UK HR & Payroll Compliance in SAP®

ABSOFT
INTEGRATED SAP SUPPORT

Business challenges

Today's human resources and payroll departments are facing a 'compliance crunch'. Continual legislative changes and new requirements are being introduced, such as Pensions Auto Enrolment (PAE) and Real Time Information (RTI). Payroll processing accuracy is now under the microscope like never before.

In addition to the more demanding legislative requirements, regulators now have more power to enforce fines. So it's not simply a case of implementing the new requirements being enough, it's also an organisations duty to ensure due process is continually being adhered to.

Payroll departments must process all new requirements in the same or even more restrictive timeframes. To achieve this, using your SAP® system to ensure processes are as fully automated as possible is more important than ever.

Through Absoft's extensive experience delivering SAP HR, payroll, PAE and RTI implementations and support, we are regularly encountering the following common pain points;

> Incorrect configuration of PAE and RTI

> Low confidence that processes are being performed with full compliance and in the correct timeframe

> HR & payroll processes built around the SAP system are not as succinct and automated as they could be

> Systems have not been implemented correctly in the first instance and are not future proofed

> Systems that have been in place for some time have not kept pace with changing business needs, resulting in time consuming manual interventions

> The payroll process is taking too long as new demands increase the workload

What we do

Absoft delivers best practice, SAP based human resources & payroll solutions. We recognise that the successful delivery of a compliance and audit program demands 'joined up' solutions.

A successful change initiative doesn't just focus on **Technology,** but respects that the technology is there to support a **Process**, that **People** need to understand the processes and the technology, and **Data** is the integrity and lifeblood of the SAP system and what is delivered to regularity bodies.

Absoft's service addresses all four dimensions to ensure that a solution will be adopted, consistently used and ultimately deliver value for your business.
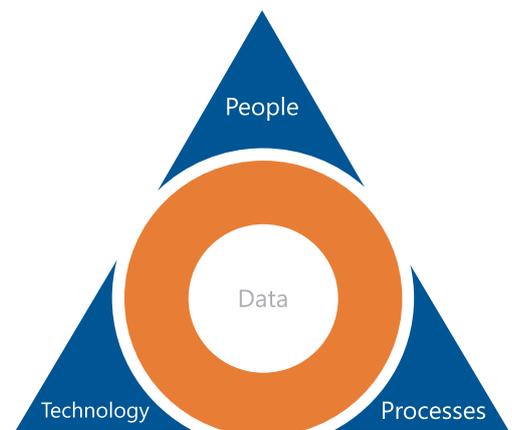
Technology

We review your SAP system to assess if any reconfiguration is necessary to bring it in line with organisational changes since the original programme was installed. An Absoft audit will forensically review all the base components and stages that constitute the SAP HR or payroll system.

Defects are identified and submitted for review with the overall aim of improving and streamlining your system. Drawing upon the vast power of SAP's payroll to automate rules, we can also improve your system to remove the need for unnecessary manual interventions.

If your system needs patching or an upgrade then we can handle that too.

Processes

An Absoft Payroll and Compliance Audit will ensure your payroll process adheres to all legislative and organisation requirements. We'll help you make sure your HR and payroll processes follows best practice methodologies and are as streamlined as possible, ensuring you get the most from your SAP system.

Our Compliance Audit improves the effectiveness of processes and identifies potential legislation deficiencies. This may be through system process improvement or improved approaches. We can create audit trails that trace specific payroll processes from start to finish.

An audit process typically starts by assessing current processes and procedures along with a deep forensic review of all components that make up your payroll system. We present you with a final audit report and help you utilise the results to ensure your system complies with all internal and external requirements.

People

SAP is the world's most powerful payroll system - but it doesn't matter how powerful SAP software might be, it will always have limited value for your business if it isn't user friendly for your staff. Absoft consultants have an exceptionally broad perspective, are knowledgeable in payroll legislation and processes, as well as SAP configuration.

We work with our customers to ensure that processes are well designed, that staff fully understand these procedures, and there aren't any unnecessary stumbling blocks in your SAP system's design. We ensure all stages in your HR & payroll system are fit for purpose, adequately defined and easy for staff to use.

Whether your staff are new to SAP or have been working with it for years, Absoft offer a training service which can be completely tailored to your user's needs. We can provide refresher training and an update on recent SAP improvements as well as current legislature, or we can do full training from ground zero.

