

ADDING VALUE  
THROUGH THE PLUS FACTOR

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ANDERSON ANDERSON & BROWN LLP

CHARTERED  
ACCOUNTANTS

## Effective Payroll Management

Do you look forward to the ongoing task of preparing and processing your payroll? Are the following examples of the problem areas you regularly encounter?

- Incorrect timesheets or expenses
- Understanding statutory calculations
- Employee queries
- Too tight deadlines
- Pointless administration
- Reworking of data
- Changing management information needs
- Meeting online filing requirements

If these are familiar challenges you face, what actions can be taken to improve the overall payroll process?

For many employers payroll is seen merely as a tool for ensuring that employees are paid the correct amounts on time. Whilst this is the most important aspect, payroll processing can also generate opportunities for the wider business in terms of financial and management reporting as well as improving the information flow to meet HM Revenue and Customs (HMRC) requirements.

A key area in managing an effective payroll is to consider the business needs and structure the payroll around those needs. For example, reducing labour intensive administration tasks such as timesheets, pension and expenses management by introducing more effective data capture tools can free up significant time if implemented correctly. Such tools can range from simple inexpensive spreadsheets to integrated web based software solutions.

Utilising these new systems or methods can allow you to pre-empt future information requirements for your business. By applying department or cost centre identifiers against individual employee records, additional flexibility is generated, helping meet the reporting needs of your business ranging from the supervisor to the managing director.

Also by structuring pay elements and components effectively you can assist with year end reporting, monthly accounting, the ongoing management and compliance with HMRC whilst also improving your employees understanding of their net pay and payslips.

The effective management and structuring of a payroll, regardless of employee volume or pay frequency, can deliver radical improvements by way of time savings, improved reporting as well as meeting both your business and legislative requirements.

For payroll support or advice, contact Gary Johnstone and for assistance with UK domestic taxes and social security, please contact Steven Fraser, from within our Payroll Solutions and Employer and Expatriate Tax Solutions teams respectively.

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