



Minnesota Workers' Compensation
Insurers Association, Inc.

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January 30, 2024

ALL ASSOCIATION MEMBERS

Circular Letter No. 24-1837

RE: 2023 Test Audit Summary Report

Attached are the summary sheets showing the results of the 2023 Test Audit Program by the Minnesota Workers' Compensation Insurers Association Inc. (MWCIA). For your convenience, the report lists all test audits completed from January 1, 2023 through December 31, 2023 and is sorted by Carrier ID in the voluntary and assigned risk markets.

If you have any questions regarding this report, please contact Trice Tormoen, Underwriting Manager, at 952-897-6402 or by emailing trice.tormoen@mwcia.org.

MWCIA

Test Audit Program



Voluntary Market

Test Audits Completed

January 1, 2023 - December 31, 2023

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3653369	10448	421,809	452,397	P1 P4 P6	-30,588
	2007894	10448	1,620,150	1,623,965	C4 P4	-3,815
	2664321	11223	101,727	104,437	C4 P1	-2,710
	1574310	11223	2,009,928	1,806,168	C4 P1	203,760
	1611780	12122	106,696	239,853	P1 P6	-133,157
	3223854	12122	289,275	287,007	P1 P3	2,268
	3739981	12122	333,673	333,673		0
	1074253	14397	1,598,632	1,582,809	P1 P2	15,823
	3519486	15318	176,983	176,983		0
	3630621	15962	113,306	114,827	P3	-1,521
	0328740	16446	695,750	695,750		0
	2985330	16446	227,729	227,729		0
	3737122	16446	437,079	437,079		0
	0905097	16446	999,623	999,623		0
	3642922	17124	193,253	199,795	P4 P6	-6,542
	3187921	17124	786,978	789,653	P4	-2,675
	1987704	17124	173,425	185,369	P1	-11,944
	3728493	17124	660,528	659,352	P6	1,176
	3720906	17124	409,659	390,281	C4 P6	19,378
	0329010	17124	624,902	772,113	C4 P1 P4	-147,211
	2741261	17426	192,046	304,444	P1 P3	-112,398
	0407631	17426	469,178	336,817	P1 P6	132,361
	3445687	17426	777,437	777,437		0
	3155969	18147	139,016	139,016		0
	0749761	18147	520,042	520,042		0
	3174047	18147	156,645	178,728	C4 P1 P5	-22,083
	3740859	19291	159,625	173,038	P1 P7	-13,413
	3195140	19291	261,884	323,005	P1 P6	-61,121
	3119678	19291	1,402,477	1,346,216	P6	56,261
	3038165	19291	142,422	142,422		0
	3208763	22799	1,526,930	1,526,930	C4	0

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3465926	22799	1,189,493	1,189,493		0
	3219960	22799	694,519	662,455	P1 P6	32,064
	3181375	22799	398,751	392,778	C4 P6	5,973
	3193010	35939	1,176,849	1,164,519	P6	12,330
	3606674	37079	394,037	396,143	P2 P3	-2,106

Quarterly Total Test Audit Payroll: **21,582,456**

Quarterly Total Company Audit Payroll: **21,652,346**

Quarterly Total Payroll Difference: **(69,890)**



Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3277323	10456	76,880	116,438	P1	-39,558
	2572516	11223	538,878	734,012	P1	-195,134
	2666944	11770	1,209,235	1,247,603	P6	-38,368
	0623970	12122	290,861	280,583	P3	10,278
	0094250	12122	601,509	586,047	P2 P6	15,462
	3664739	12637	188,197	200,217	P4	-12,020
	3353426	13269	121,440	121,440		0
	3615402	13269	791,602	674,472	C4 P1	117,130
	3739541	14397	260,861	347,488	P1 P2	-86,627
	3155816	14397	480,069	512,076	P2 P4	-32,007
	3155126	15245	818,012	825,376	C4 P4	-7,364
	3583058	16446	1,693,299	1,693,299		0
	3587548	16446	397,037	441,798	P1 P2	-44,761
	3602599	16446	188,368	188,368		0
	0073725	16446	237,160	235,206	C4 P3	1,954
	2182939	16446	97,205	217,212	P1 P3	-120,007
	2161699	16446	479,758	547,020	P1	-67,262
	1311107	16446	145,824	145,824		0
	2512750	17124	181,491	181,491		0
	0564150	17124	503,586	504,616	P2	-1,030
	0354732	17426	457,575	457,575		0
	3276750	17426	626,941	627,679	P2	-738
	0288837	17426	1,599,935	1,526,642	C4 P2 P6	73,293
	1798251	18147	170,625	170,116	C4 P6	509
	3609318	19291	556,916	556,916		0
	3206815	19291	391,707	394,719	C3 P4	-3,012
	3706200	19291	206,644	208,358	P6	-1,714
	3673997	19291	1,679,456	1,705,022	C1 P1 P2	-25,566
	3697093	19291	849,932	929,066	P2 P3 P4	-79,134
	1892320	22640	1,307,408	1,306,720	P6	688
	2392909	22799	441,188	441,188		0

