

Payroll Year-End Readiness Checklist

Use this worksheet to review whether important payroll decisions and amounts can be explained, supported, and followed through before year-end.

Work through it with the person responsible for payroll, involving your accountant, bookkeeper, HR contact, or payroll provider where needed. If you manage payroll yourself, use the documented records to answer each question.

How to use this worksheet

1 For each section, choose a real item from this year.

2 Check a box when the supporting evidence confirms the statement.

3 Record anything missing, unclear, or unresolved in the action plan.

Review details

Organization: _____

Review date: _____

Completed by: _____

Pay periods covered: _____

01 Can you trace an employee change from approval to pay?

Choose a significant change, such as a promotion, salary adjustment, change in hours, leave, or departure.

RECORDS TO REVIEW

The written approval, effective date, employee record or change confirmation, information provided to payroll, relevant pay records, and any correction.

NEEDS ATTENTION IF

The dates or amounts conflict, an approval is missing, or someone must rely on memory to explain what happened.

CONFIRM THAT:

- ☐ The approved change and its effective date are documented.
- ☐ The employee record and payroll reflect the same approved information.
- ☐ Payroll applied the correct amount from the approved effective date.
- ☐ Any retroactive payment or correction has a documented calculation and explanation.
- ☐ Supporting records are organized and accessible to the people who need them.

STATUS

☐ Confirmed

☐ Needs follow-up

☐ Not reviewed

☐ Not applicable

02 Can you explain differences between payroll and related financial records?

Review the latest payroll reconciliation. Choose an outstanding difference or a recently resolved item and follow it back to its source.

RECORDS TO REVIEW

Relevant payroll reports, accounting entries, reconciliation schedules, and payment or remittance records where applicable.

NEEDS ATTENTION IF

A balance carries forward without explanation, an entry was made only to make totals agree, or everyone assumes the accountant will resolve it without having discussed it.

CONFIRM THAT:

- ☐ The difference is linked to a specific transaction, period, or documented timing issue.
- ☐ Supporting records explain the amount and why it arose.
- ☐ Any correcting entry addresses the underlying issue and has a documented reason.
- ☐ An unresolved item has a named owner, next step, and expected resolution date.
- ☐ The person preparing year-end information knows about any outstanding item that may affect reporting.

STATUS

- ☐ Confirmed
 ☐ Needs follow-up
 ☐ Not reviewed
 ☐ Not applicable

03 Do repeated adjustments have a clear cause and response?

Choose a type of adjustment that occurred more than once during the year. Determine whether it reflects a legitimate exception or preventable rework.

RECORDS TO REVIEW

The adjustment log or correction records, original information submitted, approvals, calculations, and previous follow-up.

NEEDS ATTENTION IF

The same correction keeps returning, the calculation is undocumented, or the payment was fixed but the cause was never addressed.

CONFIRM THAT:

- ☐ The reason for the selected adjustments is documented.
- ☐ The correction calculations can be understood and checked.
- ☐ The team has identified the cause, such as late information, an unclear approval, incorrect data, or a system issue.
- ☐ A legitimate exception has a documented process for handling it.
- ☐ A preventable issue has a corrective action and owner.
- ☐ A later pay run has been checked to see whether the action worked, or a follow-up review is scheduled.

STATUS

- ☐ Confirmed
 ☐ Needs follow-up
 ☐ Not reviewed
 ☐ Not applicable

04 Are benefits and allowances documented and appropriately reflected in payroll?

Choose a benefit or allowance introduced, changed, or questioned during the year.

RECORDS TO REVIEW

The approved arrangement, start date, amount or calculation basis, payment or cost records, and documented payroll treatment.

NEEDS ATTENTION IF

A payment description is vague, supporting details are missing, or a cost appears in the books without anyone confirming whether it needs payroll treatment or reporting.

CONFIRM THAT:

- ☐ What was agreed, when it began, and how the amount is determined are documented.
- ☐ Payroll received enough information to assess the arrangement.
- ☐ The payroll treatment and reporting approach are documented, including the guidance used.
- ☐ Where payroll entries are required, they match the supporting information.
- ☐ Any uncertainty has an owner responsible for obtaining and documenting an answer.

STATUS

- ☐ Confirmed ☐ Needs follow-up ☐ Not reviewed ☐ Not applicable

05 Could payroll continue if the usual person were unavailable?

Choose one item from the previous sections and consider what a designated backup would need to explain it or complete the next required task.

RECORDS TO REVIEW

Record locations, process instructions, authorized access arrangements, upcoming payroll and year-end tasks, and support contacts.

NEEDS ATTENTION IF

Only one person knows the process, backup access has not been arranged, or unresolved items would be difficult for someone else to reconstruct.

CONFIRM THAT:

- ☐ Supporting records are accessible without relying on one person's private inbox, desktop, or memory.
- ☐ Essential processing and year-end steps are written down.
- ☐ A designated backup or outside provider has the knowledge and appropriate authorized access needed for their responsibilities.
- ☐ Processing, approval, payment, and reporting responsibilities are clear.
- ☐ The backup knows which items remain open and who to contact for help.

STATUS

- ☐ Confirmed ☐ Needs follow-up ☐ Not reviewed ☐ Not applicable

NEXT STEPS

Turn your findings into an action plan

For every section marked **Needs follow-up**, record the gap and a specific next step. Prioritize items that may affect employee pay or year-end reporting.

Gap or unresolved question	Next step	Owner	Due date	Evidence of completion

Before closing the review, confirm that:

- ☐ Each open item has an owner and due date.
- ☐ The people supporting year-end have been informed of relevant unresolved issues.
- ☐ A follow-up review is scheduled.
- ☐ Completed actions have supporting evidence.

Follow-up review date: _____

Person responsible for follow-up: _____

Need support before year-end?

If this review identifies recurring corrections, unexplained differences, or gaps in documentation and coverage, the Payroll Group can help you strengthen the processes behind payroll. **Connect with our team at payrollgroup-global.com.**

This worksheet supports a leadership review of payroll processes and documentation. Use it alongside your detailed year-end processing, reconciliation, and filing checklist.