Payroll Continuity Best Practice Guidelines™

THE CANADIAN PAYROLL ASSOCIATION

CPA ACP

L'ASSOCIATION CANADIENNE DE LA PAIE

payroll.ca

The Canadian Payroll Association's core purpose is Payroll compliance through Education and Advocacy. The Association is committed to providing the payroll-related services which payroll professionals and their employers need to ensure compliance with over 200 legislative requirements that impact payroll.

All references to legislative requirements are current at the time of publication; however government legislation shall prevail if there are any discrepancies between the guidelines and government statutes or regulations.

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INTRODUCTION

As the authoritative source of Canadian payroll compliance knowledge, one of the objectives of the Canadian Payroll Association (CPA) is to publish guidelines that can be referenced as CPA Payroll Best Practices Guidelines for payroll practitioners and their employers.

A challenge for many payroll professionals is having their employers understand that payroll is mission critical and requires in-depth knowledge and skills to ensure compliance.

The CPA payroll best practice guidelines can assist organizations with preparing for a payroll audit. They can also provide benchmarking tools for designing and/or implementing Payroll Best Practices.

These guidelines were created by a task force of CPA staff and expert subject matter payroll professionals, ensuring both the accuracy of the information and the practicality of its application, based on practical experiences within various organizations.

The CPA would like to thank the subject matter experts for their participation on the task force and their contributions to these guidelines.

CPA members should direct any legislative questions on these guidelines to:

The Canadian Payroll Association's Payroll InfoLine
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Email: **infoline@payroll.ca**

KEYWORD SEARCH AND HYPERLINKS

When viewing any of the CPA's guidelines online, readers can search for keywords appearing within the document. For instance, if information is required on a certain word or phrase, type the word or phrase in the search window (activated by pressing the "Ctrl" and "F" keys simultaneously on most applications).

These guidelines contain **hyperlinks** within the document itself. All government forms, guides and websites discussed within the guidelines can also be accessed using these hyperlinks, which were active at the time of publication. Up-to-date links to major government websites such as Canada Revenue Agency, Service Canada, Revenu Québec and employment/labour standards can be accessed through the **Government Links | CPA** page on the CPA's website, **payroll/paie.ca**.

There is a quiz at the end of the document to test your knowledge and you can also take the quiz online by visiting the guidelines section of our website (**payroll/paie.ca ➔ Resources ➔ Information ➔ Payroll Guidelines**).

PAYROLL CONTINUITY BEST PRACTICE GUIDELINES

Payroll Continuity Best Practice Guidelines (PCBPG) are published to enable payroll practitioners to develop a contingent plan to pay employees when their operations are interrupted by unexpected events.

Planning for the unexpected is a reality every organization must do for its core functions. In recent years, organizations have faced a variety of unexpected interruptions to their Canadian operations from ice storms, influenza, and major power grid failures in Eastern and Central Canada, to forest fires in British Columbia and Alberta, droughts in the Prairies as well as floods, hurricanes and ice storms throughout Canada.

An unexpected event or pandemic could significantly impact an organization's mission-critical functions unless a business continuity plan (BCP) is in place. Employer surveys indicate that while many organizations have business continuity plans, focused on technology protocol and systems recovery processes, few have developed payroll specific continuity plans.

In the mid-2000's, increased instances of pandemic related threats resulted in many organizations developing business continuity plans. A significant impact on organizations is the eminent increase in absenteeism due to illness, caring for others or being fearful of contracting an illness. Such pandemic occurrences could result in lengthy multiple waves and are predicted to strain health services and social programs, resulting in severe reductions in productivity and economic losses. In addition, government planning calls for possible bans on public meetings.

The Canadian Payroll Association (CPA) represents employers' payroll interests; it is incumbent upon the Association to provide members with Payroll Best Practice Guidelines that can be used to develop a comprehensive payroll continuity plan to ensure readiness in cases of full and/or partial business interruptions.

