

A PAY EQUITY RESOURCE

Pay Equity Audit Readiness Worksheet

A practical self-assessment for lean HR teams

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This worksheet walks through the six-step framework for preparing your organization for a pay equity audit — whether driven by OFCCP, the EU Pay Transparency Directive, or a proactive internal review. It's built for HR teams who don't have a large compensation function to lean on.

How to Use This Worksheet

Pay equity audits feel overwhelming because they're treated as projects rather than systems. This worksheet reframes the work: instead of trying to pass an audit, you're building the structure that makes audits routine.

What you'll get from this worksheet

- A clear map of which regulations apply to your organization
- A readiness check against the six foundations of an audit-defensible compensation system
- Space to document gaps, owners, and next actions
- A readiness score at the end so you know where to focus first

How to work through it

Each of the six steps has its own page with a short explanation, a checklist, and space for notes. You don't need to complete it in one sitting. Most HR leaders work through it over a few weeks, using it as a living document rather than a one-time exercise.

Estimated time

45–60 minutes for a first pass. Additional time for gathering evidence and confirming details with stakeholders.

A note on scope: This worksheet is a readiness framework, not a compliance opinion. It will help you identify gaps, but specific regulatory interpretations should be reviewed with legal counsel or a compensation advisor.

1 ^{STEP 1} Know Which Regulators Apply to You

Check every box that applies to your organization. Each one points to a different set of obligations — and different proof you'll need to have ready.

United States

- Federal contractor or subcontractor → OFCCP obligations apply
- Any US private employer → EEOC (Title VII, Equal Pay Act) applies
- Operating in California, Colorado, New York, or Washington
- Operating in another state with pay transparency laws (MA, IL, etc.)

Global and International

- EU-based workforce, or non-EU employer with EU workers → EU Pay Transparency Directive
- UK employer with 250+ employees → UK Gender Pay Gap Reporting
- Federally regulated Canadian employer → Canada Pay Equity Act
- Australian employer with 100+ employees → WGEA reporting
- Operations in any other regulated market (Japan, Brazil, Mexico, etc.)

DEADLINE ALERT: The EU Pay Transparency Directive must be transposed into national law by 7 June 2026. First gender pay gap reports are due in June 2027 for employers with 150+ employees (based on 2026 data).

Notes on your regulatory scope:

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2 ^{STEP 2} Separate Two Different Questions

Pay equity answers two questions. Knowing which one your regulator is asking — and which one your leadership is asking — prevents you from running the wrong analysis.

CONTROLLED PAY GAP	RAW PAY GAP
<i>Are people paid fairly for the work they do?</i>	<i>Who holds the higher-paying roles?</i>
What it measures Pay within the same job and level	What it measures Average pay across groups
Used by OFCCP, internal audits, compensation governance reviews	Used by EU Pay Transparency Directive, UK, Australia WGEA
Fixed by Compensation design and governance	Fixed by Workforce strategy, hiring, promotion, retention

Self-assessment

Which lens is your organization currently using?

- Controlled Pay Gap only
- Raw Pay Gap only
- Both
- Neither / don't know yet

Which lens is most relevant for your upcoming audit or compliance obligation?

- Controlled (e.g., OFCCP, internal equity review)
- Raw (e.g., EU Directive, UK reporting)
- Both
- Not yet determined

Notes:

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STEP 3

Build the Foundation Before You Run Numbers

The most common audit failure pattern: teams start with analysis before the underlying structure is in place. Confirm the foundation first.

Foundation checklist

Check only the items that are fully in place — not partially, not "we're working on it."

Job architecture

Defined job structure with consistent levels and job families across the organization

Gap or owner?

Level consistency

Levels are applied the same way across departments and geographies

Gap or owner?

Salary ranges

Each role has a defined, market-aligned pay range

Gap or owner?

Hiring range discipline

Offers are made within salary ranges; exceptions are rare and documented

Gap or owner?

