**Payroll Audit Checklist**

**Section 1: Employee Information Verification**

| **No.** | **Item to Verify** | **Description** | **Verified (✓/✗)** | **Remarks** |
| --- | --- | --- | --- | --- |
| 1 | Employee names and IDs | Match with HR master list |  |  |
| 2 | Employment status | Confirm full-time, part-time, or contract |  |  |
| 3 | Job titles and departments | Verify against organizational structure |  |  |
| 4 | Start and termination dates | Check for missing or incorrect records |  |  |
| 5 | Tax ID and bank details | Validate accuracy and confidentiality |  |  |

**Section 2: Payroll Data Accuracy**

| **No.** | **Item** | **Description** | **Verified (✓/✗)** | **Remarks** |
| --- | --- | --- | --- | --- |
| 1 | Basic pay rate | Ensure correct salary rate per grade |  |  |
| 2 | Hours worked | Cross-check with attendance/timesheets |  |  |
| 3 | Overtime pay | Verify hours and approval |  |  |
| 4 | Bonuses and incentives | Check approvals and policy compliance |  |  |
| 5 | Deductions | Validate tax, insurance, loan, and other deductions |  |  |
| 6 | Leave adjustments | Confirm paid/unpaid leave recorded correctly |  |  |

To verify total pay accuracy:=Basic\_Pay + Overtime + Bonus - Deductions

**Section 3: Compliance & Tax Review**

| **No.** | **Item** | **Description** | **Verified (✓/✗)** | **Remarks** |
| --- | --- | --- | --- | --- |
| 1 | Tax deductions (e.g., income tax) | Verify rates and updates to laws |  |  |
| 2 | Social security contributions | Match employee and employer portions |  |  |
| 3 | Pension/Retirement deductions | Ensure correct calculation |  |  |
| 4 | Statutory reporting | Confirm submission deadlines met |  |  |
| 5 | Payroll policy compliance | Review internal and government compliance |  |  |

**Section 4: Payment & Reconciliation**

| **No.** | **Item** | **Description** | **Verified (✓/✗)** | **Remarks** |
| --- | --- | --- | --- | --- |
| 1 | Payroll summary totals | Reconcile gross and net totals |  |  |
| 2 | Bank transfer records | Confirm payment dates and accuracy |  |  |
| 3 | Unpaid employees | Identify and document reasons |  |  |
| 4 | Payroll journal entries | Match with accounting system |  |  |
| 5 | Previous month comparison | Review for discrepancies |  |  |

**Section 5: Review & Sign-Off**

| **No.** | **Step** | **Responsible Person** | **Date Completed** | **Signature** |
| --- | --- | --- | --- | --- |
| 1 | HR Verification |  |  |  |
| 2 | Finance Review |  |  |  |
| 3 | Management Approval |  |  |  |
| 4 | Final Audit Confirmation |  |  |  |

**Tips for Use**

* Conduct payroll audits **monthly or quarterly**.
* Maintain **digital backups** of all payroll files.
* Compare payroll reports with **HR and accounting records**.
* Ensure **data confidentiality** during audits.