



AUDIT SUMMARY

PAYROLL DISTRIBUTION
AUDIT
FALL 2016

ALL DEPARTMENTS

RELEASE DATE:
DECEMBER 7TH, 2016

WINNEBAGO COUNTY
AUDITOR
William D. Crowley, C.F.E.

INTRODUCTION

The payroll function for Winnebago County is administered by the County Auditor's Office. A system of controls is in place, which addresses the inherent risks present in any payroll operation. This system of controls includes segregating the duties of personnel involved in the maintenance of employee files and pay rates, recording of hours worked, inputting of payroll information into the MUNIS system, and preparation and distribution of paychecks and direct deposit mailers.

SCOPE

The Winnebago County Auditor's Office selected approximately **300 employees or roughly 20% of all employees** from which to apply payroll audit procedures. A very deliberate methodology of sampling was used focusing on the potential detection of a ghost employee.

PROCEDURES

In performing a payroll distribution audit, the County Auditor intercepted all 300 paychecks and direct deposit mailers after they have been printed in the Treasurer's Office, but before they were distributed to their prospective recipients. The County Auditor's Office then physically distributed the checks and performed certain audit procedures focusing on supporting the existence of the employee, approval of the individual as an employee and approval of the associated rate of pay.

FINDINGS

We did not discover any adverse findings or irregularities in the payroll disbursement process. We did note that in several cases pay adjustment forms were signed off by the department head but not the appropriate administrative department. This issue is minor but has been communicated to the departments involved.