

# Unit 307 Completing year-end procedures

## Unit summary

---

Produce pay roll year-end returns and reports. This unit is imported from the national occupational standards developed by the Accountancy Occupational Standards Group.

## Skills

---

You will apply the following skills:

- Planning
- Organising
- Researching
- Checking
- Communicating
- Using technology
- Reading
- Recording
- Problem solving
- Using number
- Managing time

## Performance indicators

---

You will:

### **Produce payroll year-end returns**

1. Reconcile cumulative pay records to year-end balances
2. Reconcile totals of tax and National Insurance contributions deducted with payments made to the Collector of Taxes, taking into account recoverable sums
3. Reconcile the total value of basic and supplementary pension contributions and Additional Voluntary Contributions from each employee with cumulative net taxable pay prior to completion of year-end returns to the Revenue
4. Complete all statutory and non-statutory year-end returns accurately
5. Despatch all statutory and non-statutory year-end returns by the agreed media and due dates
6. Distribute employee year-end information for employees by the applicable statutory date
7. Prepare internal year-end summaries for accounting purposes in an accurate and timely manner

### **Identify reportable benefits and expenses in the context of tax and national insurance**

8. Identify the existence of a tax and National Insurance liability for benefits and expenses

9. Identify statutory and non-statutory exemptions from liability to tax and National Insurance
10. Ensure that dispensations are up-to-date and are applicable to current organisational procedures
11. Identify the relevant statutory return to be submitted for each employee
12. Identify the correct method of calculating the tax and National Insurance liability of benefits and expenses

### **Produce reports of benefits**

13. Correctly calculate the value of taxable benefits
14. Report the value of taxable benefits and expenses accurately, taking into account non-reportable items
15. Calculate the Class 1A National Insurance liability accurately in accordance with statutory timescales
16. Calculate the tax and Class 1B National Insurance liability on benefits where the organisation has agreed to meet the liability
17. Complete all statutory and non statutory year-end returns accurately
18. Despatch all statutory and non-statutory year-end returns by the due dates
19. Ensure all year-end information for employees is made available by the applicable statutory date
20. Produce internal year-end summaries for management accounting purposes in an accurate and timely manner

## **Knowledge**

---

You will know:

1. About Data Protection legislation
2. The PAYE regulations in respect of:
  - The Tax and National Insurance liability on pay, expenses and benefits
  - Tax and National Insurance regulations relating to end-of-year reporting
  - The methods of submitting end-of-year returns
  - Dispensations, extra statutory concessions, statutory exemptions and PAYE settlement agreements and their impact on end-of-year reporting for Tax and National Insurance purposes
3. The policies for dealing with expenses and benefits
4. The method of payment of expenses
5. The policies, practices and procedures for filing
6. The signatories and authorisations
7. The information flows within the organisation
8. The procedures for the security and confidentiality of information

9. The sources of information for the resolution of discrepancies
10. The principles of payroll accounting and the reconciliation of balances

## Evidence Requirements

---

This section is aimed at the assessor and sets out the evidence requirements for this unit.

1. Evidence for this unit is generated when your candidate is carrying out real work in a private sector organisation, not-for-profit organisation or public service organisation whether full-time or part-time, paid or voluntary.
2. For this unit, evidence may be collected in an approved Realistic Working Environment or an extended work placement.
3. Simulation is allowed for this unit. Well-designed and up-to-date simulation of the workplace may be needed in some areas to provide access to learners and generate high quality evidence of both the processes and outputs expected in employment. Such simulation may be computer-based, where that increases realism.

The use of simulation will legitimately vary across occupational areas, reflecting employment realities, as follows:

- In accounting and closely-related occupations, individuals are normally required to be qualified before they can be considered for the corresponding job. They also deal with confidential and personal information. Simulation is therefore frequently necessary in the interests of access and propriety.
  - In payroll administration, workplace evidence is strongly encouraged, though circumstances can arise where an element of simulation is necessary.
  - In the administration of local taxation and associated benefits, most occupations generate natural opportunities for workplace evidence, though simulation is generally appropriate for activities associated with appearances in court.
4. Evidence must show that your candidate has consistently met the standard over a sufficient period of time for you to consider the candidate competent.
  5. You may use the following assessment methods when assessing this unit:

Performance evidence	Observation	Yes
	Examination of work products	Yes
Supplementary evidence	Witness testimony	Optional
	Questions *	Yes

\* This includes verbal and written questioning, questionnaires, work based tasks, reflective accounts, case studies, professional discussion and feedback reports.

6. Your candidate needs to show that they:

**Produce payroll year-end returns.** Evidence may include:

- Reconciliations
- Copy year-end returns
- Internal year-end summaries

**Evidence must include:**

- Returns
  - P35
  - P38A
  - P38S
  - P60/14
  - CA2700 deferment certificates
  - Management reports
- Media
  - Paper
  - Magnetic
  - E-mail
  - Internet
  - Disc

**Identify reportable benefits and expenses in the context of tax and National Insurance.**

Evidence may include:

- Copy statutory returns
- Calculations

**Evidence must include:**

- Benefits
  - Assets transferred
  - Payment of employee's own debts
  - Vouchers
  - Credit cards
  - Cars
  - Fuel for cars
  - Loans
  - Vans
  - In-house benefits
  - Shares
  - Living accommodation
- Expenses
  - Travel and subsistence
  - Qualifying and non-qualifying relocation
  - Mobile telephones
  - Employee's own telephone
  - Hotel expenses
  - Staff and client entertaining
- Reporting exemptions
  - Statutory
  - Non-statutory
- Statutory returns
  - Form P11D
  - Form P11D (b)
  - Form P9D

**Produce reports of benefits.** Evidence may include:

- Calculations
- Reports
- Copy year-end returns
- Internal year-end summaries

**Evidence must include:**

- Calculate the value of taxable benefits
  - For all employees, using a computerised system
  - For individual employees, where checks are required
- Benefits
  - Assets transferred
  - Payment of employee's own debts
  - Vouchers
  - Credit cards
  - Cars
  - Fuel for cars
  - Loans
  - Vans
  - In-house benefits
  - Shares
  - Living accommodation
- Expenses
  - Travel and subsistence
  - Qualifying and non-qualifying relocation
  - Mobile telephones
  - Employee's own telephone
  - Hotel expenses
  - Staff and client entertaining
- Statutory returns
  - Form P11D
  - Form P11D (b)
  - Form P9D
- Non-statutory returns
  - Internal end of year reports
- Non-reportable items
  - Statutory
  - Non-statutory

## 7. Evidence generated for this unit may contribute towards Unit 301:

- Communicate information
- Plan and be accountable for your work
- Improve your own performance
- Behave in a way that supports effective working

and Unit 302

- Work to achieve your organisation's purpose and values
- Apply your employment responsibilities and rights
- Support sustainability
- Support diversity
- Maintain security and confidentiality
- Assess and manage risk