INTERACTIVE PAYROLL CONTINUITY PLAN CHECKLIST

The CPA has also created an interactive Payroll Continuity Plan (PCP) Checklist. Action tasks related to creating a checklist specific to each task, organization or scenario.

Click **here** to access the PCP Checklist. Alternatively, you can log into the CPA's website at **www.payroll.ca** and locate the tool under the Payroll Guidelines section of the Resources page.

PURPOSE OF A PAYROLL CONTINUITY PLAN

Payroll is mission critical and there is arguably no more crucial function within an organization than getting employees paid accurately and on time. While a significant percentage of Canadians live pay cheque to pay cheque, ensuring payroll continuity is critical to the very financial survival of employees. Human resources, benefits, accounting and finance functions, although important, do not have the urgency and time sensitivity that payroll does in a crisis.

CLOUD COMPUTING

One aspect of business continuity planning for consideration is whether part or all processes are managed, or data is stored, "in the Cloud". Of late, Cloud computing has gained popularity and is fast becoming a part of mainstream payroll processing. Software-as-a-Service (SaaS) consists of a software licensing agreement and delivery model often referred to as "on demand software". Simply put, it allows for data and processes to be managed "in-house" or by a third party, via subscribed licensed software. A central host allows for data to be accessed from any device with an Internet connection and web browser. Individual organizations have access to a dedicated version, fully configured to its' specifications and business rules.

Leasing the software brings a new set of considerations in developing Payroll Continuity Plans. While an organization may continue to manage and own its' employees data, Cloud computing requires robust Service Level Agreements (SLA) thus ensuring for data storage, security and access; together with contingencies and disaster recovery protocols The SLA should also define acceptable response time in getting the service back up and fully functional in case of unplanned interruptions.

Where an organization's data is stored "in the Cloud", data servers' location disclosure is imperative to ensure compliance to legislative requirements. Data stored in the United States for example, is subject to the **U.S. Patriot Act**, allowing data access to U.S. government agencies. Data stored in Europe is subject to the **General Data Protection Regulations (GDPR)**. It is important to be aware of any restrictions that may impact an organization when recovering from a payroll processing interruption; and plan contingencies for potential restrictions in invoking part of an organization's Payroll Continuity Plan.

DEFINING AND REFINING BUSINESS & PAYROLL CONTINUITY PLANNING

Business Continuity Planning (BCP) is the process which defines contingent operating strategies, processes and procedures used to ensure the timely delivery and orderly continuation of critical business functions with minimal interruption to time-sensitive business operations.

The guidelines were created by the CPA Payroll Continuity Task Force to assist payroll practitioners in developing a payroll continuity plan for their organization. Given the different sizes and complexities of organizations and industries, the Task Force reviewed various payroll continuity plans and determined it would be more beneficial to publish a stepped approach methodology for members to use in developing their respective organization's plan, rather than create continuity planning templates.

The following key steps have been identified for consideration when developing a payroll continuity plan; they are intended to assist the one-person payroll department in developing a continuity plan as well as to serve as a checklist for medium to large-sized organizations.

DEVELOPING AN EFFECTIVE PAYROLL CONTINUITY PLAN

1. **Governance:** Define roles, responsibilities and assign ownership.
2. **Risk Assessment/Management:** Identify internal and external impacts of disruptions; rank critical services or products in order of priority for continuous delivery or rapid recovery**.**
3. **Strategy Development:** Develop response/recovery plans detailing ways and means to ensure critical services and products.
4. **Readiness:** Brief employees about their individual responsibilities; train them for tasks they will be required to perform, set a communication strategy.
5. **Quality Assurance Approach:** Assess the plan's accuracy, relevance and effectiveness; identify aspects that need improvement; provide continuous appraisal (through internal review or external audit); test the plan and review assumptions.

