



BONA FIDES REVIEW PROCEDURE

Purpose

The Bona Fides Review Procedure details the review process for the various Payroll Bona Fides Review Reports, to ensure that salaries are being paid appropriately to bona fide University employees.

Scope

This procedure forms the minimum standards and requirements for verifying the reasonableness of salary expenditure incurred within Faculties and Divisions of the University of Adelaide.

A suite of payroll reports are available to Budget Owners and Budget Administrators to assist with the management of payroll including both “distributed” reports automatically generated and sent to School/Branch Budget Administrators and also “ad-hoc” reports that are available on request through the University’s Business Intelligence (IBM Cognos) environment.

The following reports are available:

- Fortnightly Payroll Review
- Quarterly Payroll Review
- Annual Payroll Review
- Adhoc Payroll Reporting

Nominated Budget Administrators, Budget Owners and Executive Managers are responsible to ensure that internal processes are in place such that the bona fides review occurs at a level where the officers reviewing bona fides can effectively review the reported data without reference to the other documentation.

Definitions

Nominated Budget Administrators are School Managers, Finance Officers or other staff with financial and/or budget management responsibilities included in their position descriptions.

Faculty/Divisional Finance Managers have budget coordination responsibilities within a Faculty or Division.

Budget Owners are Heads of School and Heads of Branches as defined by the University’s management organisation structure.

Executive Managers of Faculties and Divisions are defined by the University’s management organisation structure.

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1. Fortnightly Payroll Review

Responsibility: School/Branch Nominated Budget Administrator

1. Process

1.1 Review and verify reports

Nominated Budget Administrators required to review and verify fortnightly payroll reports are an accurate record of salaries paid to bona fide employees of their School/Branch.

1.2 Certify reports are accurate record

Nominated Budget Administrators are required to review the reports (which will be in PDF format) and certify that the report represents an accurate record of bona fide employees and reasonable record of salaries and wages paid for their School/Branch of the University of Adelaide.

1.3 Maintain evidence of review process

Evidence of the review process and copies of the signed fortnightly payroll reports are required to be kept for a minimum of 24 months and should be made available upon request to be reviewed as part of a rolling internal audit cycle.

1.4 Review reports within required timeframe

Fortnightly payroll reports are required to be reviewed within two weeks after the end of the reporting month. All queries in relation to fortnightly payroll review should be directed to the Faculty/Division office or HR Service Centre or in the first instance.

1.5 Discuss amendments with budget owner

Any amendments in relation to the fortnightly payroll review should be discussed with the Budget Owner and appropriate follow up action taken.

1.6 Report inappropriate or incorrect transactions

In the event that inappropriate or incorrect transactions are detected please refer the matter urgently to Human Resources Service Centre who will investigate the transaction with the relevant team.

1.7 Fortnightly review

The review of fortnightly bona fides reports will take into account the following data fields:

Payroll Report Category	Report Details and Action Required
Faculty / Division	University Faculty or Division as per management organisation structure.
School / Branch	University School or Branch as per management organisation structure.
HR Department Name and ID	The 4 Digit HR Department ID and name as per management organisation structure.
Employee ID	The 7 digit university employee ID number.
Name	Employee Name – check that the employee is a bona fide employee.
Record	Job Record
Cost Centre	University Financial Ledger Cost Centre – check that the staff member is being paid from the correct cost centre.
Position Number	University Position Number – verify correct position number.
Position Category	Substantive, Higher Duties etc. – verify correct.

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Grade	Position Classification Level - verify that the staff member is being paid at the correct classification level.
Step	Position Classification Level Step - verify that the staff member is being paid at the correct classification level step.
FTE	Full Time Equivalent – check that FTE of the position is correct.
Regular / Temp	Regular, Temporary, Casual – check that the person’s employment status is accurate.
Contract Begin Date	Contract Begin Date
Contract End Date	Contract End Date.
Base Salary	Base Pay Earnings. – derived from contract data, verify correct.
Leave Taken	Leave Taken/Processed for Pay Period – check that appropriate leave has been processed.
Casuals	Indicates employee employed as Casual
Loadings	Loading Payments – e.g. Higher Duties, Performance Bonus, First Aid Allowance, Attraction and Retention – verify that loadings are accurate and have been approved.
Overtime	Payments for overtime and on-call allowances – check that overtime payments have been approved.
Terminations	Termination Payments
Other	Other Pay Earnings
On-costs	Superannuation, Workers Compensation, Payroll Tax
Provisions	Annual and Long Service Leave Period Movement
Scholarships	Payments made for scholarships and stipends
Total	Total cost for Period per position

2. Quarterly Payroll Review

Responsibility: Faculty/Divisional Finance Manager

2 Process

2.1 Review and verify reports

Quarterly Year to Date payroll reports will be distributed to Faculty/Divisional Finance Managers for each School/Branch within the University.

