

Payroll management software may become personal data authority

As big data, blockchain and the Internet of Things continue to change the way data and information is verified and shared, payroll management software will be able to increasingly position itself as a personal data authority across a variety of sectors, says Cathie Webb, executive at the South African Payroll Association.

“People need proof of income for a variety of purchases, ranging from buying a television or car to taking out a cell phone contract, a home loan application, or a lease on an apartment. Institutions usually require a series of recent pay slips, which can be an administrative hassle in terms of retrieving and printing seeing as most pay slips are delivered electronically these days,” says Webb.

She notes that adding to the frustration on a company or loan institution’s side, is the fact that these documents can be manipulated by consumers if they want to take on debt or purchase a product that they don’t really qualify for in terms of their income.

“One way that payroll management software can solve this problem is by being the middleman between consumers and companies who require proof of income. Instead of a consumer having to print out a series of pay slips to gain access to a loan agreement or goods, the payroll management software company could speed up the process by acting as a central information depository,” Webb points out.

Protecting privacy rights

While this is still an emerging reality, there are companies who are in the early stages of developing functionalities and features around privacy protection. Two significant hurdles that will have to be overcome and managed is changing the way that institutions request and verify private information from consumers, as well as managing how this type of information affects people’s right to privacy.

“While most consumers will agree, at least in principle, with the idea of not having to print out pay slips for everything, South Africa needs a more rigorous ombudsman to deal with any potential issues that may arise from an industry overhaul such as this. For example, if you feel that your personal data security has been threatened, where do you report it and what process do you need to follow?” says Webb.

The information that gets shared may not be as personal as your monthly salary, but small breaches of privacy may leave consumers exposed and this is something that will have to be considered ahead of time

People are still reckless in terms of agreeing to applications and third parties having access to information on their phones. Every time we agree to terms of service, we are giving away our rights to privacy.

“Companies’ Payroll departments have access to a lot of employee-related personal information and they have a legal obligation to protect their employees’ information thanks to the POPIA (Protection of Personal Information Act). These responsibilities need to be carefully managed when it comes to sharing information in new ways that can improve lives, because data security will remain a risk,” Webb concludes.

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