



Australian Government

FNSBKG405 Establish and maintain a payroll system

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to record and prepare payroll documentation, respond to enquiries and process accurate payroll data for manual and computerised systems.

It applies to individuals who use a range of organisational and other specialist techniques. They may work directly for organisations or be small business owners, contractors or service providers.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. This unit is designed to meet educational requirements of the Tax Practitioner Board (TPB). Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

Bookkeeping

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Establish payroll requirements	1.1 Apply knowledge of relevant legislation in relation to employment standards, and other legislative requirements in regards to payments 1.2 Seek instruction from authorised parties in relation to relevant state and modern awards regarding details to be set up within payroll system for individual employees 1.3 Establish payroll set-up for salary packaging 1.4 Assess scope of payroll services BAS agent can provide and identify need for independent expert advice providers
2. Record payroll data	2.1 Ensure payroll system includes complete and accurate employee data 2.2 Review payroll data and clarify discrepancies with designated persons 2.3 Enter employee pay period details, deductions and allowances in payroll system in accordance with source data 2.4 Calculate payment due to individual employees to reflect standard pay and variations in accordance with employee source data
3. Prepare and process payroll	3.1 Conduct payroll preparation within designated timelines in accordance with organisational policy and procedures 3.2 Calculate, record and reconcile employee in accordance with legislative requirements 3.3 Reconcile total payments for pay period, and review and correct irregularities or refer them to designated persons for resolution 3.4 Obtain authorisation of payroll and individual pay advice in accordance with organisational requirements 3.5 Make arrangements for payments in accordance with organisational and legislative requirements 3.6 Produce, review and store payroll records in accordance with organisational policy and security procedures
4. Handle payroll enquiries	4.1 Respond to payroll enquiries in accordance with organisational and legislative requirements

ELEMENT	PERFORMANCE CRITERIA
	<p>4.2 Provide information in accordance with organisational and legislative requirements</p> <p>4.3 Refer enquiries outside area of responsibility or knowledge to designated persons for resolution</p> <p>4.4 Provide additional information or complete follow-up action within designated timelines in accordance with organisational policy and procedures</p>
5. Maintain payroll	<p>5.1 Maintain all information and record keeping relating to payroll function in accordance with relevant legislation and regulations</p> <p>5.2 Produce and reconcile month-end and year-end checklists to ensure compliance with relevant legislative and management deadlines</p> <p>5.3 Update records and systems in line with salary reviews and other changes in employment status</p> <p>5.4 Establish back-up and disaster recovery systems</p> <p>5.5 Generate and distribute payroll reports in line with organisational policy</p> <p>5.6 Extract and apply business activity statement (BAS) and instalment activity statement (IAS) data in accordance with relevant legislation and regulations</p>

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	2.2, 3.3, 3.6	<ul style="list-style-type: none"> Reviews and compares details of information to meet requirements, and interprets and analyses an extensive range of structurally intricate texts to inform actions
Writing	3.6, 4.1, 4.2, 5.2, 5.3	<ul style="list-style-type: none"> Records detailed information accurately in required formats for individuals Prepares, produces and updates accurate payroll record information in a range of report formats to meet organisational requirements Produces logically sequenced texts in response to enquiries
Oral Communication	4.1-4.4	<ul style="list-style-type: none"> Participates effectively in exchanges of information using questioning and active listening to clarify details, and clear and direct language to refer problems to supervisor Clearly articulates responses to enquiries using language, tone and pace appropriate to the audience
Numeracy	3.2, 3.3	<ul style="list-style-type: none"> Uses calculation skills and mathematical formulae to accurately prepare, record, reconcile, check and report payroll data in a range of formats Defines timeframes in accordance with schedule requirements
Navigate the world of work	1.1, 1.4, 3.2, 3.4-3.6, 4.1-4.4, 5.1, 5.6	<ul style="list-style-type: none"> Takes responsibility for adherence to organisational policy and procedures, and legal and regulatory requirements
Interact with others	1.2, 4.3	<ul style="list-style-type: none"> Cooperates and collaborates with others as part of familiar routine activities and contributes to activities requiring joint responsibility and accountability
Get the work done	1.3, 2.1, 3.5, 4.4, 5.1-5.6	<ul style="list-style-type: none"> Plans, organises and completes work according to defined requirements, taking responsibility for sequencing tasks to achieve efficient outcomes Uses systematic analytical processes in complex, routine and non-routine situations, gathering information, reviewing and reconciling data, and identifying and evaluating potential solutions Uses digital tools to conduct research, design work processes and to complete work tasks

Range of Conditions

This section specifies different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.

Payroll preparation must include:	<ul style="list-style-type: none"> • calculation of gross pay • calculation of net pay • preparing pay advice slips • preparing payments • superannuation • taxation and other deductions.
Payroll records must include:	<ul style="list-style-type: none"> • electronic funds transfer • employee summary report • end of month reports • end of year reports • pay advice slips • payment summaries • taxation reports.

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSBKG405 Establish and maintain a payroll system	FNSBKG405A Establish and maintain a payroll system	Updated to meet Standards for Training Packages Wording changes New element and reordering of performance criteria to clarify intent and update to industry requirements	Equivalent unit

Links

Companion volumes available from the IBSA website:

http://www.ibsa.org.au/companion_volumes - http://www.ibsa.org.au/companion_volumes