## **Payroll Internal Controls Checklist**

* Open a separate payroll bank account
* Limit access to payroll records
  + Prevent managers verifying time records from seeing employee pay stubs
  + Prevent employees entering hours into payroll from changing employee pay rates
  + Limit bookkeepers to having only viewing access to payroll data instead of editing access
* Separate payroll duties
  + Have managers verify time records for their teams and approve before sending to payroll
  + Assign one payroll employee to enter the logged hours into the payroll system
  + Assign another payroll employee to verify the hours and processes payroll
  + Have the payroll manager review and oversee the entire process for accuracy
* Conduct regular audits
  + Perform quarterly internal payroll audit
  + Have external audit done by accounting firm or payroll provider
* Establish a Change Authorizations Process
* Use software for timesheet & payroll verification
* Do final payroll review
* Regularly review payroll trends