THREAT AND RISK ASSESSMENT

A threat and risk assessment should be performed by the organization to understand and identify any impacted activities and critical functions, should circumstances or a natural disaster occur, leading to an actual event or crisis.

Remember, the nature of your disruption can result from both internal and external sources and result in liabilities/risks such as:

EXTERNAL THREATS:

- Loss of public transportation and communication infrastructure
- Travel and access restrictions
- Supply chain disruptions
- Social disruptions
- Government interruptions/shutdown
- Financial institution interruptions/shutdown
- Health and safety

INTERNAL THREATS:

- Dependencies: breakdowns of internal technologies/external vendors
- Security and loss of access
- Key personal and workforce disruptions
- Loss of corporate infrastructure – i.e. facilities
- Communication breakdown
- Reduced levels of services: inbound and outbound
- Flexible work arrangements - virtual/remote access

AUTHORIZATION AND SUPPORT OF SENIOR LEADERSHIP AND KEY STAKEHOLDERS

- Where the development of the payroll continuity plan is initiated and implicitly approved by senior leaders as part of an organization-wide business continuity plan or risk management program; the final plan developed by the payroll department must also be explicitly authorized by senior leaders.
- Where the payroll continuity plan is initiated by the payroll department, then both its development and the completed plan need to be explicitly supported by written authorization from senior leadership as it establishes the authority to act in the event of a significant disruption. A payroll practitioner cannot assume that senior leadership will be available for permission to put the PCP into action; the authorization needs to be obtained when the plan is signed off by the senior leadership.
- Support and engagement from other key stakeholders such as information technology (IT), accounting and human resources (HR) teams, and where applicable, collective/bargaining union representatives, is also important.

DOCUMENTATION

- The payroll continuity plan must be thoroughly documented and kept current.
- All payroll and related benefit processes including inputs, outputs and their initiators must be fully detailed in the documentation.
- The documentation must be maintained and revised when there are any changes and must be reviewed at least quarterly.
- An appropriate writing style relative to audience needs should be used – bullets, charts, and tables are typically easier to follow and checklists provide quick and clear directions.
- The documentation should be available in paper and/or electronic form.
- The location(s) and access to the documented payroll continuity plan should be available to all relevant stakeholders – payroll, management, IT, accounting, HR and union representatives (as applicable).

WHAT TO DOCUMENT

As part of the PCP process for payroll, identify key activities and processes to be documented. Considerations should be given to the intended audience, payroll knowledge and overall soft and technical skill sets, whether initiating, implementing or even performing part or the plan in its entirety. The following are recommendations on what to document:

- End to end payroll cycle/pay frequencies
- Time collection and management processes
- Job data collection and approvals
- Remittance schedules and processes
- Must action activities/tasks versus may be suspended
- Direct deposit (and cheque) processes
- Production of the Record of Employment (ROE)
- Relevant reports i.e. accruals report, employee change reports
- General Ledger activities
- Third party payments/remittances
    - Must remit versus may be suspended/delayed
    - Consider legislative requirements
    - Timing and method of remittances

HOW TO DOCUMENT

When developing these processes, always consider the audience and assume they have limited knowledge of how to process payroll:

- Create work flow charts
- List all of the processes end to end
- Gather a list of internal and external critical contacts with emails and emergency numbers
- Utilize any current documentation for:
    - Standard operating procedures (SOP)
    - internal or external audit reports
- Include screenshots in a step by step approach, where applicable
- Keep all documentation consistent in structure and language

