



Australian Government

**Office of the Australian Building and
Construction Commissioner**

Finance Direction 13

Payroll

Process Owner: Chief Financial Officer
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Change History

Update the following table as necessary when this document is changed:

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June 2007	Procedure Drafted
December 2007	Approved version
January 2011	Position titles amended
August 2011	Procedure Updated for New Organisational Structure
October 2011	Procedure Updated for ABCC EA

Table of Contents

1. Commissioner’s Instruction (CI)	1
2. Introduction & Objectives	1
3. Supporting Information	1
3.1 Related References & Pronouncements	1
3.2 Responsible Officers and Contacts	1
3.3 Definitions & Terms.....	1
4. Guidelines	2
4.1 Manager Responsibilities.....	2
4.2 Employee Responsibilities	2
4.3 People, Learning and Culture (PLC) Team Responsibilities	2
4.4 Accounting Services Team Responsibilities	2

1. Commissioner’s Instruction (CI)

The Executive Director, People, Learning and Culture must:

- issue directions and procedural instructions to employees involved in payroll processing;
- ensure that employees involved in payroll processing are adequately trained;
- set in place appropriate internal controls (including separation of the input function from the certification function);
- set in place terms in the ABCC Enterprise Agreement that authorise the ABC Commissioner to deduct overpayments from an employee’s next salary instalment unless other arrangements are agreed;
- ensure that outstanding debts are recovered as soon as possible; and
- reconcile each pay to the general ledger.

Managers are responsible for promptly notifying People, Learning and Culture of employee resignations/departures and transfers.

A Delegated Official independent of payroll preparation is to regularly check the fortnightly and monthly payrolls to ensure all payees are bone fide.

2. Introduction & Objectives

The purpose of this procedure is to provide guidance on the financial management of payroll operations.

3. Supporting Information

3.1 Related References & Pronouncements

FMA Act 1997:	s19, s35
FMA Regulations:	N/A
Related Finance Directions:	
Other References:	

3.2 Responsible Officers and Contacts

Position/Title	Level	Responsibility
Executive Director, People, Learning and Culture	SES1	All ABCC payroll matters.

3.3 Definitions & Terms

Term	Definitions
Payroll variations	Payroll variations are broadly defined as anything that changes the

	payroll status or pay rate of an employee.
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4. Guidelines

4.1 Manager Responsibilities

- 4.1.1 All employee initiated requests should be reviewed and actioned by their manager within 24 hours from request, with the exception of complex payroll requests that should be processed within a reasonable period.
- 4.1.2 Managers are responsible for immediately notifying the Executive Director, People, Learning and Culture (via hrunit@abcc.gov.au) of employee resignations/departures and secondments/transfers.

4.2 Employee Responsibilities

- 4.2.1 Employees are responsible to ensure that payroll information they provide is correct and the amount they are receive is, to the best of their knowledge, correct and duly receivable. Should they have any doubts, the employee should contact the PLC Team to clarify.

4.3 People, Learning and Culture (PLC) Team Responsibilities

- 4.3.1 The PLC Team is responsible for processing of the ABCC's payroll. The Executive Director, People, Learning and Culture has overall responsibility for the PLC Team including the following key payroll financial management tasks:
- Establish and ensure effective controls for the management of payroll operations;
 - Ensure salaries and related expenditures are made in accordance with the relevant terms and conditions of employment;
 - Check all fortnightly payroll variations to ensure that they have been processed correctly;
 - Approve the reconciliation between SAP HR and Finance Modules;
 - Recovery of any employee overpayments. Generally, recovery is to be made within the same financial year; and
 - Ensuring that employees are charged to the correct cost centre in the HR system.

4.4 Accounting Services Team Responsibilities

- 4.4.1 The Chief Financial Officer has overall responsibility for the Accounting Services Team including the following key payroll financial management tasks:
- Establish and ensure effective controls for the processing of all SAP journal entries, both end of month and end of year, for payroll related transactions;
 - Ensure appropriate accounting treatment, accurate and timely accrual of long service leave, annual leave and payroll liabilities;
 - Monthly review of reconciliation between SAP HR and Finance Modules; and
 - Check each fortnightly payroll to ensure all payees are bone fide.