

Agency Verification of Payroll and Human Resources Transactions

Operating Policy and Procedure

Objective:

To verify that all payroll and human resources [transactions](#) have been correctly processed.

Select the following:

Policy

[General](#)

[SEMA4 Error Editing](#)

[Payroll Reports](#)

[Procedure](#)

Forms:

None

References:

M.S. 43A.37 Subd. 1

Date: August 2011

Number PAY0028

Continue with your next task.



Agency Verification of Payroll and Human Resources Transactions

Policy - General

Agencies must verify the accuracy of payroll and human resources transactions according to Minnesota Statute 43A.37 Subdivision 1, which reads in part:

The appointing authority shall ensure that all employees have been appointed as required by law, rules, or administrative procedures and that the salary or compensation is within the compensation plan fixed by law. The appointing authority shall ensure that all employees are performing services as required by law.

Various system edits and reports as described in this policy are used to ensure the accuracy of payroll and human resources transactions. In addition, agencies should develop internal control policies.



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Agency Verification of Payroll and Human Resources Transactions

Policy - SEMA4 Error Editing

Entering payroll transactions

Errors will be displayed in mass time entry pages and adjustment pages (current period and prior period). Errors must be corrected immediately.

Entering human resources transactions

Errors and warnings will be displayed when entering data into SEMA4. Errors must be corrected immediately. Warnings must be reviewed to determine if correction is necessary.

You may also refer to the following topic(s):

Mass Time Entry

Adjustments

Employee Maintenance



Continue with your next task.

Agency Verification of Payroll and Human Resources Transactions

Policy - Payroll Reports

The Payroll Register is available Monday morning after payroll processing and the Payroll Posting Audit Trail is available Monday morning after payday. Both reports are available in Standard Report Viewer/InfoPac.

Agencies should document the review of these reports so that the auditors can verify that the review is being accomplished. The review can be done on a statistical sample basis or a detail basis. Agencies determine the method of documenting the review of the reports. One way this may be accomplished is by keeping a log detailing the date of review, person reviewing, and any discrepancies that were found.

Payroll Register

Agency payroll and human resources designees must review the Payroll Register to verify that:

- Time and amounts were paid at the correct rate, and
- Any necessary adjustments were processed.

One or more of the following error statuses will be displayed on the Payroll Register. (The error status codes are listed with both a system message and a user explanation.)

Error: 1 - Input was reconciled to the calculation of pay.

There are no errors for this group of employees.

Error: 2N - Input was excluded from the calculation of pay - input was never loaded.

For this group of employees, the listed [earnings codes](#) were entered but pay was not calculated for them. This indicates a program error.

Error: 2O - Input was excluded from the calculation of pay - load was disabled by the ok-to-pay switch.

No pay was calculated for this group of employees because either the system or Statewide Payroll Services turned off the ok-to-pay switch.

Error: 2Y - Input was excluded from the calculation of pay - loaded input was later removed or the check was not confirmed.

For this group of employees, the listed earnings codes were entered but pay was not calculated for them because Statewide Payroll Services removed the earnings code(s).

Error: 3 - Activity included in the calculation of pay for which no input exists.

This group of employees was paid an earnings code that was not entered by the agency.

Error: 4 - Activity included in the calculation of pay but the hours or amount included was different from the input.

This group of employees is receiving pay different from what the agency entered. Statewide Payroll Services changed amounts or hours.

Payroll Posting Audit Trail

An agency accounting or program manager designee must review the Payroll Posting Audit Trail to verify that payroll expenditures were posted to the correct account.

You may also refer to the following topic(s):

SEMA4 Overview - SEMA4 Reporting

Continue with your next task.

Agency Verification of Payroll and Human Resources Transactions

Procedure

Agency Human Resources Unit

1. Enter data into SEMA4. Correct errors displayed by edits. Review warnings displayed by edits and make corrections if necessary.

Agency Payroll Unit

2. Enter payroll transactions in mass time entry and adjustments pages (i.e. [Prior Period Earnings Adjs](#), and [Current Period Earnings Adjs](#)). Correct errors displayed by edits.

Agency Payroll and Human Resources Designees

3. The Payroll Register will be available in Standard Report Viewer/InfoPac Monday morning after payroll processing. Document the review of the Payroll Register each pay period to verify that current and prior pay period adjustments, salary increase adjustments, special payments, earnings codes, hours, pay rates, salary amounts, and amounts of any lump-sum payments are correct. This can be done on a statistical sample basis or a detail basis.

If the Payroll Register reveals any error statuses (other than 1), print the section that contains the error and document 1) the nature and amount of the error; and 2) what corrective action needs to be taken.

Agency Accounting or Program Manager Designee

4. The Payroll Posting Audit Trail will be available in Standard Report Viewer/InfoPac Monday morning after payday. Document the review of the Payroll Posting Audit Trail each pay period to verify that employees have been charged to the correct account. This can be done on a statistical sample basis or a detail basis.

Appropriate Agency Staff

5. Take appropriate action immediately to correct any errors noted in the above reviews. Such action may include discussing the situation with the Minnesota Management & Budget to determine the cause of the problem, entering correcting entries, recovering over-payments from employees, (refer to PAY0033, Overpayments, Correction of) and paying underpayments (refer to PAY0035, Underpayments, Correction of).

You may also refer to the following topic(s):

PAY0033 - Correction of Overpayments

PAY0035 - Correction of Underpayments

SEMA4 Overview - SEMA4 Reporting

Mass Time Entry

Adjustments

Employee Maintenance

Continue with your next task.