Payroll Audit Checklist

pinkpayroll

Find the payroll problems before they find you.

AUDIT ITEM	WHAT TO REVIEW	✓
Review active and inactive employees	Confirm active employees are legitimate and terminated employees are properly marked inactive.	
Review pay rates and salaries	Make sure current hourly rates, salaries, bonuses, and commissions are entered correctly.	
Check employee classifications	Confirm employees are properly classified as exempt or non-exempt and as employees or independent contractors.	
Check employee online access	If not recently used, suspend and reactivate.	
Review hours and overtime	Check regular hours, overtime, PTO, sick time, penalty premium pay and other paid hours for accuracy. Ensure employees are "signing for" worked hours every payroll period.	
Review deductions and benefits	Verify insurance, retirement contributions, garnishments, and other deductions are being calculated correctly.	
Reconcile payroll tax liabilities	Compare payroll tax liabilities with tax payments and filed returns.	
Compare payroll reports to tax filings	Confirm wages and taxes reported on payroll records agree with federal and state filings.	
Compare payroll totals to bank activity	Verify payroll withdrawals, direct deposits, tax payments, and other payroll transactions match payroll records.	
Review payroll records for unusual activity	Look for duplicate payments, unexpected changes, unusually high or low wages, or other discrepancies.	
Document and correct any discrepancies	Keep a record of issues found and make necessary corrections promptly.	

WHAT YOU GAIN: Cleaner payroll records, fewer discrepancies, and more confidence in your payroll numbers.

Contact us at pinkpayroll.com/quote to get started or get more info