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| --- | --- |
| Agency: Click here to enter text. | |
| Preparer(s): Click here to enter text. | Date: Click here to enter text. |

Risks: State resources will be lost or stolen through unauthorized/improper payroll payments. State and federal labor standards and employer tax requirements will not be complied with. Accounting for payroll expenditures will be inadequate for the purposes of accountability, financial reporting, and compliance with laws, regulations and state policies. Payroll records are not safeguarded to prevent unauthorized access and are not maintained in accordance with established requirements.

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| --- | --- | --- | --- | --- |
| YES | NO | \*N/A |  | CHECKLIST QUESTION |
| □ | □ | □ | 1. | Are appropriate staff members familiar with the *State Administrative and Accounting Manual* (SAAM) policies on payroll including Chapter 25? |
| □ | □ | □ | 2. | Are agency procedures and desk manuals related to payroll up to date? |
| □ | □ | □ | 3. | Are the responsibilities for hiring, terminating, and approving promotions segregated from preparing payroll transactions and inputting data? |
| □ | □ | □ | 4. | Are new employees, separations and changes in salaries and deductions promptly reported to payroll processing staff? |
| □ | □ | □ | 5. | Are the responsibilities for approving time sheets segregated from those preparing payroll transactions and inputting data? |
| □ | □ | □ | 6. | Are payroll data entry staff allowed to enter changes to their own records? |
| □ | □ | □ | 7. | Is reconciliation/analytical review of payroll data performed by someone independent of payroll processing? |
| □ | □ | □ | 8. | Is payroll input reviewed by a staff member who did not enter the data? |
| □ | □ | □ | 9. | Is the Payroll Threshold Report run on Days 1, 2, and/or 3 of the payroll cycle and errors noted, if any, corrected prior to payroll processing/exit? |
| □ | □ | □ | 10. | Is the payroll and the payroll register reviewed and certified by someone outside the payroll department prior to payroll processing/exit? |
| □ | □ | □ | 11. | Do agency policies require overtime to be authorized in advance at an appropriate staffing level? |
| □ | □ | □ | 12. | Is access to payroll records secure and limited to authorized staff only? |
| □ | □ | □ | 13. | Are employee authorizations and changes for payroll deductions, tax withholding, etc., kept on file per retention schedules? |
| □ | □ | □ | 14. | Are overtime eligible staff provided clear instructions for preparing their own time sheets to record actual hours worked? |
| □ | □ | □ | 15. | Are time sheets signed by the employee? |
| □ | □ | □ | 16. | Are timesheets reviewed for completeness and accuracy prior to being approved by their supervisors? |
| □ | □ | □ | 17. | Are payroll warrants distributed by persons not responsible for processing payroll? |
| □ | □ | □ | 18. | Are AFRS payroll errors resolved timely? |
| □ | □ | □ | 19. | Does management monitor payroll expenditures and FTEs in relation to allotments on a monthly basis to ensure budgetary restrictions are not exceeded? |
| □ | □ | □ | 20. | Do you reconcile your agency balances in the State Payroll Revolving Account (035) monthly? |

\*N/A - Not Applicable

Comments/Compensating Controls:

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Monitoring – ongoing/separate evaluations:

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Summary:

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