Standardized merit process

Merit, bonus, and equity decisions follow a consistent, documented methodology

Gap or owner?

Exception documentation

Any pay decision outside the standard process is approved and documented

Gap or owner?

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STEP 4 Document Governance

Regulators care less about perfection than process. You should be able to show HOW decisions are made. For each governance area, check whether documentation exists — and note WHERE it lives.

Job evaluation process

How jobs are evaluated, scored, or leveled

Documented where?

Pay range creation

How ranges are built and maintained against market data

Documented where?

Offer approval workflow

How new hire offers are reviewed and approved

Documented where?

Merit allocation methodology

How merit budgets are distributed and decisions are made

Documented where?

Exception review

How off-cycle pay changes and exceptions are approved and logged

Documented where?

Practitioner tip: Even if you find gaps, a clear written explanation of how decisions are currently made dramatically reduces audit risk. Documentation is a faster fix than policy overhaul.

5 STEP 5 Run the Right Analysis

Your analysis should match the question your regulator is asking. At minimum, an audit-ready analysis includes these components.

Analysis components

- Controlled pay gap analysis by gender
- Controlled pay gap analysis by race/ethnicity (where legally permitted)
- Analysis segmented by job and level
- Raw pay gap analysis (if applicable to your regulatory scope)
- Identification of statistically significant gaps

Documentation that must accompany the analysis

- Explanatory factors for any observed gaps (experience, tenure, performance, etc.)
- Adjustment decisions made and their rationale
- Review cadence and governance sign-off on findings
- Remediation plan for gaps that can't be otherwise explained

Notes on analysis scope or approach:

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STEP 6

Create a Repeatable Audit Cycle

Pay equity is not a project. It's a system. Decide your rhythm.

Our audit cadence:

- Annually
- Bi-annually
- Quarterly
- Ad-hoc only (not recommended)

We tie the audit to:

- Merit cycle
- Year-end close
- Fiscal year planning
- Separate standalone cycle

Next audit scheduled:

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Notes on our audit cycle plans:

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Your Readiness Score

Count the total number of boxes you checked across all six steps. Use the tiers below to identify where to focus first.

SCORE	READINESS LEVEL	WHERE TO FOCUS FIRST
0-10	Getting started	Begin with Steps 1-3. Confirm your regulatory scope, align on which lens matters, and build the structural foundation before running any analysis.
11-20	Partial readiness	Most foundation pieces are in place, but governance documentation is usually the gap. Focus on Step 4 next, then make sure your analysis and cycle (Steps 5-6) are defined.
21-30	Audit-ready	You have the structure and documentation to defend most audits. Use the remaining gaps to tighten specific areas and consider moving to a more proactive audit cadence.

My score:

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My readiness level:

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Top three priorities I'm taking away:

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Work With Wilson Group

If you're reading this as the one person on your team responsible for compensation — and the checklist above highlighted more gaps than you have time to close — you don't have to do it alone.

Wilson Group is a boutique compensation consulting firm that partners with small and midmarket organizations to build defensible, equitable compensation programs. We work with your HR team — not around them — to create the structure that makes audits routine.

How we can help

Pay Equity Readiness Assessment

A deeper version of this worksheet, tailored to your specific regulatory scope and organization.

Compensation Program Design

Job architecture, salary range design, governance documentation, and merit methodology.

Audit Defense Support

On-call expertise when you're facing a specific OFCCP, EU Directive, or internal audit obligation.

Fractional Compensation Leadership

Ongoing guidance for HR teams who need expertise without a full-time hire.

Ready to talk?

Schedule a 30-minute pay equity readiness conversation

wilsongroup.com/contact

About the author

Chelsea Martens is a Senior Compensation Consultant at Wilson Group. Her expertise spans total rewards, executive compensation, pay equity, HR technology, and job architecture. She holds the CCP, CECP, CBP, and SPHR certifications, as well as Workday Pro and Oracle Cloud HCM credentials. She earned her MBA from the University of Northern Colorado.