SAVE FORM

SELF ASSESSMENT OF INTERNAL CONTROL

Form H

Budget and Financial Cycles

Human Resources Cycle

Department of _____

Fiscal Year Ending _____ ☐ NA-_____

		Yes	No	NA	Comments
	A. Control Activities / Information and Communications				
1	Is there a formal organizational document (chart, manual, etc.) defining the responsibilities of processing, recording, approval and distribution of payroll and of personnel activities?				
2	Are department personnel policies (those not established by the Department of Human Resources Development) in writing?				
3	Are managers and employees held accountable for satisfactory completion of performance elements?				
4	Does each supervisor or manager have a copy or access to a copy of the policies and procedures manual?				
5	Do all supervisors and managers have at least a working knowledge of the State's personnel policies and procedures?				
6	Has management established backup plans for sudden or significant changes in personnel?				
7	Are supervisors readily available to help personnel with non-routine problems?				
8	Is nepotism or conflict of interest in employment prohibited?				
9	Are personnel files maintained for all employees?				
10	Is access to payroll/personnel files limited to authorized individuals?				
11	Are approved notices of additions, separations, and changes in salaries, wages, and deductions reported to the payroll processing section according to the payroll scheduled cut-off date? (Critical Control)				
12	Are terminated employees interviewed as a physical check on departures and as a final review of the termination settlement to ensure that all keys, equipment, credit cards, etc. are returned by the terminating employee? (Critical Control)				
13	Are completed payroll transmittals reviewed and approved by a responsible official before check processing? (Critical Control)				
14	Are payroll registers reconciled to the payroll accounts in the general ledger by a knowledgeable person not otherwise involved in payroll processing? (Critical Control)				

		Yes	No	NA	Comments
15	Are individual employee time and attendance records: a. Prepared and signed by each employee for each pay period? (Critical Control) b. Sufficiently detailed to show time charged properly? (Critical Control) c. Reviewed and signed by each employee's supervisor? (Critical Control) d. Reconciled with centralized time and attendance records? (Critical Control)				
16	Are the following duties performed by different people: a. Processing personnel action forms and processing payrolls? b. Supervising and timekeeping, payroll processing, disbursing, and making general ledger entries? c. Personnel distribution (if applicable) and: 1) Hiring and firing employees? 2) Approving time reports? 3) Payroll preparation? d. Recording the payroll in the general ledger and the payroll processing function?				
17	Are hours worked, overtime hours, compensatory time, and other special benefits (on-call, shift premium) reviewed and approved by the employee's supervisor? (Critical Control)				
18	Is a policy established concerning overdrawn vacation or sick leave?				
19	Are vacation and sick leave approved by supervisors?				
20	Are appropriate time records maintained for all leave?				
21	Is overdrawn vacation or sick leave deducted when calculating final compensation upon termination?				
22	Are individual employee leave records reconciled, at least annually, to appropriate records maintained for accumulated employee benefits (vacation, sick leave, etc.)? (Critical Control)				
23	Do the internal auditors meet the minimum qualifications for the positions they hold?				
24	Are external audits performed on a periodic basis?				
	B. **Monitoring**				
25	Are comparisons of gross pay of current to prior period payrolls reviewed for reasonableness by a knowledgeable person not otherwise involved in payroll processing? (Critical Control)				

Human Resources Cycle

		Yes	No	NA	Comments
26	Are unclaimed payroll checks returned to a custodian independent of the payroll department?				
27	Are background checks performed on individuals hired for sensitive positions?				
28	Is information on employment applications verified and are references contacted?				
29	Are all employees given a performance evaluation?				
30	Does the department have separate payroll and personnel offices?				