SCOPE

- The payroll continuity plan must respond to the organization's employee remuneration policies in a timely and prioritized manner.
- The objectives of the continuity plan must be clearly defined. A recommended best practice is the payment of an advance that is a close approximation of net pay to each employee and/or pensioner.
    - The previous net pay (or an average of four previous net pays if they vary significantly) is one suggested method.
    - Another possibility is to use full time equivalent (FTE) or regular hours as the base for the advance (for larger organizations or those with variable payrolls due to shift premium or significant overtime).
    - The organization needs to determine which approach would work best under the circumstances to calculate an advance if necessary.
- Unexpected events can lead to full or partial business interruptions. The payroll continuity plan should detail initiation and specific responses for various types of interruptions.
- Understanding which employees, if not all, are to be included in a PCP, and under what circumstances they continue to be paid even if they are not reporting for work is critical to the scope of the PCP.
- Understanding how to handle employees who cannot be located after a natural disaster (as a sample) is critical to the scope of the PCP, as is understanding what funding will be used to pay them, if they continue to be paid; will the organization exhaust an employee's vacation time remaining first? For how long does the pay continue for an employee who cannot be located, if at all? These are all critical decisions that need to be understood by and agreed to by senior leadership as part of the scope of your PCP. Some of the decisions required do take time to assess, so engage your senior leadership team early in the process.
- Payroll professionals should embrace the responsibility of developing and implementing a payroll continuity plan to enhance knowledge as part of a professional development opportunity.

ROLES AND RESPONSIBILITIES

- Ensure senior leadership has authorized the implementation of the payroll continuity plan based on defined triggers. Those tasked with carrying it out need to have the authority to proceed immediately.
- Roles, responsibilities and accountabilities should be clearly defined in the plan – who does what, in which order, where and how.
- Payroll professionals should be designated as "critical" employees and be part of the organizations Emergency Response Team to ensure payroll and benefits are delivered to all employees on a timely basis, regardless of the type of interruption.

SERVICE PERFORMANCE ASSESSMENT

- Internal and external service level and commercial agreements must be documented to enable the plan implementer to easily identify the information flow to and from the various payroll and benefits processes, and to identify what sources of information are required to generate the payroll.

- Payroll dependencies and interdependencies have to be clearly defined so that internal and external process participants can provide required data to payroll and, in turn, can be provided with the information required to implement the payroll continuity plan and meet the needs of other domains' business continuity plans (for example, accounts payable).

- An emergency tool kit list of vital materials must be available in print and stored electronically, on flash or USB drives/cloud storage.

- Flash/USB drives must be kept outside of the workplace. The tool kit must contain the payroll continuity plan, the location of, or access to, equipment, tools, passwords or electronic keys required to implement the plan and the key contacts to whom results must be communicated.

- Key stakeholders should keep an updated paper copy at their place of residence.

DEFINE SERVICE PRIORITIES

- Priority levels for all payroll and benefits services must be determined in advance and documented in the payroll continuity plan as there is no time for debate or discussion when the plan is being carried out. The typical priority levels are high, medium or low, or numeric ratings can be used. The ratings best articulated as actionable could include:

  1. Business Critical – payment of approximation of net pay and benefits to employees.
  2. Business Necessary – payments to third party providers.
  3. Business Desirable – transfer of payroll data to the accounting system.
  4. Unnecessary – transfer of funds for the employee social club.

- Implementation service and response priorities should be defined for various employee segments such as full time employees, part time and casual employees.

- The priority levels must be pre-determined in the plan and reiterated to the key stakeholders in payroll, management, HR, and accounting, as well as employees, union representatives and others.

- In the case of natural disasters, the organization needs to decide if and how it will provide emergency disaster relief funding if employees cannot work or if their homes have been damaged or destroyed.

- In the event where there is an interruption of earnings (seven consecutive calendar days with no insurable earnings), the employer must issue the Record of Employment (ROE). Often times in the event of a natural disaster, the Government of Canada will create a special access code for those seeking Employment Insurance (EI) benefits which can be used to speed up the application process. Employees do not have to wait to receive their ROE before applying for EI benefits.

QUICK RESPONSE GUIDE

- Quick response checklists and logs are crucial and should be readily available to back-up and/or escalation resources.
- The required actions need to be defined and clearly stated; what has to be done by whom and in what order must be documented as there is no time for discussion or explanation. The how and why would have already been defined when the continuity plan was developed.

