

## **The risks of unqualified payroll staff**

*By Lavine Haripersad, Director at the South African Payroll Association (SAPA)*

From the outside, payroll seems simple. Get the right software. Push a button at the right time. Then, hey presto! Your workers are paid. Right? If only. Plus, the old adage of “garbage in, garbage out” still applies. To do a proper job, you need fully qualified and experienced payroll administrators on staff. If you’re not convinced, take a look at what could go wrong.

### ***Unhappy workers***

Employees are sensitive about their income because it's tied to their happiness and safety. If their pay is late or incorrectly calculated, they become suspicious of their employer and demotivated. Payroll administrators focus on getting pay to workers accurately and on time.

### ***Wasted time***

Overbooked or under booked hours, unearned overtime, excessive vacations and absenteeism, or frequent sick leave become the norm if left unchecked. Administrators monitor time closely because it's a key component of payroll. They can report irregularities and help improve performance.

### ***Leaked information***

The Protection of Personal Information Act demands that employee records be confidential and properly protected. That includes payroll and earnings information. Payroll administrators are disciplined to conscientiously guard their data because of the legal implications of leaked information.

### ***Unhappy government***

SARS deadlines are strict. If information is submitted late or incorrectly, penalties could accrue on a daily basis. The longer it takes to resolve, the higher the costs. Haripersad says that payroll administrators understand the process intimately. They know which documents to submit, when to submit them, what information to include, and how to avoid expensive mistakes.

### ***Tax delinquency***

SARS frowns on tax evasion and will take legal action even if it's unintended. Tax calculations are far too complex for an amateur. Mistakes can be costly. Qualified payroll administrators will correctly calculate various employee tax deductions, administer withheld tax amounts until they are paid to SARS, correctly complete tax submissions, and much more.

### ***Legal problems***

If payroll doesn't comply with legal requirements, lawsuits may ensue. Employees will sue the company if not paid. And not adhering to various government regulations could land you in hot water. Compliance is at the core of a payroll administrator's duties. They make time for the details.

### ***Bad audits***

If independent audits regularly uncover inaccuracies in a company's payroll, shareholders could lose faith and withdraw their investment, followed by a drop in share price. Further, the press and public interest groups could highlight such discrepancies, tarnish the company's reputation, and shrink its market and income. Professional administrators keep precise records that pass audits every time.

### ***Administrative costs***

If mistakes are regular, they'll compound into higher administrative costs because work must

constantly be corrected. Payroll administrators perform their duties frequently and are therefore well-practiced, so costs are kept low.

Organisations should not to take chances with unqualified staff. Payroll administrators offer protection against legal, tax and procedural risks. Why settle for less?

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