

KPMG Payroll Connect

Helping you optimise payroll



Payroll function has never been under more pressure.

Changing operating models, increased regulatory change and widespread concerns about wage theft and underpayments means that the payroll function has never been under more pressure. KPMG can work with you to help relieve that burden.

Given these challenges, now might be the right time to re-think and reshape payroll operating models, technology solutions and broader governance and strategy approaches. KPMG Payroll Connect offers the right expertise and technology to help you reshape your payroll strategy and operations, no matter where you are in the process.

> Common Challenges

Poor governance and strategic direction

- Poor governance across the end-to-end payroll process to mitigate operational, reputational and financial risks.
- Ineffective operating models and inability to harness the potential of payroll to achieve strategic objectives.

Compliance burden and lack of agility

- Significant compliance burden associated with Modern Awards, Enterprise Agreements and complex legislation.

- Inability to quickly adopt to changing business strategy and respond to the impact of complex legislation changes.

Legacy systems & poor processes

- Inefficient and outdated systems requiring manual workarounds to manage payroll complexities.
- Legacy processes and insufficient controls that could lead to compounded errors.

Sub-optimal resourcing & lack of expertise

- Sub-optimal use of resources resulting in a costly function to support payroll.
- Staff not getting the requisite training.

> Our Differentiated Approach

We focus on your needs to bring the most viable solution for transforming your payroll.

We can support you in every aspect of your transformation journey through our multi-disciplinary team of specialists and best-in-class technology solutions.

Diagnose

Our services include a comprehensive vulnerability assessment, a thorough technology assessment and systems configuration review, a detailed industrial instruments review, advanced payroll remediation analytics, and a detailed review of payroll functions and strategies.

Reshape

We can assist in the transformation of your payroll function by providing a managed payroll service, change management, process mapping and documentation, specialist secondment, and modern technology.

Optimise

We could help in the optimisation of your payroll by utilising our optimisation tools, payroll compliance analytics and existing technology.

Our Services

We can develop or **customise** solutions to meet your specific needs.

Diagnose

Reshape

Optimise

> Diagnose

Vulnerability Assessment

Vulnerability assessments of your payroll environment to identify potential exposures to wage underpayment or non-compliance.

Technology Assessment

Gap analysis of your IT infrastructure supporting your payroll operations to identify technology limitations that have resulted in payroll inefficiencies and inaccuracy.

Industrial Instruments Review

Review of the interpretation of your industrial instruments to identify areas that may present a high risk of error.

Payroll Remediation Analytics

Technology enabled recalculation of your payroll obligations (superannuation, payroll tax, PAYG) to identify shortfalls or overpayments.

Payroll Function and Strategy Review

Review of the payroll function, governance, processes, risks and controls, capabilities of team members, and systems used to streamline and optimise your payroll operations. Co-create with you a payroll service delivery strategy and target operating model along with new or updated processes.

Systems Configuration Review

Review of your systems configuration that can cover pay code set-up against legislative and contractual obligations, and time and attendance configuration against the interpretation of your industrial instruments.

> Reshape

Managed Payroll Service

Shifting your operating model to our outsourced solution where we will manage your end-to-end payroll processing, and the administration of all of your employer obligations, including: payroll tax, pay as you go (PAYG), superannuation, workers' compensation, employee share scheme (ESS).

Transform with Modern Technology

We will bring the right technology solution for you depending on your requirements – address compliance gaps, talk about strategic direction – whether you are looking for an end-to-end HR, workforce management and payroll platform. We can implement the technology for you, with the right specialist inputs, so you are starting right, first time, every time.

Process Mapping and Documentation

We can help strengthen your payroll control environment by mapping out your existing or desired payroll processes, risks and controls. We will then build your payroll operating procedures and other relevant documentation to improve efficiency and build on the business' ability to be resilient.

Specialist Secondment

Where you require temporary help as you navigate changes in your payroll operations or work through your transformation, we can provide you with staffing support at the right level and with the expertise that you require.

Change Management

We will support you in managing operational and/or technology changes through a risk-controlled approach that is enabled by digital tools and a robust framework to ensure minimal disruption while you continue to focus on managing your business.

> Optimise

Optimisation Tools

Technology-enabled data analytics to drive desired business outcomes such as cost-effective rostering, optimal remuneration packaging and other areas for continuous improvement.

Optimise Existing Technology

Optimise based on existing technology, machine learning and self-diagnosing of issues due to automation

Payroll Compliance Analytics

Technology assisted periodic review of your payroll obligations such as superannuation, PAYG, payroll tax and annual and long service to identify discrepancies in a timely way, making managing your financial risk exposures and compliance obligations easier and more efficient.