ESTABLISH A COMMUNICATIONS PLAN

- Inform payroll staff of what they must do to pay employees according to the plan's parameters.
- Provide information **to employees** on what they can expect to receive regarding their pay as defined in the plan's Scope in the section above (e.g. an advance that is a close approximation of the previous net pay).
- Create a "call tree" for activation of the plan and communication of plan status to key stakeholders and employees groups previously identified (in Define Service Priorities section above).
- Ensure an up-to-date contact list is in place to communicate with employees.
- Communication is a common activity for payroll professionals. A robust and well executed communication plan is critical in an emergency situation, and in turn, will serve to strengthen payroll's credibility within the organization.

IMPLEMENT TESTING AND CONTINUOUS IMPROVEMENT PROCESSES

Payroll and all identified backup personnel should perform a "Tabletop Test" to assess if the plan is complete and if all the required processes have been included to generate payments during a business interruption. A Tabletop Test walks through the plan, its processes and assumptions on a step-by-step basis but actions are not actually performed. It is less expensive and disruptive than carrying out a live test and could identify issues and shortfalls. This Tabletop Test should also be performed periodically (at least once per year) to keep the plan current and familiar to all involved. Some of the initiatives for a Table Top Test include the following:

- Testing all the partial and complete interruption scenarios of the payroll and benefit processes including those that involve internal and external service providers and remuneration recipients
- Testing the plan using a sample of actual payroll data (Gross to net calculations)
- Testing of remote systems, should the need arise, to take over processing just in case the primary office is unable to do so
- Ensure that the plan is tested for backup and key resources missing from the process; this will confirm adequate coverage and access to systems
- Maintaining the plan. A good practice is to have the plan reviewed and tested as part of the month end payroll process (or at minimum quarterly)

DEVELOP DELEGATION AND BACKUP RESOURCES

- Train secondary and/or backup resources in other departments or cross-train payroll resources if applicable, as part of standard payroll "best practice" processes.
- Identification of secondary and/or backup resources and the delegation process to initiate the plan are key requirements.
- It may be necessary to contract for increased service levels from external payroll service providers and/or accountants.
- Escalation of a service agreement for the entire payroll function rather than just the processing could be negotiated if a payroll service provider is used.
- An agreement could be made with an external accountant to do the payroll processing.
- In the case of large or medium-sized organizations using payroll software, either commercially available or custom developed with a payroll department likely reporting to finance or human resources, the escalation process would require internal service agreements to be implemented. For instance, payroll will need approval from finance to process previous payroll or to obtain a letter of credit on file with the payroll software provider.
- Verify and test the integrity of the backup process, resources, and the storage medium, to ensure that they can perform.
- Backups of payroll processes and data could be stored out of province if the organization is located in an area that is at risk to certain natural disasters (e.g. earthquakes, floods). Other offices or those of a service provider(s) (e.g. bank, payroll outsourcing service, and software or accounting firms) in another province or region of the country would minimize the inherent risk. (See **U.S. Patriot Act** and **EU GDPR** as examples).

ORGANIZE PLAN RESOURCES

- Identify remote offsite location(s).
- Establish a secure offsite storage facility or use safety deposit boxes to store an emergency tool kit and other items needed for remote processing.
- Confirm with financial institutions what level of flexibility is available to transmit a payroll deposit file and/or produce payments from a remote location.
- Determine the flexibility of the pay deposit file by confirming with the financial institutions which file format is being used and perform a validation exercise. **Payments Canada** has standards that will enable the use of alternate banking institutions if required.
- Test external service providers' ability to use data stored on laptops/flash drives/USB drives/cloud storage.
- Ensure complete access to security levels, key passwords, or de-encryption of data is available, if required.
- Ensure systems access will function in various scenarios. For illustration, where the plan is to access the organization's computer network from a home office in the event of a pandemic.
  - Validate system capacity and performance against increased remote traffic
  - Validate prior to initiation, restrictions of alternate security protocols and required permissions, ex. temporary Virtual Private Network (VPN) Licenses
- Ensure backups are done on an hourly, daily, or at least on a pay period basis, to ensure access to the most recent data.
- Establish protocols for delivery of employees' cheques and pay statements to their homes and/ or alternates when unable to commute to a work location to be retrieved; and direct deposits are unavailable or access to a secured online print portal is restricted. A decision to forego pay statements altogether during this emergency is an option an organization may also consider.