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	1581678	22799	1,842,869	1,842,869		0
	2204070	22799	200,702	214,819	P1 P2 P3	-14,117
	2430851	22799	282,402	283,074	P2	-672
	2629020	22799	373,021	373,021	C5	0
	3171141	22799	828,196	814,209	C1 P1 P6	13,987
	3469309	22799	334,863	334,863		0
	3171551	37079	459,625	470,225	P1 P3	-10,600
	3649598	37079	965,582	965,582		0

Quarterly Total Test Audit Payroll: **22,876,859**

Quarterly Total Company Audit Payroll: **23,423,249**

Quarterly Total Payroll Difference: **(546,390)**



Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3213393	10448	571,855	571,855		0
	2967553	10456	146,984	146,984		0
	3189263	11037	2,045,246	2,045,246		0
	3133724	11037	334,963	341,600	P3	-6,637
	3133128	11169	1,153,099	1,153,099		0
	2580438	11223	538,250	572,928	P1 P4	-34,678
	3198094	11576	1,278,184	802,318	P1	475,866
	3198053	13161	748,287	573,595	C1 P1	174,692
	3263310	13579	321,008	335,954	P1	-14,946
	3736980	13579	820,311	779,502	P4	40,809
	3725192	14397	796,493	755,531	P6	40,962
	3713636	14451	1,255,787	1,254,787	C4 P6	1,000
	0385689	14451	516,009	136,362	P1	379,647
	1147340	16446	97,346	234,645	P1 P3	-137,299
	3143153	16446	381,816	381,816		0
	3333128	16586	126,135	126,135		0
	1017900	16985	121,530	121,530		0
	3177611	17124	767,429	475,116	P2 P4 P6	292,313
	2493098	17124	885,831	886,540	P2	-709
	0345113	17124	255,931	255,931	C3	0
	2382113	17124	600,373	600,373		0
	3685861	17124	447,171	452,770	P2	-5,599
	3130697	17124	110,675	110,675		0
	2221209	17124	122,348	122,348		0
	3628903	17426	393,245	410,508	P1	-17,263
	2586100	17426	960,443	955,668	P6	4,775
	2782057	17469	847,358	847,358		0
	3236030	17469	215,911	215,911		0
	3149672	17469	274,281	274,281		0
	3503090	18147	512,668	512,668		0
	3157781	18147	1,862,582	1,868,125	P2	-5,543

Minnesota Workers' Compensation Insurers Association

Voluntary Market

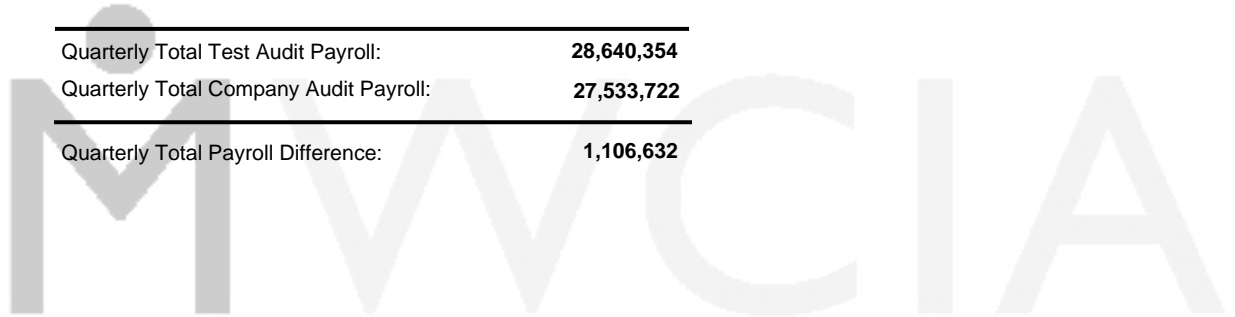
Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	1886428	18147	206,104	210,725	P3	-4,621
	3292126	19968	1,006,448	1,039,462	P1 P4	-33,014
	0988812	19968	676,300	676,300	C4	0
	2617510	22799	734,951	734,951		0
	3250021	22799	394,710	394,710		0
	2282992	22799	774,853	774,853		0
	0394254	29475	1,737,487	1,737,487		0
	0839779	29475	766,945	736,423	P6 P7	30,522
	0894150	29475	1,126,944	1,126,944	C5	0
	2435136	29475	1,562,599	1,562,599		0
	3474360	37079	143,464	217,109	P1 P6 P7	-73,645

