



Getting it right first time

Non compliance in HR and Payroll can be costly, taking up a disproportionate amount of time compared to getting it right first time, notwithstanding negative issues that arise within the workforce and potential unwelcome media attention.

This non-compliance can arise from inefficient processes, out of date or inadequate systems, untrained staff or out of date knowledge. And legislation is continuously changing, let alone guidance and interpretation by regulatory bodies or what is deemed best practice.

If employees are paid incorrectly this not only affects the bottom line in tangible costs but impacts productivity and employee engagement, incurring less tangible costs depending on the scale.

These human capital management functions should not only be protecting the organisation but adding value in finding cheaper and better ways of managing the data, in delivering other benefits and services plus releasing the valuable HCM data contained within the systems.

Rarely do these functions have the spare resource to undertake these vital reviews, and experience shows that the exploitation of the functionality of systems often falls short of the full range.

All too often there is a disconnect in the communication and full understanding of the role and capabilities between the three functions when in fact each function is interlinked and interdependent.

At project initiation for any HCM project there should be wider thinking as to who the key stakeholders are and the dependencies e.g. system capabilities which have the potential to impact on the success and ease of delivery, let alone the cost and subsequent ROI.

An understanding of employment law isn't just the preserve of HR; legislative requirements impact on payments, expenses, benefits, in year and annual returns. Some legislative changes have also delivered benefits to large organisations for example the technology allowing information from HMRC to be received electronically.

Where payroll and/or HR administration is outsourced responsibility for compliance cannot be devolved to the provider no matter how tempting that might be. To this end organisations would be well advised to retain a knowledge base and ensure they are satisfied with processes used within the outsourcing company and review these regularly.

When debating the cost of resource to maintain robust processes and full system

usage or the training budgets for the HCM teams, employers should at least consider the cost of potential fines and penalties:

- If any of the end of year returns were just one day late;
- Of employing someone without the appropriate proof of eligibility to work in the UK;
- Or the overpayment of just 0.1% of the workforce once in a year.

With this in mind, organisations can't afford to ignore the real cost benefit of ensuring processes are up to date, systems are compliant and efficient and that staff are adequately trained.

Paris&Parks is an established consultancy working with organisations to:

- **Design solutions**
- **Review processes and procedures**
- **Procure and implement systems**
- **Provide project management and guidance**
- **Undertake compliance reviews**

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