Data

Absoft's data is designed to determine whether SAP payroll functionality contains any data configuration errors. We can test all data processes, or target specific data if the consultant auditor feels an internal control process is at risk.

Our service includes, but is not limited to:

> Wage type analysis

> Payroll schema & personnel calculation rule review

> Analysis of factoring rules (payment and deduction rules)

> Master data maintenance and processes review

> Pension auto enrolment review

> RTI process review and reconciliation

> Analysis of sector specific requirements

> Organisation rules such as occupation schemes and valuation of payments
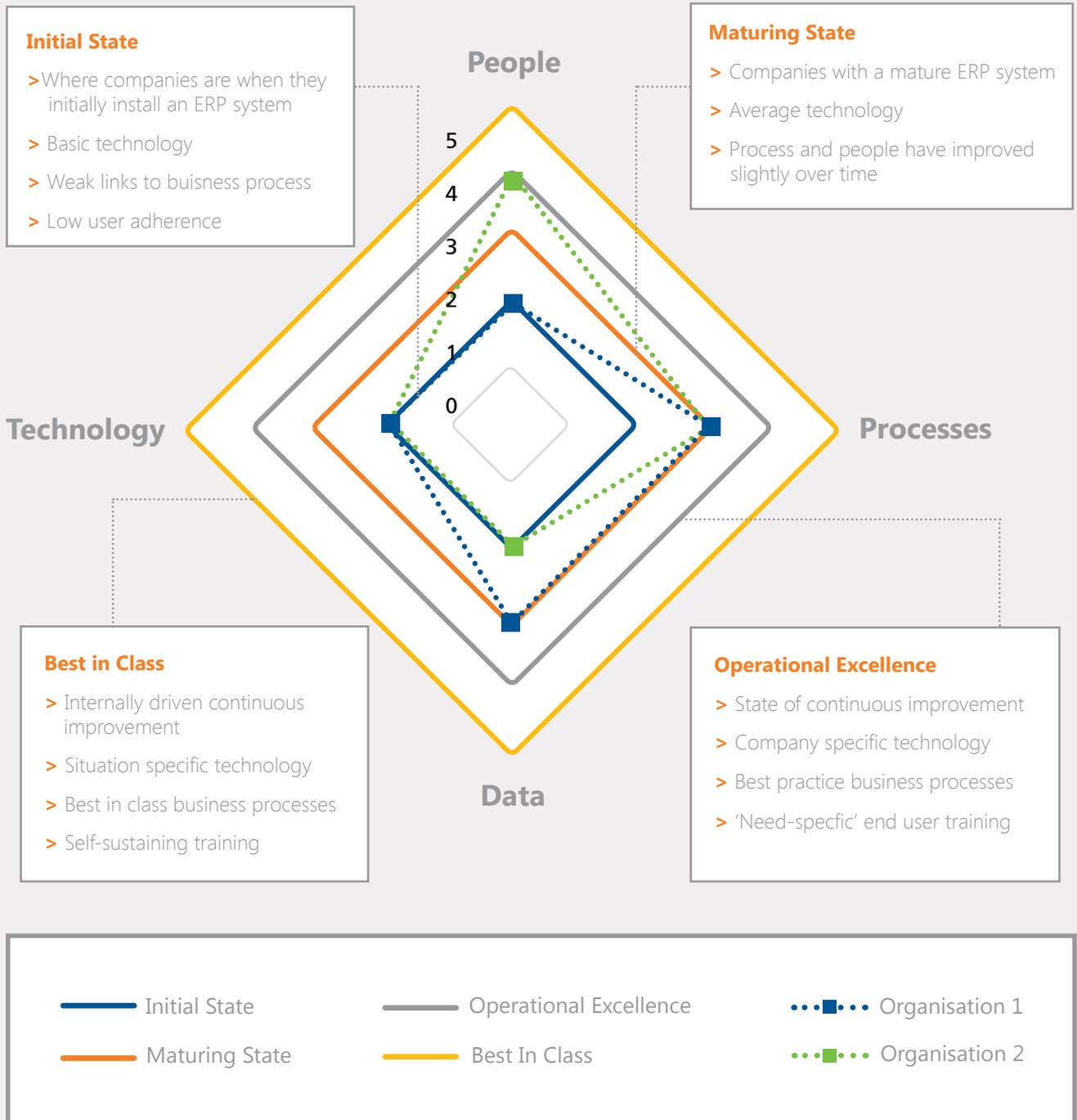
What we deliver

