

# Payroll

## ***System Procedures and Internal Control Questionnaire***

Plan Name:

PYE:

Date:

### **Purpose**

This questionnaire is designed to give the EP examiner an idea of how employee payroll is handled and communicated to the Plan administrator? What controls are in place to ensure the correct data is communicated?

### **Payroll Function**

1. How many payrolls & detail of how each is handled?
2. What is the structure and how is it run in coordination with the organization?
3. Are any payroll services performed in-house? If so, for what and how is in this payroll communicated to the other functions?
  - a) Who is in charge & responsibilities?

4. Is an outside payroll service used?

Name:

Contact:

5. Describe how payroll is prepared:
  - a) Are there separate pay periods for different category of employees?Please list the category and the periods?

6. How often is each payroll cut?
  - a) Holdback period?
  - b) What is normal payday?

7. Is all pay run through normal payroll? For example, bonuses, executive pay, etc. & if not how is it handled and communicated?

8. What controls are in place to make sure that all benefit categories are properly classified?



21. Are there any Form 1120 Schedule M-1/ M-3 adjustments?
  - a) For what purpose?
  
22. Are general ledger control accounts kept for payroll accounts?
  - a) Withholdings and deferrals?
  - b) Contribution accruals and/or allocations?
  - c) Subsidiary ledger for Plan accounting? Trust assets?
  
23. Are payroll summaries "proofed" for accuracy before submitting to management approval?
  - a) And before payroll is cut?
  
24. How is the old payroll data archived and what kind of record retention do you have?
  
25. Do you have access to the archived records?
  
26. What practices, procedures, and policy are in effect to integrate the payroll if a merger/acquisition or disposition occurred? NOTE: Additional questions may need to be asked in regard to the above.
  
27. What are the controls in place to ensure that new personnel adhere to the established procedures as turnover occurs?

**Summary of findings:**

**Conclusion as to procedures and internal controls - Payroll:**