**Suggested solution – Payroll and employee benefit expenses**

**Time:** 5 minutes

**Instructions:**

* Map the audit assertion to the payroll expense risks.
* Assertions can be mapped to more than 1 risk.
* Each correct answer will earn 1 point.

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| **Assertions** |
| Occurrence (O) |
| Completeness (C) |
| Measurement (M) |
| Presentation & Disclosure (P&D) |

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| **Risk** |
| Payroll and employee benefit expenses are not recorded at the appropriate amounts or in the appropriate accounts. (M, P&D) |
| Payroll and employee benefit transactions or events are not appropriately disclosed in accordance with the applicable financial reporting framework. (P&D) |
| All payroll and employee benefit expense incurred during the fiscal year have not been recorded in the appropriate period. (C) |
| Payroll and employee benefit expenses are recorded by the client during the year that were earned by the employee in the following subsequent year. (O) |
| Pay increases are not authorized or are authorized by inappropriate personnel (O,M) |