DISASTER RECOVERY PLANNING

Disaster Recovery Planning (DRP) is a subset of Business Continuity Planning often focused on restoring IT systems and related protocols. DRP aims for the prompt return to normal thus restored business activities and overall operational health. Key considerations toward a successful recovery include:

• Defining mission-critical operations, applications, processes and services
• Identifying dependencies against significant risks and threats
• Assessing business interruptions for direct impacts to operations, financials, legal and indirect impacts to social culture and external branding
• Prioritizing recovery point objectives (RPOs) and recovery time objectives (RTOs)

Remember, an effective DRP will often mirror that of an emergency room triage protocol, and can be summarized using a "PMSR" response model.

• **P**rioritize
• **M**obilize
• **S**tabilize
• **R**estore

STAKEHOLDER AND SUBJECT MATTER REVIEW AND SUGGESTIONS

The CPA gathered input on the draft Payroll Continuity Guidelines in two stages. First they were sent to some members, payroll service providers and software organizations for initial reactions and revisions.

The next draft of the guidelines was sent to the CPA's group of Subject Matter Experts, 260 in total, for review, comments and reactions in early 2007. A complete review of this document was more recently done in 2018.

The CPA is very pleased with the supportive comments received from stakeholders and Subject Matter Experts. Most of the responses indicated the guidelines covered all the major requirements. Some provided suggestions that broadened the context of the guidelines and many of these were integrated into this document.

In providing comments, respondents supported the view that the guidelines are intended to be used by a one-person payroll department to develop a payroll continuity plan, and as a checklist for larger enterprises.

We suggest that payroll professionals use the guidelines to develop their payroll continuity plan; this will be essential for payroll, in particular a one-person department, to be able to implement an effective payroll continuity plan during an emergency.

The need for payroll continuity guidelines was assessed using the CPA's template, "How the CPA Responds to New Ideas and Developments" (Appendix A). A project proposal and results from a CPA's web seminar and a National Conference session on business continuity planning were used to scope the project. A request for payroll continuity plans went to approximately thirty (30) organizations. However, very few, including large companies, had a payroll continuity plan in place.

Based on the half dozen payroll continuity plans received, the Task Force identified common elements as the basis for the development of the payroll continuity guidelines.

FEEDBACK

The CPA appreciates your comments and welcomes your suggestions as we seek to continually improve our member resources. Please direct any feedback on these guidelines to:

Janet Grossett, CPM
Manager, Compliance Services and Programs
The Canadian Payroll Association
Email: **guidelines@payroll.ca**

APPENDIX A

HOW THE CPA RESPONDS TO NEW IDEAS AND DEVELOPMENTS

- Gather information (facts, data) and get clarification on the idea/development
- How does information relate to the Strategic Plan; does it create a new opportunity or threat, reinforce or otherwise affect current strategies/tactics?
- Be open to looking at alternative ways of doing things
- Look for ways to work together and identify mutual benefits with current or emerging partners...*what would it take to work together?*
- Be proactive in gathering business intelligence, environmental data, and managing relationships so new ideas/situations do not blind-side us
- Determine if/when the situation is a crisis or development which requires a fundamental rethink of the current strategies e.g. Do we engage a Lobbyist rather than use our traditional Advocacy approach, form a Task Force, engage support from other associations, educate decision-makers etc.
- **Always evaluate ideas using the same criteria of: values, relevance to members, customer satisfaction, financial impact and feasibility on all stakeholders**
- If the new idea or development is significant, prepare a project proposal summary for discussion with the Executive Committee or applicable Manager with suggested next steps

