

# Pre-Payroll Audit Checklist

## 1. Employee Master Data Verification

- Confirm all new joiners, resignations, and terminations are updated.
- Verify personal details (name, bank account, tax details, designation).
- Review changes to department or job titles.

## 2. Attendance & Leave Records

- Ensure attendance data is complete and approved.
- Review absences, sick days, vacation days, late arrivals, and overtime.
- Check for pending or overlapping leave approvals.

## 3. Timesheet and Hours Worked

- Reconcile timesheet entries with attendance system.
- Confirm hours worked match standard hours or approved exceptions.

## 4. Compensation & Allowance Updates

- Check for salary changes, increments, or promotions.
- Review bonuses, incentives, and commissions for accuracy.
- Validate allowances (travel, meal, etc.) and employee reimbursements.

## 5. Statutory Compliance

- Check income tax declaration updates and investment proofs.
- Verify deduction and contributions (PF, ESI, health insurance, etc.).
- Ensure correct application of statutory limits and rules.

## 6. Deductions and Recoveries

- Audit all deductions (loans, advances, fines, etc.).
- Verify correctness against supporting documents.

## 7. One-Time Payments

- Review any arrears, gratuity, ex-gratia, or settlement calculations.
- Ensure proper approvals and documentation are present.

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### Important Notes:

- A thorough checklist ensures payroll accuracy and prevents compliance risks.
- All supporting documents should be secured and maintained for auditing purposes.
- Periodic review and updating of checklist items is recommended.
- Team collaboration is critical to minimizing errors and omissions.

