

**DISTRICT** 2018 Audit Programs

June 30, 2018

**PAYROLL**

PROCEDURE	OBJ.	DONE BY	W/PRE F	N/A	REMARKS
<b>Audit Objectives and Related Assertions:</b>  <b>A. Payroll (wages, salaries, and benefits) disbursements/ expenditures are supported and made only for work authorized and performed. (5,6)</b>  <b>B. Payroll is computed using rates and other factors in accordance with contracts. (7)</b>  <b>C. Payroll is recorded correctly as to amount and period and distributed properly by account, fund and budget category and disclosures are adequate. (7,8,9,10,11,12,13)</b>  <b>Audit Procedures:</b>  A. On a test basis, select payroll transactions from throughout the year to test:  1. Authorization for gross pay or hourly rate.  2. Appropriateness of contract amount based upon teacher educational credits compared to adopted contractual salary steps.  3. Approval of hours worked.  4. Accuracy of number of hours paid per payroll journal to hours worked per approved time sheet (for hourly employees).  5. Accuracy of calculations of gross pay.  6. Accuracy of computation of FICA and IPERS. (The following FICA rates were effective January 1, 2018: Employee and employer rate of 7.65%.) (The following IPERS rates were effective July 1, 2017: Regular employee rate of 5.95% and employer rate of 8.93%.)  7. Authorization for payroll deductions.  8. Endorsement and cancellation of checks are proper.  9. Reasonableness of computation of federal and state withholding.  B. Determine timesheets are prepared and approved for all employees, including salaried employees.  C. Consider analytical procedures to substantiate payroll.  D. Review copies of payroll tax returns and document reconciliation of gross wages and District share of FICA and IPERS to disbursements records. Explain material variances.  E. Prepare a workpaper documenting District contributions to IPERS.	   <				

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F. For retirement systems (other than IPERS): 1. Review and update permanent file information on pension plans. Identify and document the type of plan. 2. Obtain copy of actuarial report and review. Include copy of pertinent data in file. 3. Determine employee groups covered by each plan. 4. Obtain and verify appropriate information for disclosure in accordance with P20 of the GASB Codification.	C				
G. Determine if the risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
H. Determine whether payroll is properly classified and disclosures are adequate.	C				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u>					
We have performed procedures sufficient to achieve the audit objectives for payroll and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____ Date _____					
Manager _____ Date _____					
Independent Reviewer _____ Date _____					