



National Unit specification

General information

Unit title: Recording of Pay Information

Unit code: D0W3 11

Superclass: AK

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Unit purpose

This Unit develops knowledge and skills in recording pay transactions in the accounting records of an organisation from source documentation. It will allow learners to apply underpinning knowledge and understanding to both large and small organisations within the private, public and voluntary sectors.

Outcomes

On successful completion of the Unit the learner will be able to:

- 1 Organise Source Documentation for Processing.
- 2 Record Pay Transactions in the Primary Accounting Records.
- 3 Record Pay Information in the Ledger.
- 4 Process Payments to Employees.
- 5 Process Transactions with External Agencies.

Credit points and level

1 National Unit credit at SCQF level 5: (6 SCQF credit points at SCQF level 5)

Recommended entry to the Unit

While access is at the discretion of the presenting centre, it would be beneficial for learners to have competence in the recording of cash and bank transactions in the records of an organisation. This may be evidenced by the possession of the Unit *Recording Cash Transactions* (FN14 11) or equivalent.

National Unit specification: General information (cont)

Unit title: Recording of Pay Information

Core Skills

Opportunities to develop aspects of Core Skills are highlighted in the Support Notes for this Unit specification.

There is no automatic certification of Core Skills or Core Skill components in this Unit.

Context for delivery

If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

Equality and inclusion

This Unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

National Unit specification: Statement of standards

Unit title: Recording of Pay Information

Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

Outcome 1

Organise Source Documentation for Processing.

Performance Criteria

- (a) Source documents are accurately checked against each other to ensure consistency.
- (b) Source documents are checked for authorisation.
- (c) Totals and balances are checked for accuracy.
- (d) Errors, omissions and non-routine documents are referred to the appropriate person for action.
- (e) Documentation is correctly filed.

Outcome 2

Record Pay Transactions in the Primary Accounting Records.

Performance Criteria

- (a) Gross employee earnings are correctly calculated from source documentation.
- (b) Payroll status for employee is accurately determined.
- (c) Statutory and non-statutory deductions are correctly calculated in accordance with authorities held.
- (d) Pay advice records are correctly prepared.
- (e) Documentation and media are filed correctly.

Outcome 3

Record Pay Information in the Ledger.

Performance Criteria

- (a) Ledger accounts are correctly related to analysis in primary record.
- (b) Posting of information from primary record is accurate.
- (c) Posting of information complies with double entry requirements.
- (d) Posting of information is legible.

National Unit specification: Statement of standards

Unit title: Recording of Pay Information

Outcome 4

Process Payments to Employees.

Performance Criteria

- (a) Pay amounts are correctly and timeously processed.
- (b) Safety and security procedures are correctly followed in accordance with organisational procedures.
- (c) Employee pay enquiries are responded to effectively.
- (d) Statutory documentation is made available to employees promptly.
- (e) Documentation and media are correctly filed.

Outcome 5

Process Transactions with External Agencies.

Performance Criteria

- (a) Amounts due to and from external agencies are calculated correctly.
- (b) Returns to external agencies are correctly prepared.
- (c) Returns are reconciled to the payroll accounting system.
- (d) Recording of information is legible.
- (e) Documentation and media are correctly filed.

National Unit specification: Statement of standards

Unit title: Recording of Pay Information

Evidence Requirements for this Unit

Evidence is required to demonstrate that learners have achieved all Outcomes and Performance Criteria.

For **Outcome 1**, evidence will include learners organising documentation for input in weeks 49–52 into both a manual and a computerised system for weekly paid and monthly paid employees. The evidence will cover:

- ◆ Documents: time sheets; clock cards; attendance records; summary sheets
- ◆ Totals: bonuses; commissions; overtime; additionally contracted work
- ◆ Errors, omissions and non-routine documents: incorrect employee details; arrears of additional payments; calculation errors; disagreement with supporting documents.

For **Outcome 2**, practical exercises which meet the Performance Criteria will be used to generate performance evidence. Learners will record the payroll transactions of weekly paid and monthly paid employees in both a manual and computerised payroll accounting system. The evidence will cover:

- ◆ Gross employee earning: basic pay; bonus; overtime; shift; commission; additional taxable payments; additional non-taxable payments
- ◆ Payroll status: personal details; rate of pay; tax code; agreed voluntary deductions
- ◆ Deductions: income tax; national insurance; superannuation; pensions; arrestment; SAYE; charitable schemes
- ◆ Pay advice records: employee records; employer records.

For **Outcome 3** practical exercises which meet the Performance Criteria will be used to generate performance evidence, where the pay from weekly and monthly payrolls is posted to the ledger by learners. The evidence will cover:

- ◆ Ledger accounts: control; revenue; creditor accounts
- ◆ Primary records: weekly payroll; monthly payroll.

For **Outcome 4** practical exercises which meet the Performance Criteria will be used to generate performance evidence, including in one, a year-end routine for the issue of the annual statement, for weekly and monthly paid employees, in both manual and computerised payroll accounting systems. The evidence will cover:

- ◆ Pay: by cash; by cheque; by credit transfer
- ◆ Safety and security: cash handling; cheque handling; unclaimed pay
- ◆ Employee pay enquiries: incorrect tax coding; NI classification; incorrect calculation of gross earnings; bank transfers
- ◆ Statutory documentation: annual statement of tax and NI; employee leaving employment; employee joining.

