

PAYROLL AUDIT – Why???

There is no question that Fair Work Commission (FWC) has taken a strict approach to companies that fail to meet compliance obligations and continue to under-compensate their employees.

They have no problem naming and shaming companies that have breached their payroll compliance regulations. Take Woolworths, for example. They were recently exposed for major underpayments of salaried managers.

And they are not alone. There is a myriad of companies that continue to (intentionally and unintentionally) violate payroll compliance, including cafes, hairdressers and disability services providers.

The FWC website has a long list of media releases that are specifically aimed at naming and shaming employers who fail to meet their employer obligations and comply with payroll legislation.

So, how do you know you are 100% compliant?

Well, the first place to start is a payroll audit.

The FWC has found that wage theft (or wage underpayments) is a direct result of failing to conduct annual audits to ensure that their staff, including annualised staff, are being compensated correctly.

Australia has one of the most complex workplace laws in the world. So, there is no doubt that interpretation of the jargon-heavy Modern Awards has become a tricky, time-consuming task for many employers.

Suppose you are feeling concerned that you may not have interpreted your industry's Modern Award or Enterprise Agreement correctly, or you just want to make sure you are not in breach of your obligations. In that case, you may want to consider undertaking a payroll audit before the FWC comes knocking on your door.