



Grant Thornton

An instinct for growth™

IDEA User Group – Edinburgh

2 June 2016

Bitwell Kuwani



Keep Calm – Its Only Payroll

Areas to be covered

- Quick Facts
- Application of IDEA in payroll testing
 - Analysis and Exception tests
 - Check Reasonableness of
 - Gaps and Duplicates
 - Matching and comparing
- Practical Demo

Quick Facts



- Approx. £513bn total tax revenue paid to the government
- Taxable income accounts for nearly half of all taxable revenues
- £163bn collected through income tax and £109bn through national insurance contributions.
- Tax system is one of the most common areas for fraud
- The total loss to payroll fraud is estimated to be approx. £12billion (source annual fraud indicator report May 2016)

Application of IDEA in Payroll Testing



Application of IDEA in Payroll Testing

- The main objective is validity and accuracy

HOW

- By testing existence of employees and correctness of pay.
- There are many regulations and taxes associated with payroll and compliance.
- Privacy concerns may however limit your testing.

Application of IDEA in Payroll Testing

- Analysis
 - Summarise, stratify, calculation of gross/net pay
- Exception Testing
 - Gross pay over a certain amount
- Reasonableness Testing
 - Tax rates, overtime, DOB, bonuses, sickness, holiday
- Gaps and Duplicates
 - Duplicate NINO, Bank Details, Names of DOB
- Matching and Comparing
 - Ghost employees, leavers paid after leaving, supplier and employee comparison

Practical Demo