Our Technology

Technology is at the forefront of our service offerings. The range of our technology solutions can vary from data analytics engines and bespoke automator tools through to an end-to-end workforce management and payroll platform.



Market leading Workforce Management and Payroll Platforms

- In-built compliance tools that support payroll compliance with current requirements
- Embedded machine learning to help identify and validate errors
- Workforce optimisation capability
- Employee Service Portal that provides greater employee engagement
- Ultimate flexibility and security in the cloud
- Ability to operate a multi-country payroll (where necessary)
- Comprehensive integration capabilities available (where required)
- Tailored to the needs of the organisation



Payroll Analytics

- A suite of analytics tools and dashboards designed to identify and diagnose wage underpayments and employment tax compliance risks
- Wage underpayments, super guarantees and other employment taxes
- The analytics covers superannuation guarantee, contractual superannuation obligations, PAYG withholding and payroll tax
- Management dashboards to monitor and rectify compliance breaches.



KPMG's Digital Gateway

- Web-based collaboration and management tool that provides a single environment in which to monitor and share information efficiently and securely
- Assists in meeting your expectations by providing transparency, tracking and teaming, offering workflow management and reporting and governance.
- This proprietary, cloud-based platform empowers you to adapt to the ever-growing expectations of internal stakeholders, management, business partners, and regulators.

Key Benefits



Specialist, Holistic & Tailored

Our multidisciplinary team of specialists in payroll assurance, governance, employment law, taxes and technology will work with you to identify practical solutions, aligned to your objectives, community expectations and market best practice.



Improved Governance & Compliance

The right compliance means that regulatory changes are addressed as it happens and ensures that the correct wages, leave loadings and tax are seamlessly applied to every pay run.



Cost Optimisation & Efficiency

The right people, processes and technology to drive cost efficiencies and mitigate risks. Transparent, value for money, fees and ongoing communication enabling cost containment. Turn your payroll into a true value-add function and not just compliance and back-office support.



Technology

Compliant with country-specific requirements (e.g. Single Touch Payroll integration for Australia), 24/7 employee portal connectivity, and a central collaboration portal providing greater control and governance.



Continuous Improvement

Continually improve payroll governance to optimise the transformation process with data analytics and robust risk management.

Case Studies

Payroll expertise, brought to address non-compliance

Significant media attention focused on underpayments prompted this private equity firm to review the payroll compliance of six entities within the equity firms' portfolio.

KPMG was engaged to assess potential exposure to risk of breaches of obligations under Modern Awards, Enterprise Agreements and the Fair Work Act.

KPMG performed a forward-looking risk assessment and delivered a report on the compliance of employee records, maturity of payroll governance structures and areas of underpayment vulnerability.

Optimising payroll operations, through a managed service

A German hyper market giant was facing challenges in its payroll due to limited functionality and scalability of the payroll system, risk from errors due to incomplete and incorrect data inputs with manual processes, and lack of digitisation in its payroll processes.

KPMG worked with client to transition its payroll administration to an outsourced model with KPMG providing a holistic service that included end-to-end payroll processing, employer obligations (e.g. payroll tax, FBT and workers' compensation), and ad hoc employment tax insights and advice. KPMG's model was able to scale up with the business' rapid growth. Employee engagement improved with enhanced self-service functionality to manage changes in personal information and leave requests and balances.

Reshaping payroll, with digital transformation

Working alongside a market-leading technology alliance partner, KPMG has assisted a Go8 university transition their legacy payroll, and time and attendance system to a modernised payroll solution that is capable of catering to the complexities of the higher education sector.

The new payroll solution brings the following benefits:

- Automate award and EBA interpretation
- Enhance time recording and activity logging
- Streamline complex superannuation requirements
- Decrease pay processing time
- Minimise manual processes & ad-hoc pay runs
- Provide a single view of an employee including various roles and pay rates

Payroll functional review, eliminating waste

A steel manufacturing organisation that employs more than 6,300 across the country had a large number of employees engaged via enterprise agreements that resulted in a highly complex payroll.

After transitioning its payroll system and processes from an outsourced to in-sourced model, our client faced a number of challenges, largely due to the inability to shift away from inefficient paper-driven processes, sub-optimal use of systems, lack of governance, and poor training and development of staff.

KPMG worked with client for a deep dive review of its payroll function. KPMG identified opportunities to improve effectiveness either through process improvements or through utilising automation and technology, including a roadmap to transition.



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