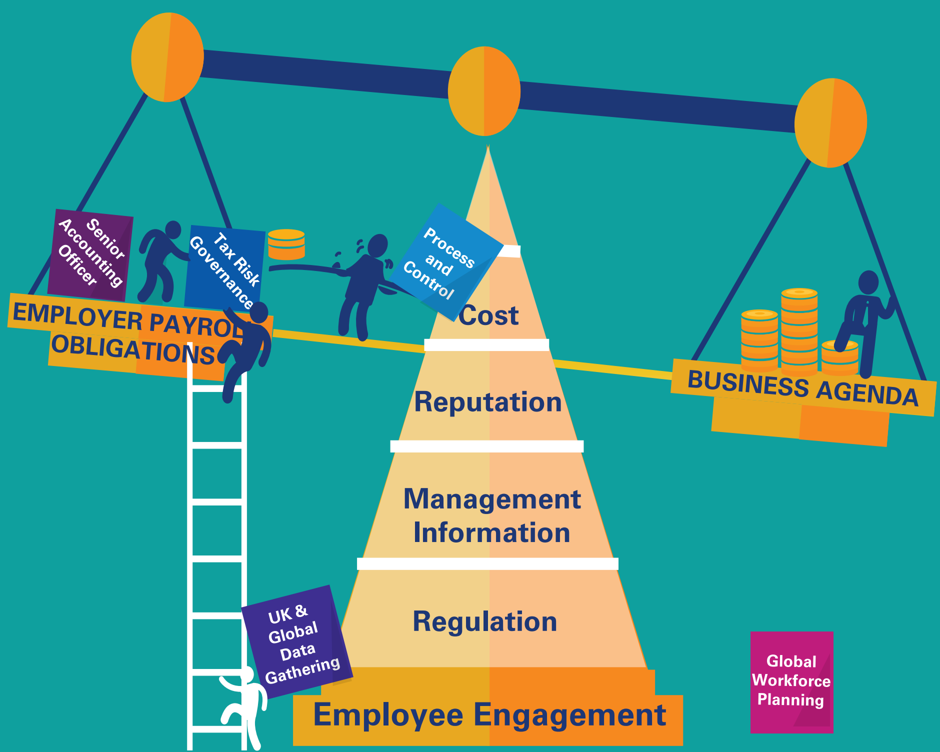
KPMG

Payroll advisory

Payroll governance and compliance

As governance and compliance become ever more important, it is no surprise that businesses are focusing on one of their single biggest financial and reputational risks: employer payroll accountability. Striking the right balance between strategic objectives and payroll governance offers real value-add opportunities in terms of cost savings, reputational protection, management information, regulatory compliance and employee engagement.

The value measure of governance and compliance



UK & Global Review

To help maintain or reinforce the value measure of your payroll operations, KPMG can undertake a UK/Global Payroll Review covering the following:

Payroll processes and how they support compliance across the employee lifecycle e.g:

- the payroll configuration for tax and social security is correct;
- year end and all other compliance processes and deadlines are met;
- employees are paid by contractual due date
- the collection and processing of variable pay data;
- the process of calculating UK tax withholding on share awards is compliant.

Data feeds into and out of the payroll system, either manual or automated, and the optimisation of these e.g:

- confirming how payroll data is updated;
- understanding the current payroll systems landscape and file transfer;
- reviewing the ownership of these files and responsibility for their timely transfer;
- identifying and understanding where any manual manipulation of files is required.

Payroll functionality and whether this is enabled as part of the ongoing payroll cycles e.g:

- review what payroll software functionality is currently enabled;
- assess manual interventions required per payroll cycle and the system limitations which lead to such calculations;
- evaluate current payroll software reporting functionality.

Control gaps over the payroll system, function or processes and the potential for payroll errors to occur, e.g:

- the segregation of duties;
- the flow of payroll information and payroll calendars between key stakeholders;
- the payroll period and year end sign off procedures;
- the method and authorisation procedures for manual calculations;
- reconciliation of payroll discrepancies.

If you would like to further explore how KPMG may help you, please contact one of our Payroll Advisory Team.

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