

## Payroll Internal Controls Checklist

✓	TASK
	<p><b>Step 1: To keep your books in order, it's advisable to open a separate bank account for nothing but payroll transactions.</b></p> <p><input type="checkbox"/> Open a separate payroll bank account</p>
	<p><b>Step 2: Limit access to payroll records to prevent fraud and abuse.</b></p> <p><input type="checkbox"/> Prevent managers verifying time records from seeing employee pay stubs</p> <p><input type="checkbox"/> Prevent employees entering hours into payroll from changing employee pay rates</p> <p><input type="checkbox"/> Limit bookkeepers to having only viewing access to payroll data instead of editing access</p>
	<p><b>Step 3: Separate payroll duties to ensure no single employee holds all the keys and has all the information.</b></p> <p><input type="checkbox"/> Have managers verify time records for their teams and approve them before sending to payroll</p> <p><input type="checkbox"/> Assign one payroll employee to enter the logged hours into the payroll system</p> <p><input type="checkbox"/> Assign another payroll employee to verify the hours and process payroll</p> <p><input type="checkbox"/> Have the payroll manager review and oversee the entire process for accuracy</p>
	<p><b>Step 4: Conduct regular audits to make sure your payroll records are in order and to prevent fraud.</b></p> <p><input type="checkbox"/> Perform quarterly internal payroll audit</p> <p><input type="checkbox"/> Have an external audit done by an accounting firm or payroll provider</p>
	<p><b>Step 5: Establish a change authorization process to make sure any payroll changes get at least two sets of eyes on them. Because there's manual input here, it's ripe for errors and a review process will help catch any missteps.</b></p> <p><input type="checkbox"/> Establish a change authorization process</p>
	<p><b>Step 6: Use software for timesheet and payroll verification to reduce manual input errors. This will ensure your payroll process is as fraud-free as</b></p>

	<p><b>possible.</b></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Use timesheet software</li><li><input type="checkbox"/> Use payroll verification software</li></ul>
	<p><b>Step 7: Do a final payroll review before submitting for payment. It's a good idea to have different people do a review to make sure the data is accurate.</b></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Conduct final payroll review</li></ul>
	<p><b>Step 8: Regularly review payroll trends to spot any outliers. This can help you spot signs of errors or fraud.</b></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Review payroll trends at least quarterly</li></ul>