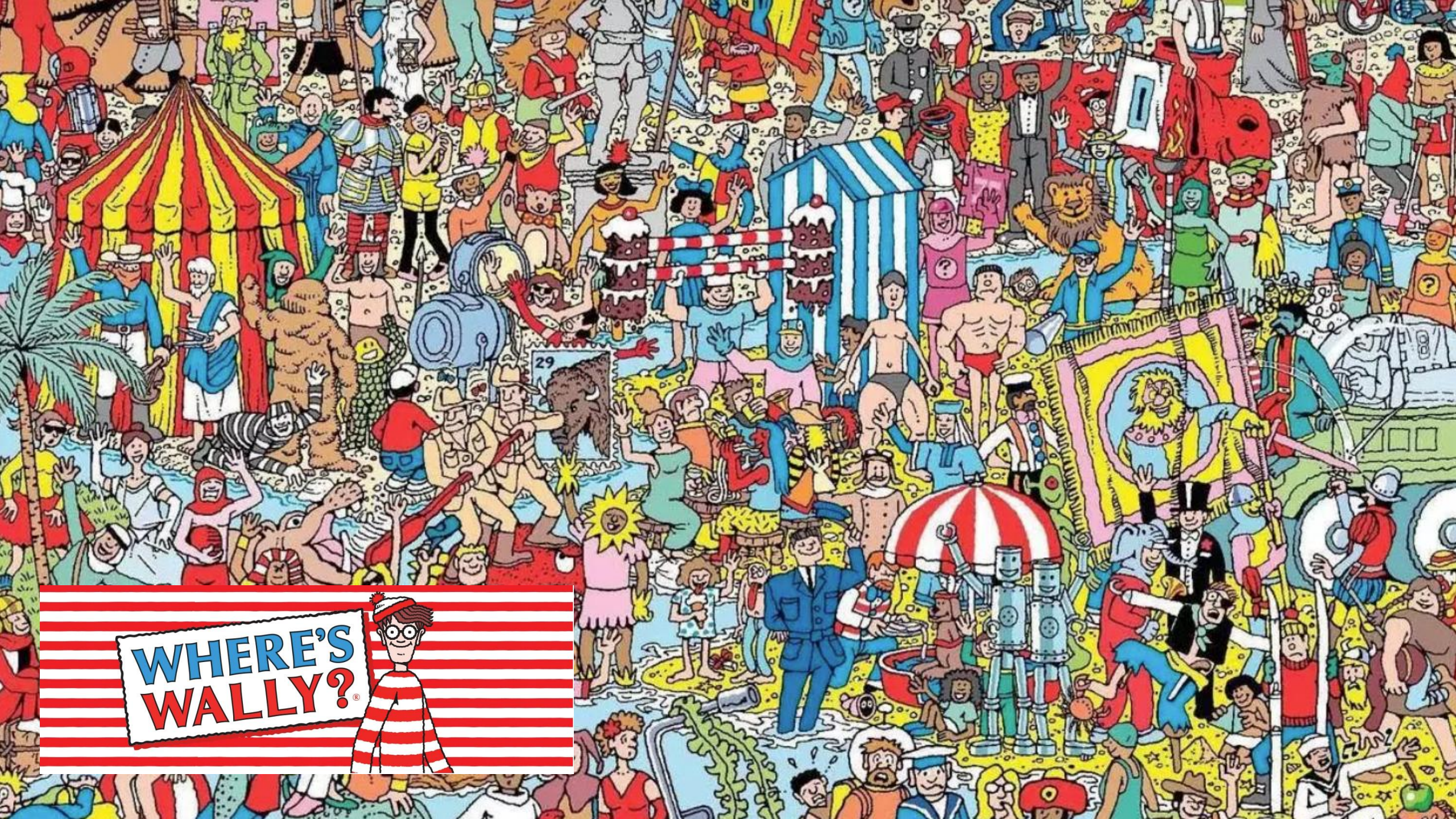# EPI-USE Labs Product Unit Update

Adan Willemse : Product Manager, Variance Monitor

WHERE'S WALLY?

Where's the Payroll Problem?!

More important than ever to find and fix payroll errors

Fair Work Act 2009

No. 28, 2009

Compilation No. 67

Compilation date: 26 February 2025

Includes amendments: Act No. 2, 2024

This compilation is in 4 volumes

Volume 1:   sections 1–257
Volume 2:   sections 258–536NK
Volume 3:   sections 536NL–800
Volume 4:   Schedules
            Endnotes

Wage theft	Payroll mistakes
On purpose: The business knows it's underpaying but does it anyway	Accidental: A genuine mistake, not an attempt to rip anyone off
Illegal: Can lead to massive fines, backpay orders, and even jail time	**Still a breach of the law: But usually fixed with audits and backpay**
No attempt to fix it: The business ignores complaints or covers it up	Fixed when found: The business corrects the mistake and pays what's owed
Usually ongoing: Can go on for months or years, affecting multiple employees	One-off or occasional: Usually because of payroll system errors or misunderstandings
Common in industries like hospitality, retail, and labour hire	**Happens everywhere, especially in industries with complex pay rules**

1. https://www.legislation.gov.au/C2009A00028/latest/text/2
2. https://www.fairwork.gov.au/about-us/workplace-laws/legislation-changes/closing-loopholes/criminalising-wage-underpayments-and-other-issues
3. https://www.fairwork.gov.au/workplace-problems/common-workplace-problems/i-think-ive-underpaid-my-employee
4. https://www.rippling.com/en-AU/blog/wage-theft-vs-payroll-mistakes

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Underpayments: The CPA of Australia's Usual Suspects

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7 mistakes that lead to staff underpayments
1. Incorrect calculations in overtime provisions
2. Underpayment on termination
3. Failing to pay overtime penalty rates to part-time employees
4. Superannuation underpayments
5. Only paying the base rate on annual leave payments
6. Excluding commissions and bonuses from long service leave
7. Lack of payroll reviews and outdated systems

https://www.legislation.gov.au/C2009A00028/latest/text/2

https://intheblack.cpaaustralia.com.au/accounting/7-mistakes-that-lead-to-staff-underpayments

https://www.accountingtimes.com.au/profession/employers-urged-to-review-payroll-systems-to-avoid-wage-theft-penalties

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Payroll Errors/Variances

What cause them?

