

ENTITY _____ 2019 ICQs _____

June 30, 2019

CONTROL ACTIVITIES
PAYROLL

| QUESTION | YES | NO | N/A | REMARKS |
|--|-----|----|-----|---------|
| <p>A. Segregation of Duties</p> <ol style="list-style-type: none"> 1. Is there adequate segregation of duties in connection with the following functions: <ol style="list-style-type: none"> a. recording sick leave and vacation? b. comparing time records to payroll? c. approving time records, vacations, and comp time? d. receiving and distributing payroll warrants? e. preparing and approving payroll input? f. custody of undistributed warrants? g. preparing payroll checks? 2. Is there adequate segregation of personnel and payroll functions? 3. Does the entity use computer software to account for payroll? <ol style="list-style-type: none"> a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access. b. Are payroll rates entered into the computer for calculation of expenditures and payroll withholdings? Payroll rates would include salary/hourly pay rates, federal tax rates, state tax rates, FICA rates, IPERS rates, etc. This would include new or updated rates. If yes: <ol style="list-style-type: none"> 1) Does an independent person enter the rates in the computer? 2) Are the rates tested to ensure the proper calculations are being made? 3) Is the testing of the new/updated rates saved? 4) Are the rates entered reviewed and approved? Who reviews and approves? c. Does an independent person approve electronic fund transfers for the payment of federal taxes, state taxes, FICA and IPERS? d. Is the signature plate inserted into the printer and printed as the checks/warrants are printed? If this is done, the checks/warrants and signatures are printed in one operation. e. If the two operations are combined as described above, are review procedures of payroll by supervisory personnel adequate? | | | | |

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| <p>f. When a new employee is hired, is an independent person approving the entry in the computer system?</p> <p>g. Does the entity have a paperless system for electronic timesheets? If yes, answer the following:</p> <p>1) Do employees only have access to their electronic timesheet? Access should be obtained by the employee's login name and password.</p> <p>2) Do employees prepare their own electronic timesheet?</p> <p>3) Is there a supervisory approval of employee's electronic timesheets? Employees should not be approving their own electronic timesheet.</p> <p>4) Do supervisors only have access to the employee electronic timesheets that they approve? Access should be obtained by the supervisor's login name and password.</p> <p>5) Does only the personnel assistant enter payroll information for new employees or changes to payroll information?</p> <p>6) Is the departmental approval for payroll information segregated from the personnel assistant entering the payroll information?</p> <p>7) Is the personnel assistant entering payroll information restricted from preparing other employee's electronic timesheets?</p> <p>8) Is the personnel assistant entering payroll information restricted from approving employee timesheets?</p> <p>B. Procedural Controls</p> <p>1. Are salaries approved by the governing body for full-time and part-time employees?</p> <p>2. Are payrolls reviewed and approved by someone in authority?</p> <p>3. Is written approval required for:</p> <p>a. Employees added to or deleted from the payroll?</p> <p>b. Changes in rate of pay?</p> <p>c. Payroll deductions?</p> <p>4. Are files that support the above documentation in good order?</p> | | | | |

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| 5. Do procedures exist to ensure compliance with terms of union agreements (i.e., wage rates, vacation pay, and similar items)? | | | | |
| 6. Do procedures exist to ensure appropriate regulations are being followed in regard to FICA, wages and hours, and other federal, state, and local requirements concerning employment? | | | | |
| 7. Do procedures exist to insure all employees are bona fide? | | | | |
| 8. Do procedures exist to insure employees do not receive more than the authorized salary payment? | | | | |
| 9. Are time sheets used and approved by appropriate personnel? | | | | |
| 10. Are rates of pay verified? | | | | |
| 11. Do procedures exist for properly documenting and controlling vacation, sick leave and compensatory time off? | | | | |
| C. Custody | | | | |
| 1. Are complete personnel records maintained outside the payroll section? | | | | |
| 2. Are controls maintained over the supply of unused and voided checks/warrants? | | | | |
| 3. Are payroll checks/warrants kept in a secure place prior to distribution? | | | | |