

# Payroll Processes: Review and Assessment

## Employment tax spotlight



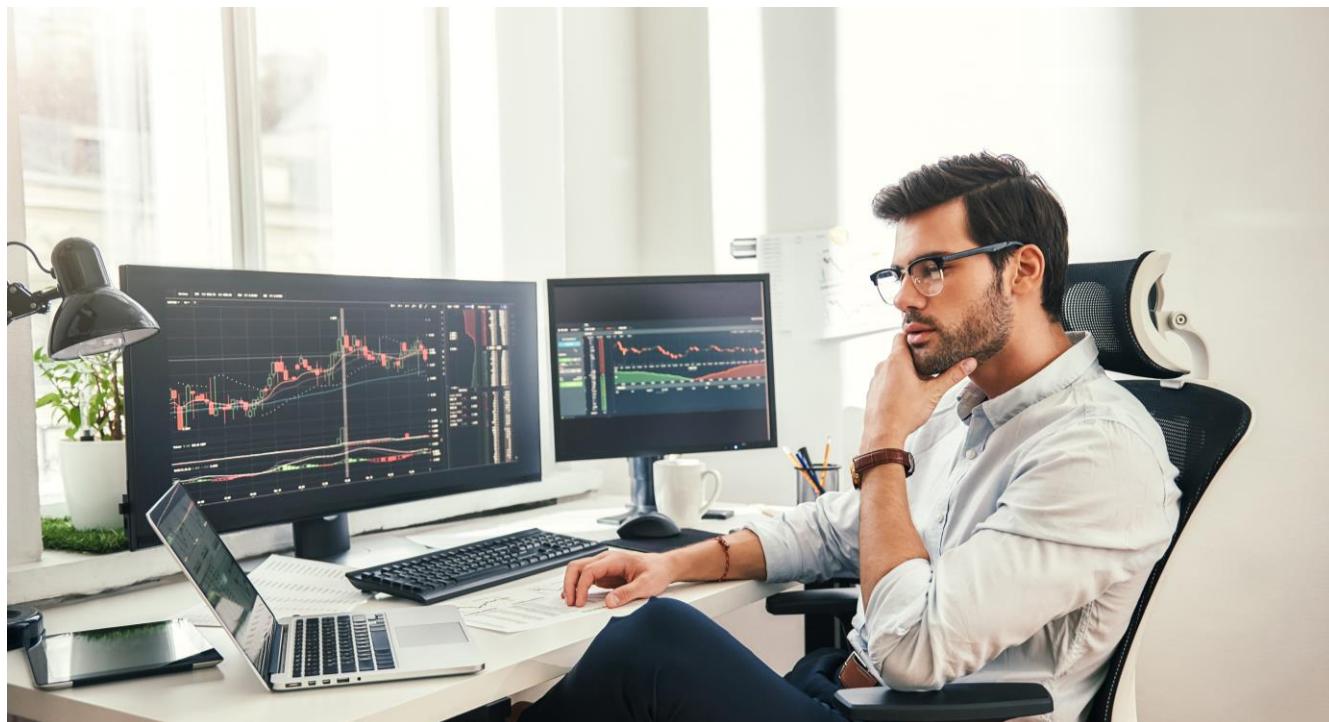
KPMG's Employment Tax professionals help organizations identify cost savings opportunities, process improvements, and potential risk exposures associated with federal, state, and local payroll and employment taxation.

Our national team of experienced professionals can help you identify potential risks and opportunities, evaluate the current compliance status, and develop recommendations based on our overall assessment.

### **Process Review**

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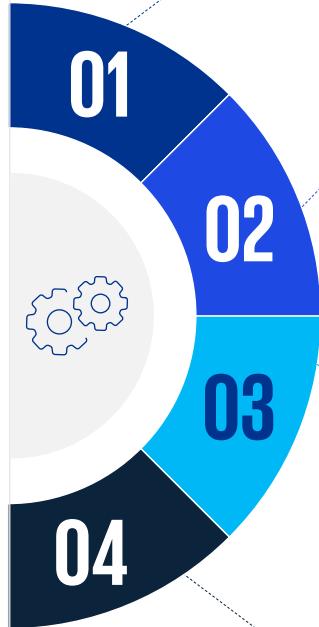
Our Employment Tax professionals assist our clients in gaining insights about their risks and opportunities in terms of enhanced compliance, efficient operations, and reputational protection related to payroll. As we adapt to the ever-changing rules and systems, the risk always exists that something important may be overlooked. We can help you to uncover risk and opportunity in day-to-day payroll and employment tax process. Our usual scope of the process review is illustrated below:





## Interview with stakeholders

We conduct in-depth interviews with stakeholders (e.g., key members in Payroll, HR, and Benefit, payroll service vendor) to gain an understanding of each person's roles and responsibilities related to payroll including pre/post payroll processing, processes and procedures related to employment tax deposits.



## Observations

We document our observations based on our review of payroll related data, documents, processes, procedures and interviews we conducted with stakeholders. Examples include observations on taxability of earnings and deductions codes setup, Standard Operation Procedures (SOP's), and fringe benefit plans.



## Risk assessment

A current state assessment is completed based upon our observation of the payroll related processes, procedures and documents. Our observations are assigned a risk rating based on the current compliance requirements and our own prior industry experiences (e.g., High risk for a deduction code that should have been set up as taxable).



## Recommendations

Based on our comprehensive analysis, we develop and deliver an action plan that incorporates our recommendations and leading practices. We draft a detailed report encompassing all of the risks and opportunities identified during our review.

## Contact us

To discuss how the KPMG Employment Tax team can help you conduct due diligence and identify opportunities in transactions, please contact one of the individuals listed below.

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