

Pushing payroll ethics through professional membership

Most organisation's biggest and most important expense is its payroll, and no business can risk this resting in the wrong hands, especially when budgets are tight and employees are under pressure.

A well-run payroll is the lifeblood of the organisation, as are the qualities of professional support and integrity that underpin the role itself. Ethics and a strong moral code are mandatory qualities for anyone entering the payroll profession, but how are these guaranteed and what happens when they need to be enforced?

"The organisation needs to know that the right person with the right ethics is sitting in the payroll hot seat," says Cathie Webb, Director, South African Payroll Association (SAPA). "They need to know that the person handling their employee pay is dotting the I's and crossing the T's and not letting things slip through the proverbial cracks."

Unfortunately, not all payroll practitioners are created equal and what some see as a non-negotiable ethical stance, others see rules that can be bent.

A professional stance

"For most professional payroll practitioners, the qualities of integrity, trustworthiness, competence and reliability uphold their own code of behaviour," says Webb. "However, for the organisation to ensure that these are qualities ascribed to by their payroll practitioner, they need reassurance in the form of a professional body."

A professional organisation is key to establishing a national code of ethics that is adhered to by members and respected by business and other organisations. Practitioners that commit to membership are more likely to follow the code outlined by the institution and will be more inclined to remain in line with the behaviour of their peers.

"Once you have signed on the line, you are more aware of the rules, and the consequences of not sticking to them," adds Webb. "It makes you more careful in how you practice your role. A good reputation is everything - you don't want things to slip through and for your reputation to become damaged in the process."

Take a stand

A professional membership provides the organisation with the wherewithal to confront fraud or bad practice. It ensures that any practitioner engaging in fraudulent activities is exposed to peers and other organisations. Unfortunately, many organisations don't take a stand when it comes to their own experiences of poor payroll practice.

"We have noticed that when a business asks for assistance in auditing their payroll matters, as they've suspected something isn't right, if the payroll practitioner is found guilty, 99% of companies don't bother to take it further legally," says Webb. "They cite cost and time, but it can be that they are embarrassed that they didn't follow procedure."

Access to a professional organisation such as SAPA will allow for the organisation to reveal poor practice and prevent it from happening to someone else. They need only report them to the board with proof in order for the practitioner's membership to be revoked. This level of involvement by organisations will go a long way towards ensuring that ethics remain top of line and mind.

“Corruption is rife and companies must be careful,” concludes Webb. “Ensure your payroll practitioner is a member of the professional body (renewable annually), check their reputation with SAPA, and encourage them to become a member if they are not already. Put the right structures in place to mitigate fraud and limit temptation – and a good payroll practitioner can help you do that.”

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