

Background

An accountant provides a payroll service for a number of clients. These clients are small companies that employ up to fifty weekly- or monthly-paid staff and they are not large enough to justify the overhead of processing payroll paperwork themselves.

The companies provide payment details to the accountant in a variety of formats: from handwritten pieces of paper to text in an email to an Excel spreadsheet. The method preferred by the accountant is to email them a basic Excel 'template' workbook which the clients can copy and repopulate for each pay period and then email back to the accountant. This template contains basic formulas that evaluate total time booked, etc.

The accountant uses a commercially-available payroll application to create the required paperwork (P35s, P14s and P60s) and calculate the PAYE, National Insurance, etc. To make this workable, it is essential that the names of the employees submitted by each client match the list of names held by the accountant.

Problems

Not all of the accountant's clients are comfortable using Excel, so the ones that aren't continue to provide the details in an unstructured manner on paper or in the body of an email or in a Word attachment. The accountant then has to decipher these and transcribe the details in to a local spreadsheet that performs the calculations. This runs the risk of introducing errors caused by values being copied across incorrectly.

With unstructured data it is easy for an employee's details to be omitted. In this case the accountant has to contact the client to confirm whether the employee has indeed been absent or whether they have accidentally been overlooked.

Those clients who do use the spreadsheet template occasionally overwrite formulas with entered values, thereby making it necessary for the accountant to carry out manual repair and recalculation.

Also with the spreadsheet template, when adding a new employee, some users fail to remember to (or fail to understand that they need to) copy down the formulas to the new row.

Collectively these problems mean that it is impossible to realise the accountant's ultimate aim of implementing a simple, foolproof, standard method of capturing clients' payroll data.

Carruthers back office solutions		Company Name: <input type="text" value="ABC Limited"/>									
		Payroll Month: <input type="text" value="May-08"/>									
Ref	Employee Payroll Number	Employee Name	Standard Hours Worked	Standard Monthly Pay	Overtime Hours Worked	Overtime Pay	Hours Absence	Pay Deducted for Absence	Bonus / Commission £	Gross Pay	Notes
1	123	Smith, George		£ 1,041.67	10.00	£ -	2.00	£ 10.68	£ 150.00	£ 1,180.99	Dental appointment
2	124	Jones, Shiela		£ 1,041.67		£ -	90.00	£ 480.60	£ 75.00	£ 636.07	Joined company on 19 May
3	125	Parker, Thomas	120.00	£ 1,530.00	15.00	£ 225.00		£ -		£ 1,755.00	
4	126	Thomas, Hermione	100.00	£ 996.00	8.00	£ 96.00		£ -		£ 1,092.00	
5	127	Green, Jon	75.00	£ 840.75	5.00	£ 65.00		£ -		£ 905.75	On holiday for 2 weeks
6				£ -		£ -		£ -		£ -	
7				£ -		£ -		£ -		£ -	
8				£ -		£ -		£ -		£ -	
9				£ -		£ -		£ -		£ -	
10				£ -		£ -		£ -		£ -	
11				£ -		£ -		£ -		£ -	
12				£ -		£ -		£ -		£ -	
13				£ -		£ -		£ -		£ -	
14				£ -		£ -		£ -		£ -	
15				£ -		£ -		£ -		£ -	
16				£ -		£ -		£ -		£ -	
17				£ -		£ -		£ -		£ -	
18				£ -		£ -		£ -		£ -	
19				£ -		£ -		£ -		£ -	
20				£ -		£ -		£ -		£ -	
Total Gross Pay:										£ 5,569.81	

Recommendations

Following an initial consultation, we recommended that the best solution would be a **basic spreadsheet with protected cells**. This is an Excel workbook that uses styles and formatting to restrict data entry to specific cells, validate the contents of those cells, and implements password-controlled protection to ensure that cells containing formulas cannot be inadvertently overwritten.

Based on this, we proposed a solution that would:

- Provide a foolproof payroll workbook that could be used by the accountant's (current and future) clients on a monthly or weekly basis without requiring them to be proficient in the use of Excel. This workbook would comprise two worksheets - **Rates** and **Payroll** - each containing one row of information for each staff member.

The **Rates** worksheet would contain relatively static data (e.g. employee name, salary) which would only be edited in response to changing employment circumstances.

The **Payroll** worksheet would be updated at the end of each pay period with standard hours worked, overtime hours worked, hours absence and bonus/commission for each employee.
- Restrict data entry by the clients to colour-coded cells holding variable values relevant to each pay period.
- Allow the accountant to customise the number of displayed employee entries for each individual client according to their staffing levels, and initialise them with staff names and current pay rates based on the data held on the payroll application.
- Allow the clients to keep their own record of the payroll information by saving the monthly/weekly Excel workbook using a date-stamped file name.
- Cater for the mixed abilities of the users by the provision of an accompanying **Operating Guide** (for the accountant) and a **User Guide** (to be passed to each client), to ensure the workbook was used and maintained correctly.

Benefits

The solution involved about two days' work (plus testing). However it resulted in considerable time savings in the following areas:

- The accountant is now fully in control of the payroll process and it operates just the way he wants it to - no more pre-processing the figures before committing them to the payroll application.
- The template acts as a pro-forma for the accountant's clients, prompting them for the exact information they have to supply and reducing the likelihood of an employee's details being overlooked.
- It isn't necessary for the clients to be familiar with Excel in order to use the template - they simply type the data into the appropriate cells. Also they can easily add or amend payroll details without running the risk of inadvertently overwriting formulas - in fact, it has been made impossible for them to even select a cell that contains a formula, let alone change its contents.
- The accountant only needs a passing knowledge of Excel in order to maintain the template file; all operations are fully described in step-by-step instructions in the **Operating Guide**.
- The detailed **User Guide** supplied to the clients mean that unskilled staff (e.g. temps, new employees) can rapidly come up to speed on the process.

If your spreadsheets are impeding your business processes, contact us now for a free consultation
07792 380 399 enquiries @cbosolutions.co.uk www.cbosolutions.co.uk