**Payroll Control Policy**

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| *Purpose* | The purpose of this policy is to ensure the integrity of the payroll system against risk from fraud or mismanagement or accidental error. |
| *Scope* | The scope of this policy covers all employees and contractors of The Book Café Group (BCG). |
| *Resources* | Specific procedures for the implementation of this policy available below. |
| *Responsibility* | Responsibility for the implementation of this policy rests with all employees and contractors of BCG, particularly employees and management with responsibility for overseeing the administration of or direct administration and processing of payroll |
| *Relevant legislation etc.* | * *Australian Securities and Investments Commission Act 2001* (Cwlth) * *Corporations Act 2001* (Cwlth) * Australian Accounting Standards. |
| *Updated/authorised* | 01/2019 – Jack Tan Finance and Operations Manager |

### **Payroll Processing Procedures**

To comply with legislation, AASB standards for financial records and organisational requirements for cost accounting, etc., the following procedure must be followed.

#### To process payroll (Café):

1. Verify employee details,
2. Obtain approval of changes and deductions (requires café manager approval),
3. Obtain approval of overtime (requires café manager approval),
4. Verify the hours worked,
5. Verify leave (if applicable),
6. Compile timesheet totals,
7. Calculate wages due,
8. Calculate tax withholding,
9. Generate payroll register,
10. Forward individual pay information and payroll register to the GRCG head office.

#### To process payroll (BCG head office):

1. Reconcile register against calculated pay and employee data,
2. Arrange payments,
3. Post journal entries in accounting system (MYOB AccountRight),
4. Arrange PAYG payments to the ATO,
5. Arrange forwarding of other deducted payments.