

Are you up to date on payroll?

According to the head of the Australian Payroll Association, an alarming number of Australian companies are non-compliant and not meeting statutory requirements, putting employers at risk. This risk is compounded by companies using inefficient payroll practices, and having unqualified staff to manage what is a very complex process.

APA managing director, Tracy Angwin, has recently launched a book on the subject, *The Payroll Revolution*, and is sounding a warning to company directors, chief financial officers and human resources managers over the urgent need for all businesses to come up to speed on their payroll obligations or risk serious consequences, including substantial penalties and brand damage. "The fact is that most businesses are not taking their payroll obligations as seriously as they should be, and are failing to leverage payroll as an asset of the organisation," Ms Angwin said.

"We can see that through payroll disasters, such as the rollout of Queensland Health's flawed payroll system, which could ultimately cost taxpayers up to \$1.2 billion, and the \$20 million payroll fraud at retailer Clive Peeters."

Ms Angwin said that changes to the Fair Work Act at the end of 2012 meant that businesses needed to be fully compliant on their payroll systems or they risked substantial fines from the Fair Work Ombudsman.

"There is simply no margin for error, but unfortunately a large number of the people employed in payroll do not have proper payroll qualifications.

"They have usually fallen into

a payroll career; but this is exposing their organisations to serious risk.

"I believe there is a opportunity for company executives to leverage their payroll operations to more effectively support key business objectives.

In *The Payroll Revolution*, Ms Angwin writes specifically about the Australian employment environment, covering current legislation, and includes insights from the most comprehensive payroll benchmarking study to be completed in Australia.

"There is still a misconception in business that payroll is a simple, single dimensional back-office function.

"In reality, payroll professionals are responsible for understanding and interpreting a myriad of ever-changing regulations and legislation as well as managing the demands of employers and employees.

"There are hundreds of potential pay components applicable to employees pays. Each of these are calculated based on the industrial instrument that determines an employee's pay and each can be treated differently in relation to payroll tax, superannuation and leave accrual often depending on the employees state location.

"The permutation of ways to pay employees is impossible to calculate and subsequently the risk of incorrect payments to staff is high."

Ms Angwin said that when payroll within an organisation is correct, it typically goes unnoticed, but when it's wrong it can get media headlines.

To alleviate poor payroll practice, APA has recently launched the first nationally accredited payroll qualifications in Australia, including a Certificate IV in Payroll Administration and a Diploma of Payroll Management.

"Until now, having professionally qualified staff undertaking payroll management and administration has been overlooked in the corporate governance process, but organisations need to be disciplined in payroll governance, compliance and documentation.

"Payroll personnel should be qualified to undertake their duties. It's very much about de-risking the organisation and protecting the brand – and organisations that harness their payroll operations and staff, and to leverage them properly, will add value to their overall business assets."