Absoft can help you to:

> Ensure payroll data is correctly maintained

> Significantly reduce the number of payroll errors and process bottlenecks

> Highlight potential payroll errors which can be corrected before the employees are paid

> Review and optimise your manual processes and use of documentation

> Reduce the requirement for manual corrections and processes

> Fully adhere to changing legislative requirements

> Refresh the legislative and SAP knowledge within your SAP HR & Payroll team

For any audits we undertake, we deliver a final report which includes a summary of the procedures and techniques used, a description of audit findings and suggestions for changes or improvements to payroll process and SAP configurations. Traffic light reporting easily demonstrates the importance and urgency of each recommendation. We then work with you to implement any changes you wish to proceed with.

It's important that an improved and compliant system is not left to stagnate, so we can also keep you up to date with planned legislation changes and SAP improvements going forward. We send out a regular newsletter with upcoming changes, how best to plan future work and other valuable information, such as when is the best time to apply SAP patches.

Where are you on the PPDT Maturity Map?

Absoft has experience of delivering SAP solutions for private and public organisationss at different stages of maturity with the four key dimensions of People, Processes, Data and Technology (PPDT).

Initial State

> Where companies are when they initially install an ERP system
> Basic technology
> Weak links to buisness process
> Low user adherence

Maturing State

> Companies with a mature ERP system
> Average technology
> Process and people have improved slightly over time

Best in Class

> Internally driven continuous improvement
> Situation specific technology
> Best in class business processes
> Self-sustaining training

Operational Excellence

> State of continuous improvement
> Company specific technology
> Best practice business processes
> 'Need-specfic' end user training

People

Processes

Technology

Data

5
4
3
2
1
0

| Initial State | Operational Excellence | Organisation 1 |
| Maturing State | Best In Class | Organisation 2 |

4

Business impact

We have already helped customers:

> Identify key areas for HR & payroll related improvement

> Ensure legislation, sector requirements and organisation rules are adhered to

> Reduce the risk of compliance penalties from government bodies and avoid potential fines

> Make tangible cost savings through process optimisation and SAP system efficiencies

> Reinforce and strengthen internal controls

> Analyse and understand your company's payroll data and configuration, including potential risks

> Put in place a comprehensive patch strategy

> Achieve a greater understanding and install confidence in your SAP system

> Improve staff competency through knowledge transfer and tailored training of a user friendly system that works for them

Why work with Absoft?

There are a number of SAP Partners out there, but it's our extensive experience and the quality of our service that sets us apart.

> We have been implementing and supporting SAP human resources & payroll systems since 1994

> We extensively follow payroll and legislative requirements and are proactive in our service delivery

> Our staff are extensively experienced subject matter experts, with knowledge of how to deliver best practice

> Absoft as an organisation supports all modules as such we are experienced in delivering an integrated solution with respect to payroll and HR functionality

"I like Absoft's approach to working with customers – although Heckler & Koch had to rely heavily on Absoft's expertise and guidance for this project, we always felt in control and satisfied with the direction we were taking. The teamwork and project communications were excellent."

Director & General Manager, Heckler & Koch GB

"The fact that our system is fully integrated and set up to meet the precise needs of our business means that we can get things done so much more efficiently now. All the HR, payroll and competency information and processes we need are easily accessible, and SAP's powerful reporting facilities allow us greater control over work scheduling and resource planning".

HR Coordinator, KCA Deutag

About Absoft

Raising business performance through improved SAP functionality - delivered by UK based SAP support experts.

We have provided all the important SAP support our customers need since 1994 as a comprehensive and holistic service. Our support centre is a distinct and specialised Absoft division, with a track record covering a wide variety of industries.

Absoft has supported public and private sector organisations with up to 5,500 users. We are large enough to serve clients of all sizes, yet agile enough to provide a personalised, individual and high quality service.

Call Absoft on +44 (0)1224 707088 or visit www.absoft.co.uk for more information.

Aberdeen | London | Stavanger

T. +44 (0)1224 707088   E. info@absoft.co.uk   W. www.absoft.co.uk

ABSOFT
INTEGRATED SAP SUPPORT