CONCEPT

Payroll Audit and Payroll Fraud Prevention: Controls, Reconciliations and Analytics

17 – 21 October 2027
Riyadh - KAFD district five-star



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Ref: 825_20327 **Date:** 17 – 21 October 2027 **Location:** Riyadh - KAFD district five-star **Fees:** 20000 SAR

Introduction:

A payroll audit is where overpayments hide in plain sight: leavers still paid after exit, ghost employees sharing one bank account, overtime keyed without timesheets, off-cycle payments approved by the person who entered them, and a bank file edited after sign-off. This Core Concept course shows payroll, HR, internal audit and finance staff how to map payroll risks, test pay controls, reconcile payroll to the ledger and headcount, and run data tests that surface payroll fraud. Participants build a Payroll Audit Programme and Analytics Test Pack for a case payroll.

Course Objectives:

- Map the payroll cycle from pay inputs to bank transfer and rate each step on a payroll risk register
- Test master data and joiner, mover and leaver controls against source documents and approval evidence
- Detect ghost employees, rate changes, allowance inflation and overtime padding with targeted audit procedures
- Reconcile gross-to-net payroll to general ledger postings, bank transfers and approved headcount each period
- Run payroll data analytics for duplicate bank accounts, outliers, round sums and Benford first-digit patterns
- Build a payroll audit programme with sampling, working papers and rated findings ready for management

Target Audience:

- Payroll processing staff who run monthly pay cycles, off-cycle runs and bank transfer files
- HR data and HRIS staff who maintain employee master records, pay rates and allowance entitlements
- Internal audit staff assigned to test payroll controls and investigate pay exceptions
- Finance and accounting staff who post payroll journals and reconcile payroll control accounts
- Payroll control and quality staff who review exception reports and pay change approvals

Course Outline:

Day 1: Payroll Cycle, Pay Risks and the Audit Baseline

- Payroll Cycle Map: Pay Inputs, Gross-to-Net Run, Approval and Bank Transfer
- Payroll Risk Register: Overpayment, Fraud, Data Error and Confidentiality Exposures
- Payroll Fraud Typology: Ghost Employees, Pay Rate Tampering and Falsified Hours
- Payroll Document Request List and Pay Register Data Extract Specification
- Current Payroll Control Self-Assessment Scorecard

Day 2: Payroll Control Framework and Master Data Governance

- Payroll Control Matrix: Preventive, Detective and Reconciliation Controls by Cycle Step
- Employee Master File Controls: Bank Details, Pay Grade and Cost Centre Fields
- Joiners, Movers and Leavers Workflow with Cut-Off and Final Pay Checks
- Segregation of Duties Grid for HR Entry, Payroll Processing and Payment Release
- Payroll System User Access and Pay Change Audit Trail Review

Day 3: Testing Pay Elements, Payments and Reconciliations

- Pay Rate and Allowance Change Testing Against Contracts and Signed Authorisations
- Overtime and Shift Premium Testing Against Timesheets and Rosters
- Off-Cycle, Manual and Advance Payment Review with Approval Evidence
- Bank Transfer File Controls: Hash Totals, Lock Down and Post-Release Checks
- Payroll-to-General Ledger and Headcount-to-Pay Register Reconciliation

Day 4: Payroll Data Analytics and Fraud Red Flags

- Duplicate Bank Account, Address and National Identifier Matching Tests
- Ghost Employee Detection: No Leave, No Deductions and No System Log-In Tests
- Outlier and Trend Tests on Overtime, Allowances and Net Pay Movements
- Benford First-Digit and Round-Sum Tests on Variable Pay Amounts
- Payroll Exception Triage Log and Escalation Criteria

Day 5: Case Payroll Audit: Programme and Analytics Test Pack

- Case Payroll Brief: Multi-Site Services Group with Monthly and Weekly Pay Groups
- Payroll Audit Sampling Plan: Population, Sample Size and Selection by Risk
- Payroll Audit Working Papers and Rated Findings: Condition, Criteria, Cause and Effect
- Payroll Audit Report to Management with Control Remediation Owners
- Payroll Audit Programme and Analytics Test Pack Presentation and Peer Critique

Skills You Will Gain:

- Payroll Risk Mapping
- Payroll Control Matrix Design
- Master Data Change Testing
- Gross-to-Net Reconciliation
- Payroll Data Analytics
- Ghost Employee Detection
- Audit Sampling for Pay Transactions
- Payroll Findings Reporting

Why Attend This Course:

- Leave with a Payroll Audit Programme and Analytics Test Pack for a case payroll, critiqued by peers
- Recover and stop overpayments by catching leavers, duplicate accounts and unsupported overtime early
- Give finance and audit committees a payroll reconciliation they can trust each pay period
- Compare payroll control practice with peers from services, manufacturing, healthcare and public bodies

Conclusion:

Payroll is the largest recurring cash outflow in most organisations, and small gaps in pay controls repeat every period until someone tests them. The course moves from the payroll cycle and risk register, through the control matrix, master data and joiner, mover and leaver controls, to pay element testing, bank file checks, reconciliations and payroll data analytics. The final day applies these methods to a case payroll and produces a Payroll Audit Programme and Analytics Test Pack ready for the next audit cycle.