- Variances could cause payment errors, fines, loss of trust.

- Important to fix but not always easy to find.

- Various root causes:

  - Interpretation errors (Awards, Laws)

  - Software and/or configuration errors

  - Data migration errors (Projects)

  - Data entry and interface / integration errors

Where they lurk

- Ongoing Payroll from Period to Period: People, Processes, Technology

- Projects: Upgrading, Migrating or Changing Systems and Components

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Variances and Variance Monitor

Current Project Example: SAP EC Payroll Upgrade Event

- Right now: <u>SAP EC Payroll Tech Stack Upgrade to S/4 HANA 2023</u>

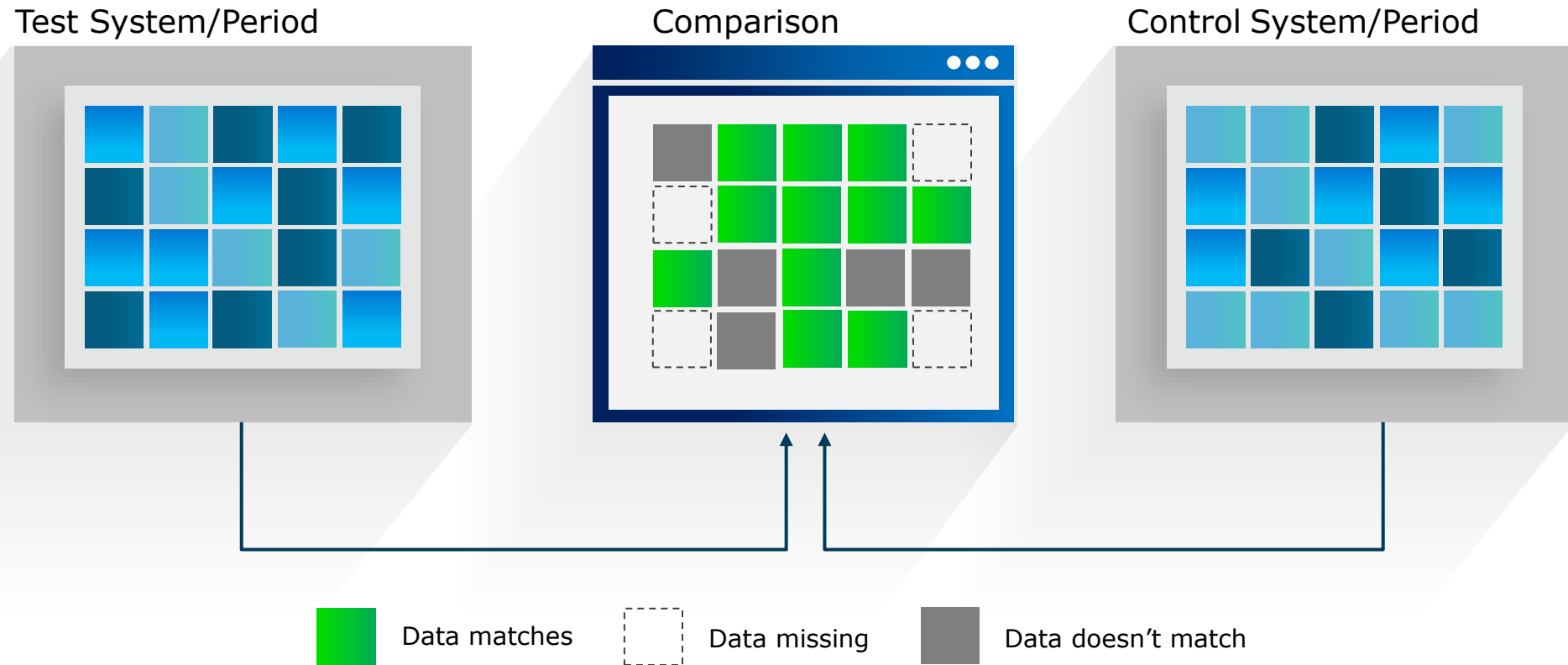 SAP Blog: [Modernizing SAP SuccessFactors Employee Central Payroll](#)

  SAP Blog: [Modernization of SAP SuccessFactors EC Payroll (ECP) – Why It Matters and How It Works](#)

  Variance Monitor Approved for use on ECP: [SAP Note 2167337](#)

Variance Monitor

- If payroll errors are like viruses, Variance Monitor is the microscope.

- It help find payroll errors by comparing two systems or two periods

- Variance Monitor helps identify most variance root causes:

  - **No - Interpretation errors (Awards, Laws etc.)**

  - **Yes - Software and/or configuration errors**

  - **Yes - Data migration errors (Projects)**

  - **Yes - Data entry and interface errors**

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Variance Monitor Finds HR and Payroll Data Anomalies

Test System/Period

Comparison

Control System/Period

Data matches   Data missing   Data doesn't match

New Build 174 (CA)

- **New Query Manager Adapter**

  - Check QM4 data in VM3 – including SuccessFactors Data

- **New Master Data Date Slicing**

  - Check Field Values where records overlap on a timeline

- **New Encrypted VM3 Export Files**

  - Encrypted Data Snapshot used as reference source in comparisons

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QUESTIONS

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Thank you

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