



# HR Compliance Health Check

Answer the following YES or NO questions. Once you've completed all of them, turn to the answer page to learn if your business has any red flags or issues you need to be aware of.

**Question 1: Are you aware of the Modern Awards which apply to your business?**

Yes      No

**Question 2: Are all your employees issued with an employment contract?**

Yes      No

**Question 3: Are your casual employees paid a casual loading and does this appear as a separate identifiable amount on their pay slip?**

Yes      No

**Question 4: Have your casual employees been provided with a copy of the applicable casual conversion clause?**

Yes      No

**Question 5: Does your business have an up-to-date working from home policy in place and is a risk assessment completed before an employee begins working from home?**

Yes      No

**Question 6: Do you provide pay slips to your staff within one working day of being paid?**

Yes      No

**Question 7: Do you issue all employees with the Fair Work Information Statement upon commencement of employment?**

Yes      No

**Question 8: Are employment records kept for a period of at least 7 years?**

Yes      No

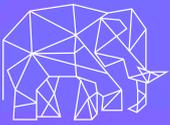
**Question 9: Do you have an up-to-date Employee Handbook?**

Yes      No

**Question 10: If you pay your employee an annualised salary, does their employment contract include an off-set clause?**

Yes      No

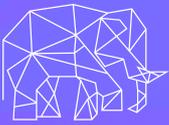




## Answer page and score card

For each correct answer score 1 point and for each incorrect answer minus a point.

	Answer	Score
1	<p>If you answered NO to this question, you may be at risk of an overpaying employees or an underpayment claim.</p> <p>Classifying employees under the correct Modern Award is crucial to ensure that employees receive their rightful minimum entitlements.</p> <p>Modern Awards set out the minimum terms and conditions of employment on top of the National Employment Standards. An employer cannot provide employment conditions that are less favourable than those set out in the relevant Award. The two most common types of Modern Awards are industry-based Modern Awards and occupational-based Modern Awards. To determine whether an Award applies to your employee, you must first consider whether an industry Award covers your business and then look to see if your employee fits within the classification structure of that Award.</p> <p>If no industry award covers your business, it may be that an occupational award will cover your employee's position. It is important to classify your employees under the correct Modern Award, as failure to do so may give rise to an underpayment claim.</p>	
2	<p>A contract of employment is a crucial factor of an employment relationship, as it outlines the employee's terms and conditions of employment. A tailored contract of employment will significantly assist the business in all areas of their people management responsibilities.</p>	
3	<p>Casual employees are entitled to be paid a loading of 25% in lieu of permanent employee entitlements such as annual leave. It's important that the casual loading appears as a separate identifiable amount on an employee's payslip as recent case law has suggested this factor points to the genuine nature of a casual employment relationship. In the absence of this, casual employees may be able to claim permanent employee entitlements.</p>	
4	<p>Amendments were made to a number of Modern Awards back in 2018 which require an employer to provide all casual employees engaged under the corresponding Award, whether a regular casual employee or not, with a copy of the provisions of the casual conversion clause within the first 12 months of the employee's employment. Failure to comply with the clause is considered a breach of the Award and can result in significant fines and penalties.</p>	
5	<p>Employers have an obligation under Work Health and Safety Legislation to do whatever is reasonably practicable to ensure the health and safety of their employees in the workplace. The "workplace" is known to be any location that an employee is required to perform their duties from, including working from home. Working from home is a particularly common occurrence in the current environment to help minimise the spread of COVID-19. Risk assessments should be undertaken before any working from home arrangement is entered into in order to satisfy an employer's work health and safety obligations.</p>	
6	<p>In accordance with section 536 of the Fair Work Act 2009 (Cth), employers must provide employees their pay slip within one working day of being paid, even if the employee is on leave. Failure to do so may result in significant fines and penalties.</p>	



7	An employer is required to issue a copy of the Fair Work Information Statement to all new employees. Failure to do so may result in significant fines and penalties.	
8	In accordance with section 535 of the Fair Work Act 2009 (Cth), employers must keep employee records for 7 years. Failure to do so may result in significant fines and penalties.	
9	An Employee Handbook is considered an important document which should include all policies and procedures relevant to an employee's employment. An employer is able to refer and rely on the policies within the Employee Handbook in the event of a legal dispute between the company and an employee. If an employer can point to a policy to show that the employee ought to have been aware of their responsibilities in relation to the disputed matter, the employer is likely to be in a much stronger position before a court or tribunal.	
10	Where employees are paid an annualised salary, employment contracts should include an off-set clause which explicitly states that the over-Award payment is directed towards satisfying all Award monetary entitlements that may arise. That is, an off-set clause is used to negate other Award monetary entitlements such as overtime or penalty payments. In the absence of an off-set clause, despite being paid a wage in excess of the minimum Award rate, the employee may have grounds to claim for unpaid Award monetary entitlements.	
<b>TOTAL POINTS:</b>		

## How did you score?

### 1-7 points: High risk of non-compliance. Action is required.

Your business is at risk of non-compliance and would benefit from a full HR compliance audit to uncover any major mistakes, vulnerabilities or issues when managing or paying your employees. This is something the team at HR Assured can assist you with. Our expert auditors will uncover risks and threats to your business due to incomplete, incorrect or missing processes. We'll hunt down anything and everything that could expose you to penalties for failing to comply with Modern Awards, EBAs, the Fair Work Act 2009 (Cth), Work Health and Safety, and other governing legislation in Australia.

### 8-9 points: There's always room for improvement.

While you scored well, it looks like there are some areas in your business that need to improve. Employment relations is tricky, and legislation can quickly change. We suggest taking action now before any major issues occur. The first step to protecting your business is to complete a full HR audit. If you don't have an in-house counsel with expert knowledge of employment law, it can be difficult to know if you're complying, or if your practices and procedures are best practice. Talk to the team at HR Assured to learn about how we can support your business.

### 10 points: You're an HR Rockstar!

Well done, it looks like you got a perfect score. Whilst this HR Health Check makes you look like an HR Rockstar, we do want to point out that this is a basic HR audit and it doesn't uncover all potential risks and threats to your business. To learn if your business is 100% compliant, it's a good idea to undertake an in-depth HR audit. If you would like to discover how HR Assured can assist you with this, contact us.