

Federal Fair Work Ombudsman Audits

ARE YOU PREPARED FOR AN AUDIT?

Inspectors from the Federal Fair Work Ombudsman's Office (FWO) uncovered a number of underpayments to staff during a routine audit conducted on a Ballarat employer. The employer was found to be liable for over \$53,000 in back-payments to four employees. The FWO inspectors audit revealed that the employees were found to have been paid under the minimum hourly rate and not given the correct penalty rates.

Similarly, a Victorian technician was voluntarily back-paid over \$12,000 after lodging a compliant with the FWO regarding the under-payment of annual leave and long service leave accruals.

In addition, an expensive penalty was passed down by the FWO to an employer whom had underpaid two employees by an amount just over \$20,000. As a result, the employer received a \$148,000 fine, with a separate \$29,700 personal fine being imposed on the company director, even though he had claimed that the underpayments were not intentional and handled by payroll.

These three examples of the Fair Work Ombudsman stepping up its compliance activities should serve as a warning to all employers. In order to help Employers ensure that they are compliant, CEA HR and Consulting has prepared the following brief checklist:

1. Have all your employees received Contracts of employment that clearly identify what Modern Award they are covered by and their classification under this Modern Award?

YES

NO

2. Are you employees' annual leave and long service leave entitlements accurate and up-to-date?

YES

NO

3. Are you applying the correct rates of pay, penalty rates, loadings and allowances under the appropriate industrial instruments?

YES

NO

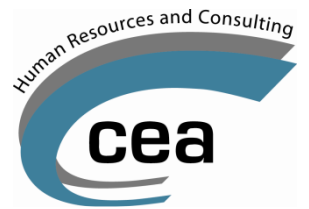
4. Are you providing your employees with pay slips that are compliant with the Fair Work Act 2009 and are they receiving these pay slips within one working day of being paid?

YES

NO

If you have answered no to any of the above four questions, you are urged to contact CEA HR and Consulting immediately and request an HR/IR Audit information pack which details our auditing service. This can be achieved by simply completing the Audit Information Request Form attached to the end of this Circular.

CEA HR and Consulting can provide all employers with a HR/IR Audit Service. If you are interested or require further information please contact Barb Bacciarelli or Joel Pavy, Ph: 8331 3133



AUDIT INFORMATION REQUEST FORM

To receive further information on HR/IR audits complete the information below. Then fax this form to CEA HR and Consulting on:

08 8331 8144 or email to: joel@ceainc.asn.au

(PLEASE PRINT)

Name of Contact Person

Organisation

Address

Phone

Fax

Email

Name of Award or Enterprise Agreement Employees are Covered Under

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Please Tick:

Constitutional Corporation

Non-Constitutional Corporation

Number of Employees

I hereby request further information from CEA HR and Consulting regarding a HR/IR audit

Signed

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October 2010