



Australian Government

FNSBKG405 Establish and maintain a payroll system

Release: 2

FNSBKG405 Establish and maintain a payroll system

Modification History

Release	Comments
Release 2	This version first released with FNS Financial Services Training Package Version 1.1. Release 2 created to correct typographical error.
Release 1	This version first released with FNS Financial Services Training Package Version 1.

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

ELEMENT	PERFORMANCE CRITERIA
	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 4.2 Provide information in accordance with organisational and legislative requirements 4.3 Refer enquiries outside area of responsibility or knowledge to designated persons for resolution 4.4 Provide additional information or complete follow-up action within designated timelines in accordance with organisational policy and procedures
5. Maintain payroll	5.1 Maintain all information and record keeping relating to payroll

ELEMENT	PERFORMANCE CRITERIA
	function in accordance with relevant legislation and regulations 5.2 Produce and reconcile month-end and year-end checklists to ensure compliance with relevant legislative and management deadlines 5.3 Update records and systems in line with salary reviews and other changes in employment status 5.4 Establish back-up and disaster recovery systems 5.5 Generate and distribute payroll reports in line with organisational policy 5.6 Extract and apply business activity statement (BAS) and instalment activity statement (IAS) data in accordance with relevant legislation and regulations

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	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	- 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	- 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	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	Takes responsibility for adherence to organisational policy and procedures, and legal and regulatory requirements
Interact with others	1.2, 4.3	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	- 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:	- calculation of gross pay - calculation of net pay - preparing pay advice slips - preparing payments - superannuation - taxation and other deductions.
Payroll records must include:	- 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 Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSBKG405 Establish and maintain a payroll system

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Performance Evidence

Evidence of the ability to:

- accurately identify, calculate and input data for payments into manual or computerised payroll systems
- produce payroll reports in accordance with organisational and legislative requirements
- present payroll report for verification and approval
- maintain all records in compliance with organisational and legislative requirements that relate to security and confidentiality of information.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- explain the scope of services appropriate for a business activity statement (BAS) agent providing payroll services
- explain the application of award and enterprise agreements and relevant industrial instruments to payroll maintenance responsibilities
- identify and explain organisational policy and procedures that affect payroll, including the structure of authority in organisations
- explain industry codes of practice relevant to payroll operations
- compare and contrast manual and computerised payroll systems
- identify relevant legislation and record-keeping requirements from all levels of government that affect business operation and reporting requirements, especially in regard to:

- Fair Work Act
- National Employment Standards
- Superannuation Guarantee (Administration) Act
- corporations law
- workers compensation and work health and safety
- tax related to payroll activities
- Privacy Act (confidentiality and security of records)
- Higher Education Loan Program (HELP)
- Medicare levy
- Tax Agent Services Act (TASA)
- current state, territory and Commonwealth industry and modern awards, and enterprise bargaining agreements
- individual employment contracts
- Commonwealth, state and territory leave Acts including annual, sick and long service
- Australian Bureau of Statistics (ABS) Act
- describe current Australian Tax Office (ATO) requirements such as:
 - Australian Business Number (ABN)
 - employment declaration
 - tax file number (TFN) declaration
- identify the Tax Practitioners Board (TPB) requirements, including:
 - registration and scope of services documentation requirements for BAS agents
 - Code of Professional Conduct
- explain relevant taxation law, including:
 - pay as you go (PAYG) withholding tax
 - fringe benefits tax (FBT)
- outline the key aspects of routine and non-routine requirements for payroll, including:
 - routine: award payments, salary amount, salary packaging, superannuation guarantee and super reporting
 - non-routine: termination payments and super guarantee charge.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the bookkeeping field of work and include access to:

- common office equipment, technology, software and consumables
- workplace reference materials such as procedural manuals and company policy
- actual or simulated payroll data.

Assessors must satisfy NVR/AQTF assessor requirements

This unit is designed to meet the education requirements of the Tax Practitioner Board (TPB). Where registration with the TPB is sought, assessment must reflect the conditions described by the regulator which stipulate that a significant amount (at least 40%) must be completed under some form of independent supervision. Where recognition of prior learning (RPL) is used, it must also meet the requirements of the Board's policy on RPL.

Details of requirements can be accessed on the TPB website at <<http://www.tpb.gov.au>>.

If undertaking this unit for BAS agent registration, the following items in the Range of Conditions must be addressed in the assessment to meet educational requirements for registration with the TPB:

- payroll preparation
- payroll records.

Links

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<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>