> <ul style="list-style-type: none">• Time required: The more time it takes to complete the audit, the higher the cost• Organization size: The size of the organization's budget and the complexity of its finances can affect the cost <p>A typical civil rights audit will likely range between \$500 thousand to \$2 million.</p>	<p>Because the Civil Rights Audit Standards were developed to be comprehensive to encompass the attributes of a racial equity audit, refer to the civil rights audit investment.</p> 	<p>A DEI audit can cost between \$10,000 and \$80,000 depending on the size and complexity of the organization, the scope of the audit, and the consultant chosen, with smaller companies generally paying closer to the lower end of the range. Source: Google AI</p> <p>“A wholesale intervention—one in which the organization conducts an enterprisewide assessment, shares the results with the organization, plots strategy, does organizationwide education and training, and looks at changing its systems, practices, policies and procedures holistically—may take two to four years. A simple project, like revitalizing a diversity council or conducting an executive briefing, can be managed in a few days.” Costs can range from \$10,000 to more than \$2 million. Source: https://www.shrm.org/topics-tools/news/hr-magazine/diversity-consultant</p>	<p>A typical organizational culture review can cost between \$5,000 and \$10,000 for a basic assessment, with more comprehensive reviews for larger organizations potentially reaching into the tens or hundreds of thousands of dollars, depending on the scope and consulting services involved. Key points about organizational culture review costs:</p> <p>Basic assessment range: Expect to spend around \$5,000 - \$10,000 for a standard culture review. Factors impacting cost: Company size, complexity of the organization, depth of analysis, and level of consulting services required will influence the final price. Consulting fees: If ongoing culture change management is needed, additional consulting costs beyond the initial assessment can range from \$30,000 to \$100,000 per year.</p>	<p>The cost of a human rights impact assessment can vary significantly depending on the project's complexity, location, and the level of expertise required, but generally falls within a range of several thousand dollars to tens of thousands of dollars; for large, complex projects, it could even reach hundreds of thousands of dollars.</p>
WHO IS INVOLVED?	<p>A civil rights auditor is expected to conduct a diligent examination of relevant civil rights concerns or issues, including engaging key stakeholders, both internally and externally, and evaluating the impact of the company's activities on these stakeholders.</p> <p>A well-executed audit can add great value to a company by creating or strengthening relationships with investors, employees, customers, civil rights groups, unions and worker groups, and other key stakeholders.</p>	<p>Because the Civil Rights Audit Standards were developed to be comprehensive to encompass the attributes of a racial equity audit, refer to the civil rights audit persons involved.</p> 	<p>Leaders across the organization (C-Suite, leaders from most, if not all departments and business functions), qualitative data from employees, especially those from diverse or underrepresented backgrounds. Source: Tenthousandcoffees.com:</p>	<p>In an organizational culture review, employees from all company levels should be involved, including individual contributors, managers, senior leadership, and HR representatives, as everyone within the organization contributes to and experiences the company culture; this ensures a comprehensive understanding of different perspectives.</p>	<p>A human rights impact assessment typically involves a range of stakeholders including: the company or organization undertaking the project, affected community members, local NGOs, human rights experts, government officials, relevant industry specialists, and potentially independent consultants; all of whom are crucial for gathering comprehensive information and ensuring a thorough evaluation of potential human rights impacts on different groups within the affected area.</p>

RESOURCES

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<p>Making the Case for Business Civil Rights Audits: https://civilrights.org/blog/civil-rights-audit-report/</p> <p>The Rationale for and Key Elements of a Business Civil Rights Audit: https://www.civilrightsdocs.info/pdf/reports/Civil-Rights-Audit-Report-2021.pdf</p>	<p>Because the Civil Rights Audit Standards were developed to be comprehensive to encompass the attributes of a racial equity audit, refer to the civil rights audit resources:</p> 	<p>Some organizations, industry groups, and consulting firms have developed several frameworks, guidelines, and best practices:</p> <ul style="list-style-type: none">• General frameworks:<ul style="list-style-type: none">◦ Global Diversity, Equity, and Inclusion Benchmarks (GDEIB)◦ ISO Standards ISO 30414 Human capital reporting; ISO 26000 Guidelines for social responsibility• U.S. Equal Employment Opportunity (EEO) Guidelines• DEI-Specific audit tools: Bloomberg Gender Equity Index; Equity audits (Education sector)• GenderFair rates companies on a 100-point index assessing five key areas: leadership & opportunities, employee policies, advertising, diversity reporting, and social impact measurements https://www.genderfair.com/	<p>Scores of additional resources are available within the six performance targets within Draft Standard 4: "Workplace culture fosters inclusion and belonging for all" of the Corporate Racial Equity Alliances' Corporate Standards: https://corporateracialequityalliance.org/sites/default/files/CREA2024PCP-DraftStandard-Four.pdf</p>	<p>More than two dozen resources, including the Guiding Principles of the United Nations (UNGP), can be found within Draft Standard 2: "Internal infrastructure is established for long-term success"" of the Corporate Racial Equity Alliances' Corporate Standards, which details two performance targets, 2.4 and 2.5: https://corporateracialequityalliance.org/sites/default/files/CREA2024PCP-DraftStandard-Two.pdf</p> <p>Small Business Resource Center of the US EEOC: https://www.eeoc.gov/employers/small-business</p> <p>The Danish Institute for Human Rights, Human Rights Impact Assessment Guidance and Toolbox: https://www.humanrights.dk/sites/humanrights.dk/files/media/document/DIHR%20HRIA%20Toolbox_Welcome_and_Introduction_ENG_2020.pdf</p>