

Payroll Audit



In recent times we have seen the Fair Work Ombudsman (FWO) take firm, and very public, action against companies who have failed to properly compensate their employees. This trend is likely to continue as the FWO has made clear that there are a number of key industries in which employees have been regularly underpaid over a significant period of time, which they will be investigating. The underpayment of staff appears to be most prevalent for industries with casual or shift workers such as hospitality, manufacturing, retail, media and healthcare.

Whilst the media and the FWO have painted many businesses in breach of the Fair Work Act 2009 as villains, we understand from working with a number of businesses in this position that many times breaches of awards or underpayment of staff comes from an accidental misunderstanding of employer obligations. In most cases the complex and changing nature of awards and classifications of employment have resulted in staff underpayment without the employer's knowledge. This can happen quite easily if your payroll or HR function in your business is not across your compliance requirements or if you have enterprise agreements that have not been updated in the past decade.

The good news is that we can help you to take steps to resolve any payroll issues before FWO takes action.

How we can help

Pre-emptive Payroll Audit

If you are concerned that you may have an issue with your payroll the best way to check would be to have a third party audit your payroll. This process is undertaken by a team who will calculate the correct payroll for your employees this process will include:

- Review of applicable awards and/or contracts
- Review of pay rates including penalty rates
- Accurate calculation of wages and superannuation

- Review of contractor and vendor status
- Review of Payroll tax
- Assistance in finding a resolution should a payroll issue be identified.
- Recommend controls to mitigate future payroll risks.

Fair Work Australia Mandated Enforceable Undertakings including periodic Payroll Audits

If you have already been investigated by the FWO and are a party to an agreed Enforceable Undertaking with FWA more than likely you will have agreed to a number of periodic audits as part of the undertakings. We can assist you meet those enforceable undertakings particularly in regard to required audits.

Fair Work Australia Mandated Enforceable Undertakings including periodic Payroll Audits

If you have been notified of an impending investigation or you are already involved with an FWA investigation we will be able to assist you through this process by working closely with you and your legal representatives. In the event you don't have specialist labour law support we would be more than happy to recommend the appropriate person or team to you, particularly those we have already successfully worked with. Our aim is always to protect our client through a most trying and difficult process and being able to reach an amicable resolution with the FWO.

For additional information please contact a Nexia Advisor.

Nexia Australia

Level 16, 1 Market Street, Sydney NSW 2000

t +61 2 9251 4600, f +61 2 9251 7138

info@nexiasydney.com.au

www.nexia.com.au