



Case Study 11: How to interpret Ytd and Full Year journal gap in the payroll summary ledger tab

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The “journal gap” concept in the payroll planning application compares The monthly trial balance from the Income and Expenditure application with the monthly totals in the employee by employee information in the main payroll planning screen

Journal gap for actuals YTD= Oracle Trial balance – Payroll planning total

Before you start to look at the journal gap make sure that the payroll update process is complete, or risk working with outdated numbers

	Budget 16/17	Q2 Forecast	Budget CY vs Q2 Forecast
Total			
Trial Balance Value	8,816,524.8	8,799,266.5	-17,258.3
Total Pay Cost	8,816,544.8	8,785,788.0	-30,756.9
Journal Gap	-20.1	13,478.5	13,498.6
A1			
Trial Balance Value	6,218,680.0	6,154,233.4	-64,446.6
Total Pay Cost	6,218,698.8	6,140,754.9	-77,944.0
Journal Gap	-18.8	13,478.5	13,497.3
A2			
Trial Balance Value	163,971.5	166,629.3	2,657.8
Total Pay Cost	163,971.5	166,629.3	2,657.8
Journal Gap	0.0	0.0	0.0
B			
Trial Balance Value	2,433,873.3	2,478,403.8	44,530.5
Total Pay Cost	2,433,874.5	2,478,403.8	44,529.3
Journal Gap	-1.2	0.0	1.2

From I & E (actuals = Oracle GL)

From payroll planning (actuals = HRCore + any other journal items posted via journal application in BFT)

Journal gap is the difference between the two



By definition, the journal gap exists only in actual. When the righthand most box is changed from Year total to Q2 Ytd, note that the payroll figures now reflect YTD but the journal gap has the same value.

iPayroll Main Planning View ADD New Employee.xlsx New Cost Coding Combination.xlsx VIRE Payroll.xlsx iPayroll FTE iPayroll Other Employee Details Payroll Updates.xlsx oPayroll Ledger Summary

Rows: All Members [Analysis Ledger] Payroll Summary [Payroll Summary] Columns: Version [Version] Context: 2016-17 [Financial Years] CD History Faculty [Cost Centre] Q2 Ytd [Month]

		Budget 16/17	Q2 Forecast	Budget CY vs Q2 Forecast
Total	Trial Balance Value	4,420,814.7	4,364,497.9	-56,316.8
	Total Pay Cost	4,445,906.2	4,351,019.4	-94,886.8
	Journal Gap	-25,091.5	13,478.5	38,570.0
A1	Trial Balance Value	3,134,768.0	3,125,695.0	-9,073.0
	Total Pay Cost	3,153,231.9	3,112,216.5	-41,015.3
	Journal Gap	-18,463.9	13,478.5	31,942.4
A2	Trial Balance Value	90,095.0	87,663.0	-2,432.0
	Total Pay Cost	89,812.1	87,663.0	-2,149.1
	Journal Gap	282.9	0.0	-282.9
B	Trial Balance Value	1,195,951.7	1,151,139.9	-44,811.8
	Total Pay Cost	1,202,862.2	1,151,139.9	-51,722.3
	Journal Gap	-6,910.5	0.0	6,910.5

This is what we would expect, for in the projected months of the year the monthly total from the employee by employee projections will be pulled across into the I and E. Therefore by definition the I and E application and the payroll planning application should be in sync. If they are not, then the ledger update processes to refresh these summary numbers have not been run.

Before starting to look at the journal gap, run the update process from the “payroll updates” tab. This will ensure that the payroll ledger summary tab reflects the latest information from the other payroll planning screens.



tm1.uas.ox.ac.uk/tm1web/Contributor.jsp

iPayroll Main Planning View | ADD New Employee.xlsx | New Cost Coding Combination.xlsx | VIRE Payroll.xlsx | iPayroll FTE | iPayroll Other Employee Details | Payroll Updates.xlsx



Update Ledger Summary

Select Cost Centre

Select Version

Select Year

Update Payroll Ledger Summary

If we use a screen transformation from dragging the “year total” from the extreme right into the columns zone and clicking out we can look at each month



iPayroll Main Planning View | ADD New Employee.xlsx | New Cost Coding Combination.xlsx | VIRE Payroll.xlsx | iPayroll FTE | iPayroll Other Employee Details | Payroll Updates.xlsx | oPayroll Ledger Summary

Rows: All Members [Analysis Ledger] | Payroll Summary [Payroll Summary] | Columns: Version [Version] | Month [Month] | Context: 2016-17 [Financial Years] | CD History Faculty [Cost Centre]

This is first half year of the forecast in Oracle

		Q2 Forecast											
Year TOTAL		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Trial Balance Value	8,799,266.5	709,364.2	674,685.1	731,932.8	764,964.7	740,782.4	742,768.7	916,316.7	719,298.9	718,796.4	710,141.8	710,141.8	660,073.0
Total Total Pay Cost	8,785,788.0	709,171.4	674,685.1	724,799.6	764,964.7	740,782.4	736,616.3	916,316.7	719,298.9	718,796.4	710,141.8	710,141.8	660,073.0
Journal Gap	13,478.5	192.9	0.0	7,133.2	0.0	0.0	6,152.4	0.0	0.0	0.0	0.0	0.0	0.0

These are important for understanding the pay actuals, but it will not impact the Income and Expenditure forecast is there is a journal gap remaining even aft work in the journal application.

This becomes the second half year of the forecast in Oracle

Note that there is no journal gap in the projected months of the year (Feb-Jul) once all the ledger update has been done in both payroll planning and I and E. When the system initially opens there may well be an apparent journal gap because the topmost line – the one from the I and E – reflects the pre-populated values, (which in Q2 would have been Q2 =Q1), whilst the second line – the total pay costs- will reflect the initial projection from HRCore data.

The payroll planning numbers can incorporate the entries which have created the journal gap if the GL transaction report is used to replicate the GL manual journal entries in the payroll journal application – BFT Case Studies 2-4 deal with this process.

There is no unbending expectation that all journal gaps will be eliminated, but thought should be given as to whether material journal gap amounts represent a once off error or a recurring cost which should therefore be projected out as a provision or other item within the forecast months.

Be aware that if there is a journal gap, then the total projection on the iPayroll Main Planning View will NOT agree to the full year forecast appearing in the Income and expenditure account.



In the example above the Q2 forecast for permanent payroll costs for the History faculty is £8,779.3k, whilst the employee by employee analysis = £8,785.8k

The screenshot shows the iPayroll Main Planning View interface. The top toolbar contains various icons for navigation and actions. Below the toolbar, there are several tabs: 'iPayroll Main Planning View', 'ADD New Employee.xlsx', 'New Cost Coding Combination.xlsx', 'VIRE Payroll.xlsx', 'iPayroll FTE', and 'iPayroll'. The 'Rows' section is set to 'Employees Collapsed Alpha Sort by CC [Employee ID Split]' and 'All Members [Pay Element]'. The 'Columns' section is set to 'Month Payroll [Month Payroll]'. The main data table has the following structure:

		Actual	FTE Plan	Last Month Actual Cost	Profile	+ Total FY Budget	- Year TOTAL
[-] Total of Employee ID Split	[-] Total of Pay Element	0.1	172.5	919,387		8,816,545	8,785,788
	+ Recurrent	0.1	172.5	730,263		8,051,118	8,459,618
	+ Non Recurrent	0.0	0.0	189,125		765,427	326,170