Faculty/Divisional Finance Managers are required to coordinate review of quarterly payroll reports. The review reports will include both Quarter-to-Date and Year-to-Date data. The Quarter-to-date information is provided to assist with the verification of the Year-to-Date totals.

2.2 Certify reports are accurate record

Faculty/Divisional Finance Managers will be required to coordinate the certification of these reports (which will be in PDF format) by relevant officers who can determine that the report represents an accurate record of bona fide employees and reasonable record of salaries and wages paid for their School/Branch of the University of Adelaide for the preceding quarter.

Only the Year-to-Date totals are the subject of the certification.

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In reviewing the quarterly reports, a sample of certified fortnightly reports should be reviewed as required in order for Faculty/Divisional Finance Managers to assure themselves that these fortnightly review processes are in place in each School/Branch.

2.3 Maintain evidence of review process

Evidence of the review process and copies of the signed quarterly review are required to be sent to Human Resources within one month after the conclusion of the quarter.

2.4 Review reports within required timeframe

Quarterly Year to Date payroll reports are required to be reviewed within a month after the end of the quarter and all queries in relation to the quarterly Head of School/Branch payroll review should be directed to the HR Service Centre or Faculty/Divisional Office in the first instance.

2.5 Address amendments

Any amendments in relation to the quarterly payroll review should be addressed and appropriate follow up action taken.

2.6 Report inappropriate or incorrect transactions

In the event that inappropriate or incorrect transactions are detected please refer the matter urgently to Human Resources Service Centre who will investigate the transaction with the appropriate team.

2.7 Quarterly review – certification requirements

The review and certification of quarterly bona fides reports will take into account the following data fields:

Payroll Report Category	Report Details and Action Required
Name	Employee Name – check that the employee is a bona fide employee.
Grade	Position Classification Level - verify that the staff member is being paid at the correct classification level.
Step	Position Classification Level Step - verify that the staff member is being paid at the correct classification level step.
FTE	Full Time Equivalent – check that FTE of the position is correct.
Regular / Temp	Regular, Temporary, Casual – check that the person's employment status is accurate.
Base Salary	Base Pay Earnings. – derived from contract data, verify correct.
Leave Taken	Leave Taken/Processed for Pay Period – check that appropriate leave has been processed.
Casuals	Indicates employee employed as Casual
Loadings	Loading Payments – e.g. Higher Duties, Performance Bonus, First Aid Allowance, Attraction and Retention – verify that loadings are accurate and have been approved.
Overtime	Payments for overtime and on-call allowances – check that overtime payments have been approved.
Terminations	Termination Payments
Other	Other Pay Earnings
Scholarships	Payments made for scholarships and stipends
Subtotal	Total cost for Period per position
On Costs	Superannuation, Workers Compensation, Payroll Tax

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Provisions

Annual and Long Service Leave Period Movement

Grand Total

Total cost for Period per position including leave provisions and on costs.

3. Annual Payroll Review

Responsibility: Faculty/Divisional Executive Manager

3 Process**3.1 Review and verify reports**

Faculty/Division Executive Manager, as per University Management Organisation Structure, are required to review and verify annual payroll reports represent a fair and reasonable record of salaries paid to bona fide employees of their Divisions/Faculties.

3.2 Certify reports are accurate record

Annual payroll reports are distributed to University Executive Managers for certification that the report represents a reasonable record of salaries and wages paid to bona fide employees for their Divisions and Faculties for the calendar year in conjunction with the University's year-end financial process.

3.3 Maintain evidence of review process

Evidence of the review process and copies of the signed annual review are required to be sent to Human Resources within one month after the conclusion of the financial year.

3.4 Report inappropriate or incorrect transactions

In the event that inappropriate or incorrect transactions are detected please refer the matter urgently to Human Resources Service Centre who will investigate the transaction with the appropriate team.

3.5 Annual review – certification requirements

The review and certification of annual bona fides reports will take into account the same data fields as per the quarterly reports. Refer 2.7 for details.

4. Ad hoc Payroll Review

Responsibility: Faculty/Divisional Finance Team

4 Process**4.1 Retrieve payroll reports on demand**

Nominated University staff within the Faculty/Divisional Office will have access to the University's IBM Cognos reporting environment which will allow users to retrieve payroll reports on demand. These reports will have drill through capability to gain access to HR transactional element detail which will assist in answering queries from schools and branches about information contained in the reports.

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5. Report Errors and Query Follow-up

Responsibility: School/Branch Nominated Budget Administrators and Budget Owners

5 Process

5.1 Escalation of payroll errors detected in report

In the event that payroll errors are detected within the report review process the initial escalation point will be the Faculty/Division Office and then the HR Service Centre.

If a review of any discrepancies leads to a potential fraud being suspected then the matter should be referred to the Director, Human Resources and the available evidence will be actioned according to the University's fraud detection and management policy available at the following link:

<http://www.adelaide.edu.au/policies/2803/>

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