

Personnel and Payroll Questionnaire

Internal Control Questionnaire

Question	Yes	No	N/A	<u>Remarks</u>
<p><i>Payroll, consisting of employee salaries, wages and related expenses, generally comprises a material portion of a university's expenditures. Employees expect and should receive prompt and accurate payment of salaries and wages. Internal control should be established for the payroll cycle which assures an adequate segregation of duties, proper authorization of transactions, and accurate and timely recording of expenditures.</i></p>				
<p>1. Are policies and procedures relevant to the payroll cycle current and in writing?</p>				
<p>2. Are these policies and procedures clearly stated and systematically communicated?</p>				
<p>3. Do these policies and procedures support internal control?</p>				
<p>4. Is there a separate personnel department which maintains complete personnel records including job description, wage and salary data?</p>				
<p>5. *Is access to the IT personnel master file limited to appropriate employees? Are changes to the master payroll file approved and documented?</p>				
<p>6. Are appropriate regulations being followed in regard to payroll withholdings, wages and hours, and other Federal, state and local requirements concerning employment?</p>				
<p>7. Are the reports that provide the details of the payroll amounts charged to the department's accounts reviewed and compared to a copy of the approved Standard Time Report (and any approved Time Report Adjustments, if applicable) by someone who did not prepare the Standard Time Report?</p>				
<p>8. *Has a payroll clearing account been established? Is the clearing account:</p>				

Question	Yes	No	N/A	<u>Remarks</u>
a. Maintained on an imprest basis?				
b. Reconciled on a regular basis?				
c. Reconciled by someone independent of payroll preparation and distribution of warrants?				
9. Has a delayed payroll system been established?				
10. *Are all salaries and wages paid by warrant?				
11. *Are written authorizations from responsible persons outside the payroll department required for:				
a. Names added to and deleted from the payrolls?				
b. Individual wage or salary rate changes?				
12. *Are individual employee time and attendance records:				
a. Prepared and signed by each employee for each pay period?				
b. Sufficiently detailed to show time charges to assignments, leave and administration?				
c. Reviewed and signed by each employee's supervisor?				
d. Reconciled with centralized time and attendance records?				
13. Has a prescribed system been developed in writing to accrue and use vacation, sick leave and compensatory time?				
14. *Are appropriate records maintained for accumulated employee benefits (vacation, sick leave, comp time, etc.) and checked for overdrawn balances prior to the submission of the employee time and attendance report?				
15. *Are procedures adequate for controlling:				

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a. Overtime wages?				
b. Supervisory approval of overtime?				
16. *Are the persons who perform the following functions independent of each other:				
a. Approve hours worked?				
b. Prepare the payrolls?				
c. Distribute the pay?				
b. Personnel recordkeeping?				
17. *Is the distribution of payroll charges checked by a second independent person and are aggregate amounts compared to the approved budget before disbursements are made?				
18. *Are payrolls subject to a review and final approval by responsible persons outside the payroll department such as department heads, etc. before disbursements are made?				
19. Is the current payroll (i.e., gross payroll, number of employees) reconciled to the previous payroll?				
20. Are the calculations of prepared payrolls rechecked on a test basis?				
21. Are exception reports used to highlight items in excess of stated limits?				
22. *Are the persons who manually sign the checks or control use of the facsimile signature plates independent of the person:				
a. Approving hours worked?				
b. Preparing the payrolls?				
c. Operating the facsimile signature machine?				

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23. *Are unused and unclaimed checks accounted for and secured?				
24. *Do separation procedures include an employee interview as a final review of any termination settlement by the personnel department?				
25. Have procedures been established for year-end cutoff to ensure that payroll expenditures are recorded in the appropriate fiscal year?				
26. Does internal control appear to be adequate for the payroll function overall?				

Other remarks concerning the evaluation of internal control for the payroll cycle:

* Question was designed to help identify risk factors that could result in errors, fraud, irregularities and/or illegal acts. When the question is answered "NO", the risk factor identified should be considered when analyzing the department's operations, and the completed questionnaire should be forwarded to Financial Controls.