APPENDIX B

PAYROLL CONTINUITY PLAN (PCP) CHECKLIST

Action to be taken	Done
Create the plan to identify key business process as it relates to HR, Payroll Systems	
Document time collection and management process	
Document job data collection and approvals	
Create remittance schedules and processes	
Document direct deposit (dheque) process	
Document termination procedures, including Record of Employment (ROE)	
Document post payroll reports – i.e. general ledger, accruals	
Develop third party payments reports	
Develop remote payroll processing capabilities (include offsite arrangements)	
Create recovery data on USB/flash drives/cloud storage	
Develop areas of responsibilities (who does what)	
Develop the Payroll Business Continuity Planning (PCP) toolkit	
Create list of external key contacts, for example, financial institution, Service Canada (ROE Web), Canada Revenue Agency	
Create list of internal key contacts, for example, human resources, IT, finance, leadership in key roles,	
Create 'Communication Plan'	
Create 'Quick Response Guide'	
Obtain authorization from senior leadership and key stakeholders	
Assign an owner to the plan, also responsible to implement testing of PCP	

TEST YOUR KNOWLEDGE

Please read each scenario and select the correct response. (The answers are provided and explained on the next page.)

1. Payroll Business Continuity Plan:

   A. Is the process which defines alternative operating strategies, tactics and procedures used to ensure business continuity with little or no interruption.

   B. Will have internal and external issues and risks.

   C. Is the process used to ensure the timely and orderly continuation of critical business functions?

   D. Both A and C.

2. My company employs less than 20 people. I do not require a business continuity plan for payroll.

   A. True

   B. False

3. As part of defining service priorities within an organization, tasks considered as "business critical" would be:

   A. Import time and attendance file, pay employees their net pay, upload payroll GL entries into accounting system

   B. Import time and attendance file, pay employees their net pay, and issue Record of Employment (ROE) for employees who will experience an interruption of earnings.

   C. Pay employees their net pay

   D. Import time and attendance file, pay employees their net pay

ANSWERS

1. Payroll Business Continuity Plan:

   A. The process which defines alternative operating strategies, tactics and procedures used to ensure business continuity with little or no interruption.

   B. Will have internal and external issues and risks.

   C. The process used to ensure the timely and orderly continuation of critical business functions.

   D. Both A and C.

   Answer: D. Both A and C. A Payroll Business Continuity Plan is a process which defines alternative operating strategies, processes and procedures used to ensure the timely delivery and orderly continuation of critical business functions with minimal interruption to time-sensitive business operations.

2. My company employs less than 20 people. I do not require a business continuity plan for payroll.

   A. True

   B. False

   Answer: B. False. Payroll is mission critical and there is arguably no more crucial function within any organization, no matter the size, than getting its employees paid accurately and on time.

3. As part of defining service priorities within an organization, what is the first priority to employees as "business critical"?

   A. Importing time and attendance file, pay employees their net pay, upload payroll GL entries into accounting system

   B. Importing time and attendance file, pay employees their net pay, and issue Record of Employment (ROE) for employees who will experience an interruption of earnings.

   C. Paying employees their net pay

   D. Import time and attendance files and paying employees their net pay

   Answer: C. Paying employees their net pay would be the first priority and is considered "business critical".

RESOURCES

Centre for Emergency Preparedness and Response

A Guide to Business Continuity Planning

Business Continuity Institute

Article from Globe and Mail ~ *We're not sufficiently prepared for next pandemic, expert says*

Pandemic Plans - Canada.ca

ACKNOWLEDGEMENTS

The CPA would like to thank the following subject matter experts for their participation on the task force and their contributions to these guidelines.