



PAYROLL CONTRACTOR AUDIT FOR AUTOMOTIVE CLIENT

CLIENT PROFILE

An automotive client

CHALLENGE

Properly classifying contractors to resolve invoicing issues

CHALLENGE

Upon setting up a payroll provider for our automotive client's managed services (MSP) program, it was discovered that contractors listed as "payrolls" were also involved in a discount tenure project. As a result of this, bill rates for contractors were decreasing by one percent yearly (capped at three years). Given the low margins for payrolls, contractors' involvement in the tenure policy discount created numerous invoicing issues, including correcting headcount type, readjusting bill rates, and reprocessing time sheets.

SOLUTION

As such, Allegis Global Solutions (AGS) ran an audit to uncover why some of our client's contractors were being grouped into the tenure discount. After conducting the audit, it was determined that misclassification occurred when contractors were not being coded as payrolls under the headcount type.

From there, AGS used the report generated from the original audit to provide visibility into all of the payroll provider's contractors, as well as the headcount type they are coded as. At the beginning of each month, a payroll provider representative reviews the report and alerts an AGS staffing specialist with any contractors who need to be coded as payrolls. Once the staffing specialist is made aware of an incorrectly coded contractors, she creates a ticket in Salesforce to track the incident, and then corrects the headcount type within the vendor management system (VMS).

THE RESULTS

Through this process, AGS was able to identify and update the headcount codes for 124 wrongly assigned contractors, and re-run invoicing so that billing was correct for all of them. Since

implementing the monthly report process, AGS has been able to ensure that all of our client's contractors and new hires are coded correctly, while preventing any payroll contractors from being coded with the wrong headcount. The report process has also helped to avoid any further invoicing issues for contactors who are brought on as a payroll.



ABOUT ALLEGIS GLOBAL SOLUTIONS

Allegis Global Solutions is founded on a culture that is passionate about transforming the way the world acquires talent by delivering client-focused solutions that make a difference for businesses worldwide.