

# Alert – Education Emerging payroll risk

Correct interpretation of the Enterprise Bargaining Agreement for overtime and leave loading will mitigate the risk to University finances and reputation.

## Impact of misinterpreting the EBA

ShineWing Australia, through its extensive work with the Universities, has identified an emerging risk pertaining to the determination of payroll to casual and sessional staff for overtime and leave loading.

The issues arose from the interpretation of the EBA over a 7 year period and the Payroll masterfiles/tables not being updated to configure different rates of pay based on the time and hours of overtime worked by casual and sessional staff.

## Have you considered your:



### Financial risk

- Underpayment to employees
- Payroll tax underpayment
- Superannuation underpayment
- WorkCover underpayment
- Annual leave loading underpayment
- Penalties arising from underpayments



### Reputation risk

- Staff morale
- Community



### Compliance risk

- Payroll tax
- Superannuation Act

## Mitigate your risk

ShineWing Australia has assisted individual Universities to:

- Quantify the underpayment of individual overtime pay in addition to the superannuation, annual leave, WorkCover and leave loading liabilities within the required timeframes
- Liaise with the Auditor General's office to provide assurance on the work being undertaken and to provide regular updates
- Maintain auditable records for the Auditor General's review
- Liaise with legal advisors re ramifications of underpayments on tax and superannuation liabilities and any provisions required
- Work with HR to identify root causes of the issues and identification of all costs requiring quantification.

Our approach of engagement, senior personnel on the project and efficient use of data analytics resulted in a cost efficient, seamless process with the all stakeholders being satisfied and no penalties being applied.



### Jonathan Thomas

Partner, Assurance & Advisory

T +61 3 8635 1972

M +61 419 135 760

E [jthomas@shinewing.com.au](mailto:jthomas@shinewing.com.au)



### Steven Allan

Partner, Business & Private Client Advisory

T +61 3 8635 1913

M +61 419 365 364

E [sallan@shinewing.com.au](mailto:sallan@shinewing.com.au)



### Pallavi Khanna

Associate Director, Assurance & Advisory

T +61 3 8779 6554

M +61 437 989 501

E [pkhanna@shinewing.com.au](mailto:pkhanna@shinewing.com.au)

We work with 35 of the major education institutions in Australia, and can help you to take the lead in managing your risk.