

Payroll Compliance Testing

As detailed in the objectives and approach section of this report, we tested 60 employees (10 employees from 6 different departments) for compliance. This included testing timesheets at the department level, verifying source documents in the employee personnel files, etc. The results are as follows:

Sampling Unit	Time Entry	Salary or Hourly Rate	Tax Deductions	Insurance Deductions	Other Deductions	Direct Deposit	I-9 Compliance	Current Evaluation
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Department 1

1	X	X	X	X	X	X	X	X
2	X	X	X	X	X	X	X	X
3	X	X	X	X	X	X	X	X
4	X	X	X	X	X	X	X	X
5	X	X	X	X	X	X	X	X
6	X	X	X	X	X	X	X	A
7	X	X	X	X	X	X	X	X
8	X	X	X	X	X	X	X	X
9	X	X	X	X	X	X	X	X
10	X	X	X	X	X	X	X	X

Department 2

1	X	X	X	X	X	X	X	X
2	X	X	X	X	X	X	X	X
3	X	X	X	D	X	X	X	X
4	X	X	X	X	X	X	X	X
5	X	X	X	X	X	X	X	B
6	X	X	X	X	X	X	X	X
7	X	X	X	X	X	X	X	X
8	C	X	X	X	X	X	X	X
9	X	X	X	X	X	X	X	X
10	X	X	X	X	X	X	X	X

X - Testing completed without exception.
See A(4) for a detailed listing of exceptions.

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Sampling Unit	Time Entry	Salary or Hourly Rate	Tax Deductions	Insurance Deductions	Other Deductions	Direct Deposit	I-9 Compliance	Current Evaluation
Department 3								
1	X	X	X	X	X	X	X	X
2	X	X	X	X	X	X	X	X
3	X	X	X	X	X	X	X	B
4	X	X	X	X	X	X	X	X
5	X	X	X	X	X	X	X	B
6	X	X	X	X	X	X	X	X
7	X	X	X	X	X	X	X	X
8	X	X	X	X	X	X	X	X
9	X	X	X	X	X	X	X	X
10	X	X	X	X	X	X	X	X
Department 4								
1	X	X	X	X	X	X	X	X
2	X	X	X	X	X	X	X	X
3	X	X	X	X	X	X	X	X
4	X	X	X	X	X	X	X	X
5	X	X	X	X	X	X	X	X
6	X	X	X	X	X	X	X	X
7	X	X	X	E	X	X	X	X
8	X	X	X	X	X	X	X	X
9	X	X	X	X	X	X	X	X
10	X	X	X	X	X	X	X	X

X - Testing completed without exception.
 See A(4) for a detailed listing of exceptions.

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Sampling Unit	Time Entry	Salary or Hourly Rate	Tax Deductions	Insurance Deductions	Other Deductions	Direct Deposit	I-9 Compliance	Current Evaluation
Department 5								
1	X	X	X	X	X	X	X	X
2	X	X	X	X	X	X	X	X
3	X	X	X	X	X	X	X	X
4	X	X	X	X	X	X	X	X
5	X	X	X	X	X	X	X	X
6	X	X	X	X	X	X	X	X
7	X	X	X	X	X	X	X	X
8	X	X	X	X	X	X	X	X
9	X	X	X	X	X	X	X	X
10	X	X	X	X	X	X	X	X
Department 6								
1	X	X	X	X	X	X	X	X
2	X	X	X	X	X	X	X	X
3	X	X	X	X	X	X	X	B
4	X	X	X	X	X	X	X	A
5	X	X	X	F	X	X	X	B
6	X	X	X	G	X	X	X	H
7	X	X	X	X	X	X	X	X
8	X	X	X	X	X	X	X	B
9	X	X	X	X	X	X	X	X
10	X	X	X	X	X	X	X	B

X - Testing completed without exception.
 See A(4) for a detailed listing of exceptions.

Summary of Issues

Following is a list of issues identified during our testing. These issues have been incorporated into the Issues section of the report.

A	This employee was hired in 2000 and no evaluation was found in their file or in the system.
B	The most recent evaluation on file and in the system is from 2000. The policy is to evaluate annually.
C	We noted a discrepancy between the timesheet (42.75 regular hours and 24 administrative leave) and the remittance (46.75 regular time and 20 administrative leave).
D	The enrollment form for Supplemental Life was completed and located in the employee file. The employee was not included on the monthly invoice from the provider, however, the premium was not deducted from the paycheck.
E	We noted premiums deducted from the paycheck of the employee. However, no enrollment form could be located for Colonial Insurance Coverage.
F	We noted a waiver of vision coverage signed by the employee in the file for 2002. However, the premiums were deducted from the paycheck.
G	We noted premiums deducted from the paycheck of the employee. However, no enrollment form could be located for Long-Term Disability Coverage.
H	We noted the most current evaluation in this supervisors file was completed in 1997. The policy is to evaluate annually.