

Payroll Audit Report: Detailed Findings

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Department: Human Resources / Payroll
Reporting Period: January 2024 – May 2024

1. Executive Summary

This report outlines the detailed findings from the recent payroll audit conducted for the specified period. The objective of the audit was to ensure the accuracy, compliance, and effectiveness of payroll processes, and to identify risks or discrepancies requiring attention.

2. Audit Scope and Methodology

- Review of payroll records and supporting documentation
- Examination of compliance with company and statutory requirements
- Assessment of internal controls and segregation of duties
- Sample testing of employee payments and deductions

3. Detailed Findings

#	Finding	Implication	Recommendation
1	5 employees were overpaid due to incorrect overtime calculations.	Potential financial loss and reporting issues.	Reconcile affected employees' payments and update calculation procedures.
2	3 employees not enrolled for statutory deductions.	Non-compliance with legal requirements.	Ensure timely enrollment for all new hires in payroll system.
3	Payroll approvals occurring without documented managerial sign-off.	Risk of unauthorized payroll processing.	Implement mandatory digital sign-off for all payroll batches.

4. Conclusion

The audit identified several areas requiring process improvement and enhanced compliance. Immediate corrective actions and staff training are recommended to address the identified issues and reduce recurrence risks.

Important Notes

- This report is confidential and for internal use only.
- Audit findings should lead to corrective action and ongoing review.
- All identified discrepancies must be resolved before the next payroll cycle.
- The audit does not address non-payroll financial processes.
- Maintain supporting documents for all payroll transactions and findings.