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## Course Information

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**Course Title:** *How to Audit Payroll*

#375224

**Number of continuing education credit hours recommended for this course:**

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour.

**CPA: 1** (Accepted in all states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE.51 PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

### Course Description

This course clarifies for the auditor every action needed to audit payroll. It describes the characteristics of payroll from an auditing perspective, and then goes on to describe the steps required to audit every aspect of payroll. Background information about ghost employees and the capitalization of payroll costs are also included, as well as descriptions of the controls that clients typically integrate into their payroll systems.

### Course Content

Publication/Revision date: 4/12/2022.

Author: Steven M. Bragg, CPA.

Final exam (online): Five Questions (multiple-choice).

**Program Delivery Method:** NASBA QAS Self-Study (interactive)

### Subject Codes/Field of Study

NASBA (CPA): Auditing

### Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: None.

Advance Preparation: None

# Learning Objectives

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- Recognize the situations in which a ghost employee is more likely to be created within a payroll system.
- Specify the situations in which inherent risk is considered to be relatively high.
- Identify the types of activities that can be considered substantive procedures.
- Describe the different types of controls that a client may install for its payroll system.

## Instructions for Taking This Course

- **Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."**
- **You must complete this course within one year of purchase** (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

## Instructions for Taking the Online Exam

- **Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."**
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

## About the Author

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**Steven Bragg, CPA**, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 250 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*.

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