National Unit specification: Statement of standards (cont)

Unit title: Recording of Pay Information

For **Outcome 5** practical exercises which meet the Performance Criteria will be used to generate performance evidence. The evidence will cover:

- ◆ External agencies: Inland Revenue; DSS; Superannuation Administrators; National Savings; charitable trusts
- ◆ Returns: periodic returns with respect to, NI and PAYE; Superannuation; SAYE; charitable payroll giving.



National Unit Support Notes

Unit title: Recording of Pay Information

Unit Support Notes are offered as guidance and are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this Unit

Through undertaking this Unit, learners should achieve the level of competence of someone who can carry out, under supervision, the routine recording of transactions in the books of a range of organisations. They should be able to apply underpinning knowledge and understanding to both large and small organisations within the private, public and voluntary sectors.

Outcome 1 focusses on the development of work product organising skills and the need for methodical approaches to the processing of payroll data and information.

Outcomes 2 and 3 cover the application of classifying payroll data for processing into information. Learners will learn about the difference between gross and net payments to employees and the cost of labour to employers.

Outcome 4 focusses on the range of payment methods for paying employees' remuneration. It covers the need to respond to employees' enquiries in an effective, prompt and courteous manner and develops awareness of the sensitivity of payroll information and the need to maintain complete confidentiality.

Outcome 5 focusses on the need to maintain accurate records when dealing with external agencies and the place of external inspection of payroll records.

Guidance on approaches to delivery of this Unit

The Outcomes of this Unit involve learners carrying out the application of practical skills from developed knowledge and understanding. As such, a learner-centred approach utilising resources likely to be met within the workplace, is recommended.

The delivery and assessment of the Unit within a simulated office environment will allow learners to demonstrate their competence in similar conditions to the workplace. Therefore, observation of learners successfully carrying out a series of practical exercises demonstrating the manual application and the utilisation of payroll software applications, will allow for the accumulation of performance evidence.

National Unit Support Notes (cont)

Unit title: Recording of Pay Information

Guidance on approaches to assessment of this Unit

Evidence can be generated using different types of assessment. The following are suggestions only. There may be other methods that would be more suitable to learners.

Centres are reminded that prior verification of centre-devised assessments would help to ensure that the national standard is being met. Where learners experience a range of assessment methods, this helps them to develop different skills that should be transferable to work or further and higher education.

An integrative approach to assessment is recommended. Accurate records should be made of the assessment instruments used showing how evidence is generated for each Outcome and giving marking schemes and/or checklists, etc. Records of learners' achievements should be kept and made available for external verification.

Assessment will be through the use of practical exercises which allow for evaluation of learners' work products, in the form of payroll accounting records, ledgers and statutory records. These exercises will also allow for evaluation of the processes used by learners to achieve the work products. It is recommended that an observation checklist is incorporated within a portfolio of evidence for each learner.

Centres may wish to combine individual practical exercises into a series of linked activities, thus emphasising the process aspects of the recording of pay information. In the linked assessment situation, a payroll of 10 employees would allow for demonstration of the Performance Criteria and production of evidence. For year-end routines, learners might be expected to process transactions on a payroll already made up to week 49.

Opportunities for e-assessment

E-assessment may be appropriate for some assessments in this Unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at www.sqa.org.uk/e-assessment.

Opportunities for developing Core and other essential skills

In this Unit, learners will develop and apply skills to the recording and processing of pay information. The tasks associated with the Performance Criteria may provide opportunities to develop the Core Skill of *Numeracy* at SCQF level 5.

History of changes to Unit

Version	Description of change	Date
	<i>Reformatted with minor amendments. No change to mandatory section or version.</i>	

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General information for learners

Unit title: Recording of Pay Information

This section will help you decide whether this is the Unit for you by explaining what the Unit is about, what you should know or be able to do before you start, what you will need to do during the Unit and opportunities for further learning and employment.

This Unit develops knowledge and skills in recording pay transactions in the accounting records of an organisation from source documentation.

Through undertaking this Unit, you should achieve the level of competence of someone who can carry out, under supervision, the routine recording of transactions in the books of a range of organisations. You should be able to apply underpinning knowledge and understanding to both large and small organisations within the private, public and voluntary sectors.

Outcome 1 focusses on the development of work product organising skills and the need for methodical approaches to the processing of payroll data and information.

Outcomes 2 and 3 cover the application of classifying payroll data for processing into information. You will learn about the difference between gross and net payments and the cost of labour to employers.

Outcome 4 focusses on the range of payment methods for paying employees. You will learn about the need to respond to enquiries in an effective, prompt and courteous manner and develop an awareness of the sensitivity of payroll information and the need for confidentiality.

Outcome 5 focusses on maintaining accurate records when dealing with external agencies and external inspection of payroll records.

The Unit is mainly assessed by practical tasks, ideally within a simulated office environment, allowing you to demonstrate your skills in conditions similar to the workplace. On successful completion of the Unit, you will be able to:

- 1 Organise Source Documentation for Processing.
- 2 Record Pay Transactions in the Primary Accounting Records.
- 3 Record Pay Information in the Ledger.
- 4 Process Payments to Employees.
- 5 Process Transactions with External Agencies.

During this Unit, you may have opportunities to develop the Core Skill of *Numeracy* at SCQF level 5.