

# Procedure: Payroll costing analysis approval

## Purpose

To inform staff of the University's requirements for checking and approving payroll costing details after each pay run.

## Procedure

1. The Payroll Costing Analysis (PCA) functionality within the HR Management System (HRMS) provides payroll and related costing details for each pay period by staff member/postgraduate scholar job record and General Ledger cost centre, as well as the ability to 'approve' these costing details by pay period.
2. The PCA is used at the ANU as a point of control in the payroll process and it is an auditable requirement that payroll costing details are checked and approved each pay period.
3. The 'Approval' is intended to indicate the pay amounts have been checked and acknowledged that any variations required will be followed up as a separate process. Any queries regarding these variations should be checked in the area and if necessary, directed to the Human Resources Division.

## Checking

4. The PCA is available for checking the morning after the fortnightly Pay Run and General Ledger processing has been finalised (normally Tuesday morning before the payday).
5. It is an audit recommendation that areas check the PCA using a variance of 3% to compare payments made between the current and previous pay periods.
6. Areas should establish their own procedures to check the actual payroll costs using the reports and queries available in the HRMS.

## Overpayments

7. Areas will have until close of business on the day after the Pay Run and General Ledger have been finalised to advise of any reversals or adjustments that will avoid overpayments before the pay data is transmitted to the bank.
8. Notification of any overpayments should be sent immediately to

## Approving

9. Each pay period, staff with the appropriate ANU Delegation (HR Delegation 000193) are required to 'Approve' that pay period's salary and related cost amounts and the General Ledger (GL) Distribution (after the fact). The 'Approval' is registered in the HRMS and identifies who approved it and when.
10. Areas are expected to approve the PCA by close of business on the Friday after payday (normally the day after payday).
11. The Human Resources Division audits the approval of the PCA on a regular basis. Formal notification of any unapproved PCA's will be sent to College General Managers or administration manager (delegate) as part of the twice yearly HR Health Check. Areas may also be contacted at any other time if required.
12. A report will be provided to the Director, Human Resources, Chief Financial officer, and the relevant Delegate/s if an area does not respond to the audit request to approve any outstanding PCA's.

## Variations to Payroll Costing

13. There are many different scenarios that can result in variations to payroll costing details. These include:
  - Job Transfers
  - New Hires
  - Increments
  - Reclassifications
  - Changes to Normal Hours
  - Terminations
  - Suspensions
  - Recall from Suspensions
  - Unpaid Leave
  - Leave on Half Pay
  - Other Earnings – Overtime, Higher Duties
  - Casuals – timesheet entered
  - Changes to expense distributions
14. There are a number of possible causes for overpayments. While human error

will always play a part in causing overpayments, the most common cause is generally late notification of changes to a payee's situation. Refer to the Payroll Costing Analysis (PCA) Approval Guideline on the HR web page for a list of some of the scenarios that can cause overpayments. It is important that any changes that require action by the Human Resources Division are received by the pay media cut-off date.

## Document information

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