

Payroll Audit Checklist

Audit Period			Notes:	Issue Identified?
	Start Date			
	End Date			
Contributors				
	HR Manager			
	Benefits Manager			
	Payroll			
	Accounting Manager			
	Other			
Run Reports &/or Gather Information			Notes:	
	Payroll Register	<input type="checkbox"/>		<input type="checkbox"/>
	Employee Data Report	<input type="checkbox"/>		<input type="checkbox"/>
	Employee Hours Worked	<input type="checkbox"/>		<input type="checkbox"/>
	Employee Pay Rates	<input type="checkbox"/>		<input type="checkbox"/>
	Employee Overtime	<input type="checkbox"/>		<input type="checkbox"/>
	General Ledger Detail	<input type="checkbox"/>		<input type="checkbox"/>
	Benefits & Other Payroll Related Invoices	<input type="checkbox"/>		<input type="checkbox"/>
Verify Employee Data			Notes:	
	Employee list correct?			<input type="checkbox"/>
	Employee pay rates valid?			<input type="checkbox"/>
	Employee classifications correct?			<input type="checkbox"/>
	1099 vs W2 employees noted?			<input type="checkbox"/>
Verify Payroll Data			Notes:	
	Pay periods correct?			<input type="checkbox"/>
	Payroll run on time?			<input type="checkbox"/>
	Paychecks delivered on time?			<input type="checkbox"/>
Verify Time & Attendance Data			Notes:	
	Hours worked matches hours paid?			<input type="checkbox"/>
	Overtime hours calculated correctly?			<input type="checkbox"/>
	Overtime hours paid at 1.5x regular pay?			<input type="checkbox"/>
	Timecard adjustments documented?			<input type="checkbox"/>
	Retro pay documented?			<input type="checkbox"/>
Run a General Ledger Report			Notes:	
	Does payroll account balance and transactions align with payroll detail?			<input type="checkbox"/>
	Are federal tax payments being made?			<input type="checkbox"/>
	Are state tax payments being made?			<input type="checkbox"/>
	Are local tax payments being made?			<input type="checkbox"/>

	Are benefits invoices and employee/employer premiums clearing account smoothly?			<input type="checkbox"/>
Check W-4 Forms vs Tax Withholding on Paystubs			Notes:	
	Employee 1 Correct?			<input type="checkbox"/>
	Employee 2 Correct?			<input type="checkbox"/>
	Employee 3 Correct?			<input type="checkbox"/>
	Employee 4 Correct?			<input type="checkbox"/>
	Employee 5 Correct?			<input type="checkbox"/>
Trace Transactions End-to-End			Notes:	
	Taxes Withheld?			<input type="checkbox"/>
	Health Insurance Premiums Correct?			<input type="checkbox"/>
	Garnishments Processed Correctly?			<input type="checkbox"/>
	401(k) Contributions Employee Accurate?			<input type="checkbox"/>
	401(k) Contributions Employer Accurate?			<input type="checkbox"/>
	Other:			<input type="checkbox"/>
	Other:			<input type="checkbox"/>
	Other:			<input type="checkbox"/>
Random Spot Checks			Notes:	
Example:	Hours to Gross Pay to Deductions to Net Pay			
	Employee 1 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 2 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 3 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 4 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 5 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
Example:	Raises, Promotions, Demotions, Terms			
	Employee 1 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 2 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 3 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 4 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 5 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
Example:	Timecard to Paystub PTO or Sick Leave Match			
	Employee 1 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 2 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 3 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 4 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 5 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
Example:	Enrollment Forms to Benefits Deduction Amounts			
	Employee 1 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 2 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 3 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 4 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
	Employee 5 Correct?	<input type="checkbox"/>		<input type="checkbox"/>
Look for Documentation on Atypical Transactions			Notes:	
	Retro Pay	<input type="checkbox"/>		<input type="checkbox"/>
	Back Pay	<input type="checkbox"/>		<input type="checkbox"/>
	Garnishments	<input type="checkbox"/>		<input type="checkbox"/>
	Freelancer Pay	<input type="checkbox"/>		<input type="checkbox"/>
Reconcile Payroll and Tax Accounts with Bank Accounts			Notes:	

	Do the balances match?			<input type="checkbox"/>
	Do the transactions match?			<input type="checkbox"/>
	Unexpected transactions?			<input type="checkbox"/>
	Reversals accounted for?			<input type="checkbox"/>
	Fees accurate?			<input type="checkbox"/>
	Data missing?			<input type="checkbox"/>
	Uncashed checks?			<input type="checkbox"/>
Verify Tax Payments			Notes:	
	Federal tax payments made quarterly?			<input type="checkbox"/>
	State tax payments made on time?			<input type="checkbox"/>
	Local tax payments made on time?			<input type="checkbox"/>
Confirm Payroll Rules Being Followed			Notes:	
	Final checks provided on time?			<input type="checkbox"/>
	Direct deposit mandated legally?			<input type="checkbox"/>
	Pay periods set up per state rules?			<input type="checkbox"/>
	Segregation of duties?			<input type="checkbox"/>
Overall Assessment			<i>Number of Issues Identified:</i>	0

