

Grant Thornton

Presentation to the New Zealand Payroll Practitioners Association 2023

The remediation and rectification of payroll to comply
with the Holidays Act 2003

Where and how does the process begin

There is no one answer to this as the process can be triggered by several things:

- Organisation decides that it needs to check compliance.
- An employee makes a complaint or asks for their calculations to be checked.
- A union ask for an organisation to check that their systems and processes are compliant.
- A complaint is made to the Labour Inspectorate who investigate and determine there is a compliance gap and the next steps are:
 1. Issue an Enforceable Undertaking setting out the non-compliance matters and a date when remediation and rectification should be completed.
 2. Issue and Improvement Notice again setting out the non-compliance matters and setting very specific timeframes for remediation and rectification.

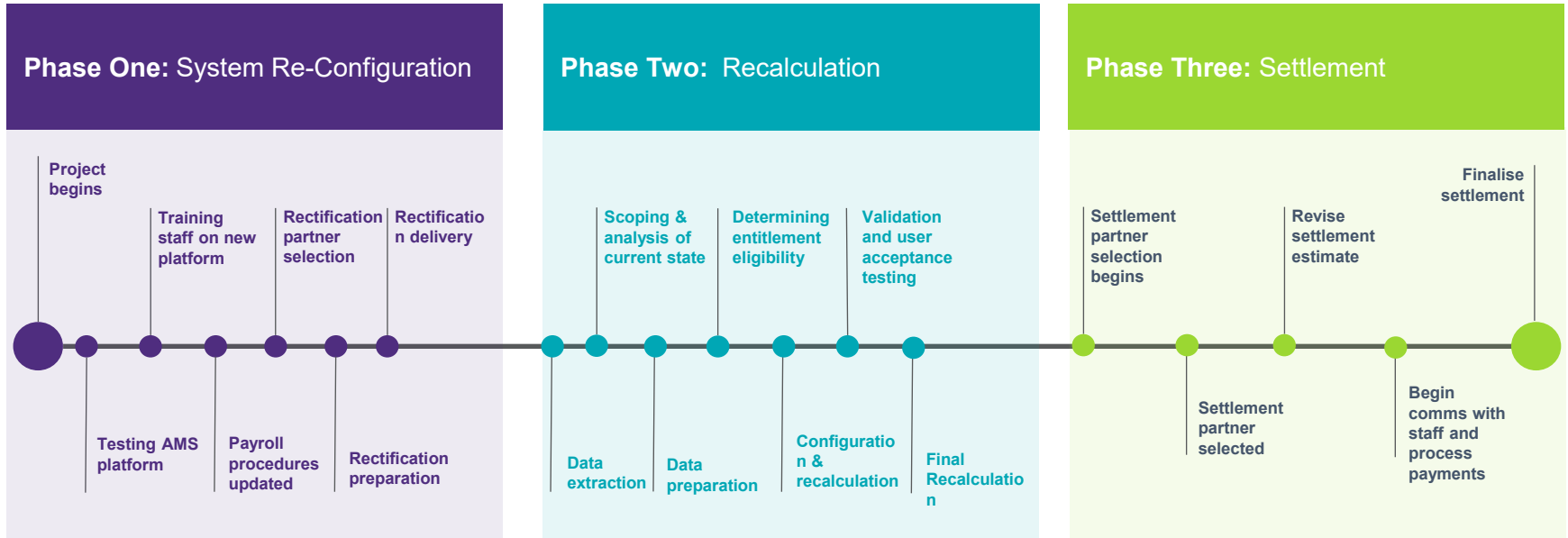
The issues can be related to:

- The payroll system configuration especially around how different allowance codes are treated and whether or not they should be included for the purposes of Holiday Pay calculation.
- The payroll processes where reliance is placed on managers knowing what is required and/or payroll staff being expected to understand all of the nuances in the Act.

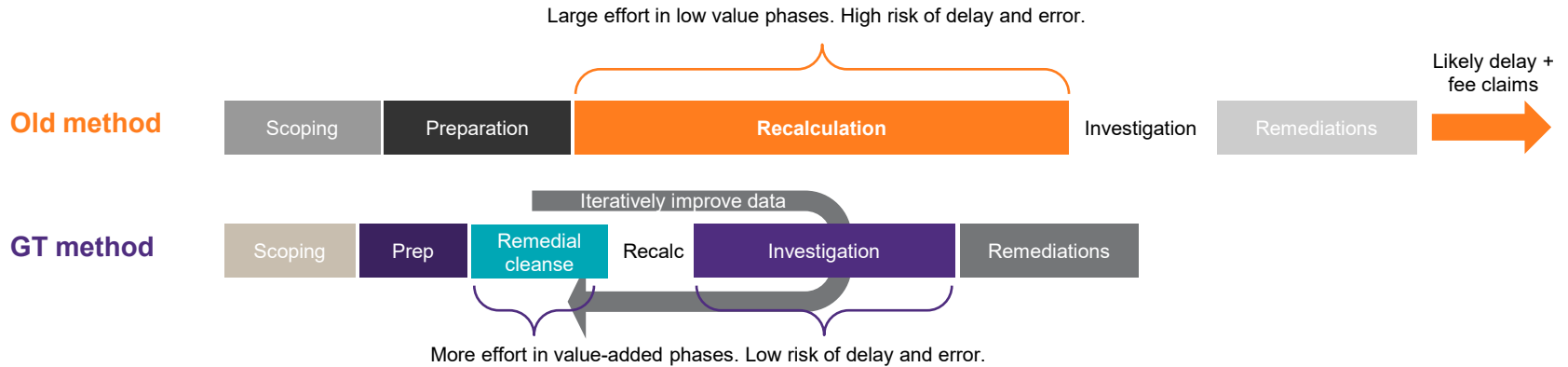
How long does the process take:

The answer is that depends on the number of non-compliance matters, the state of the data, the organisations willingness to engage, remediation and rectification partners capability, union engagement, and the list goes on.

The stages of remediation and rectification



Getting the best results and saving time



Key quality assurance steps

Phase one: System Re-Configuration

- User Acceptance Testing (UAT) approval and sign off.
- Continuous testing and verification of compliance standing of new payroll platform.

Phase Two: Recalculation

Independent quality assurance support will provide the following:

- Validation of whether the requested datasets meet the remediation and application requirements.
- Reviewing the gap analysis between the baseline GTARE feature set and the additional requirements, focusing on their completeness, validity, and mutual compliance across the Holidays Act, Framework for Holidays Act review, and Employment agreements.
- Validation of the data preparation steps taken by GT to prepare payroll data for analysis in the GTARE engine.
- Validation of the entitlement status determined for staff members by GT.
- Validation of final results and review of any unusual or unexpected results.

Additionally, UAT will be utilized for the recalculation stage, to ensure that clients are able to review results and confirm their appropriateness and accuracy.

Phase Three: Settlement

- End to end client involvement in the RFP process to ensure that an appropriate settlement partner is selected.
- Ongoing analysis of results and support from GT to ensure that this phase operates as expected.