Quarterly Total Test Audit Payroll: **28,640,354**

Quarterly Total Company Audit Payroll: **27,533,722**

Quarterly Total Payroll Difference: **1,106,632**



Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3713449	10456	112,631	112,631		0
	0090034	15245	1,018,795	1,000,671	P6	18,124
	3203520	15865	128,814	168,750	P6	-39,936
	1463241	15865	1,517,214	1,517,214		0
	0080144	15865	1,181,316	1,182,740	P2 P6	-1,424
	2364492	17124	470,669	412,971	C4 P1	57,698
	2260158	17426	694,161	687,840	P1 P6	6,321
	3713761	17469	160,579	160,579		0
	3745438	17469	152,965	152,965		0
	3529726	17469	442,443	492,849	P2 P6	-50,406
	2837978	18147	1,718,551	1,120,688	C4 P1 P3	597,863
	3615887	18147	981,065	970,130	P2 P4	10,935
	1194046	19968	230,450	230,450	C1	0
	2255499	19968	1,390,700	1,390,700		0
	1425480	19968	203,628	208,284	P1	-4,656
	1631519	19968	886,627	828,866	P6	57,761
	3738489	22799	189,343	271,059	P6 P7	-81,716
	1106147	27669	2,065,112	2,065,112		0
	3202300	27669	966,098	1,040,158	C4 P2	-74,060
	0422584	29475	1,117,566	1,117,566		0
	1989740	37079	91,262	145,519	P1	-54,257
	3759595	37079	494,393	494,393		0

Quarterly Total Test Audit Payroll: **16,214,382**

Quarterly Total Company Audit Payroll: **15,772,135**

Quarterly Total Payroll Difference: **442,247**

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2023 - December 31, 2023

YTD Total Test Audit Payroll:	89,314,051
YTD Total Company Audit Payroll:	88,381,452
YTD Total Payroll Difference:	932,599

Total Audits:	139
Total Audits requiring corrected USRs: *	74
Percentage of Audits requiring corrected USRs: *	53.2 %

Summary of Differences:

Payroll Difference	Count	Classification Difference	Count
P1	39	C1	4
P2	21	C2	0
P3	14	C3	2
P4	15	C4	18
P5	1	C5	2
P6	31		
P7	4		

Difference Reasons

Payroll Differences:

- P1: Officer, partner, individual and family members payroll inclusion, exclusion or limitation
- P2: Overtime Credit
- P3: Reported payroll not within policy period dates
- P4: Rule 2 payroll inclusions/exclusions
- P5: Mathematical - extension errors
- P6: All other differences
- P7: Accepting insured figures without an audit

Classification Differences:

- C1: Standard exceptions
- C2: Executive officers, partners, sole proprietors
- C3: Improper splitting of individuals payrolls
- C4: Classification variance
- C5: All Other

* Test Audits that develop a reportable difference in payroll (\$3,000 difference in reportable payroll or in excess of 2% of total payroll) or classification code (a change in governing code).

MWCIA

Test Audit Program



Assigned Risk - Mail Audits

Test Audits Completed

January 1, 2023 - December 31, 2023

Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3595966	12368	41,719	41,719		0
	3702320	12368	87,140	87,140	C4	0
	3127530	12368	18,446	18,446		0
	3753665	27821	80,369	87,311	C4 P3 P5	-6,942
	3215354	27821	10,701	10,701		0
	3617264	27821	55,265	51,262	P2 P6 P7	4,003
	1870360	27821	60,994	60,994	C4	0

Quarterly Total Test Audit Payroll: **354,634**

Quarterly Total Company Audit Payroll: **357,573**

Quarterly Total Payroll Difference: **(2,939)**

The selection criteria for this report is based on a flag which indicates whether it is a "Physical or a "Mail" audit. The audits shown in this "Assigned Risk Market - Mail Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Mail". This will include audits between the \$3,000 - \$10,000 range that are experience rated (only those flagged as "Mail" audits). This will not include audits with a premium greater than \$10,000.

Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	1307126	12368	8,352	8,352		0
	3742439	12368	81,556	81,556		0
	3711706	12368	11,254	11,254		0
	3716099	27821	54,315	56,644	P3	-2,329

Quarterly Total Test Audit Payroll: **155,477**

Quarterly Total Company Audit Payroll: **157,806**

Quarterly Total Payroll Difference: **(2,329)**

The selection criteria for this report is based on a flag which indicates whether it is a "Physical or a "Mail" audit. The audits shown in this "Assigned Risk Market - Mail Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Mail". This will include audits between the \$3,000 - \$10,000 range that are experience rated (only those flagged as "Mail" audits). This will not include audits with a premium greater than \$10,000.



Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3723657	12368	59,488	59,488		0
	3712688	12368	86,800	86,800		0
	3441526	12368	84,479	84,479		0
	3615210	12368	118,976	75,504	P1	43,472
	3537768	12368	15,029	15,029		0
	2856310	12368	58,482	58,482		0
	3775776	27821	59,488	44,700	P1 P4	14,788
	3743099	27821	87,813	87,037	P2	776
	3631896	27821	50,548	49,043	P6	1,505

Quarterly Total Test Audit Payroll: **621,103**

Quarterly Total Company Audit Payroll: **560,562**

Quarterly Total Payroll Difference: **60,541**

The selection criteria for this report is based on a flag which indicates whether it is a "Physical or a "Mail" audit. The audits shown in this "Assigned Risk Market - Mail Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Mail". This will include audits between the \$3,000 - \$10,000 range that are experience rated (only those flagged as "Mail" audits). This will not include audits with a premium greater than \$10,000.

Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3745309	12368	29,275	29,275		0
	3726664	12368	59,376	59,376		0
	2173891	12368	76,480	76,480		0
	3305205	12368	35,691	78,909	P7	-43,218
	3223450	12368	31,940	33,332	P3 P7	-1,392
	3631510	12368	39,600	39,600		0
	3716048	27821	52,554	52,554		0
	3598060	27821	61,726	42,238	P1	19,488
	3193112	27821	90,523	70,999	P1 P6	19,524
	0079332	27821	40,813	42,679	P6	-1,866

Quarterly Total Test Audit Payroll: **517,978**

Quarterly Total Company Audit Payroll: **525,442**

Quarterly Total Payroll Difference: **(7,464)**

The selection criteria for this report is based on a flag which indicates whether it is a "Physical or a "Mail" audit. The audits shown in this "Assigned Risk Market - Mail Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Mail". This will include audits between the \$3,000 - \$10,000 range that are experience rated (only those flagged as "Mail" audits). This will not include audits with a premium greater than \$10,000.

Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2023 - December 31, 2023

YTD Total Test Audit Payroll:	1,649,192
YTD Total Company Audit Payroll:	1,601,383
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YTD Total Payroll Difference:	47,809

Total Audits:	30
Total Audits requiring corrected USRs: *	11
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Percentage of Audits requiring corrected USRs: *	36.7 %

Summary of Differences:

Payroll Difference	Count	Classification Difference	Count
P1	4	C1	0
P2	2	C2	0
P3	3	C3	0
P4	1	C4	3
P5	1	C5	0
P6	4		
P7	3		

Difference Reasons

Payroll Differences:

- P1: Officer, partner, individual and family members payroll inclusion, exclusion or limitation
- P2: Overtime Credit
- P3: Reported payroll not within policy period dates
- P4: Rule 2 payroll inclusions/exclusions
- P5: Mathematical - extension errors
- P6: All other differences
- P7: Accepting insured figures without an audit

Classification Differences:

- C1: Standard exceptions
- C2: Executive officers, partners, sole proprietors
- C3: Improper splitting of individuals payrolls
- C4: Classification variance
- C5: All Other

* Test Audits that develop a reportable difference in payroll (\$3,000 difference in reportable payroll or in excess of 2% of total payroll) or classification code (a change in governing code).

MWCIA

Test Audit Program



Assigned Risk - Physical Audits

Test Audits Completed

January 1, 2023 - December 31, 2023

Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3386227	12368	54,304	55,558	P4	-1,254
	1642596	12368	83,578	83,578	C4	0
	1843249	12368	81,392	84,312	P6	-2,920
	1386573	27821	38,080	37,400	P5	680

Quarterly Total Test Audit Payroll: **257,354**

Quarterly Total Company Audit Payroll: **260,848**

Quarterly Total Payroll Difference: **(3,494)**

The selection criteria for this report is based on a flag which indicates whether it is a "Physical or a "Mail" audit. The audits shown in this "Assigned Risk Market - Physical Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Physical". This will include audits in the > \$3,000 premium range and are experience rated.



Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0018961	12368	8,822	8,822		0
	3625235	12368	75,539	75,539		0
	3196084	12368	14,735	14,735		0
	3268269	12368	86,017	87,673	P3	-1,656
	3551699	12368	76,648	76,648		0
	3771223	27821	13,000	13,000		0
	3592298	27821	128,838	70,010	P1 P5	58,828

Quarterly Total Test Audit Payroll: **403,599**

Quarterly Total Company Audit Payroll: **346,427**

Quarterly Total Payroll Difference: **57,172**

The selection criteria for this report is based on a flag which indicates whether it is a "Physical or a "Mail" audit. The audits shown in this "Assigned Risk Market - Physical Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Physical". This will include audits in the > \$3,000 premium range and are experience rated.

Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3225246	27821	34,201	34,201		0
	3711280	27821	22,851	22,851		0
	0933481	27821	13,634	13,634		0

Quarterly Total Test Audit Payroll: **70,686**

Quarterly Total Company Audit Payroll: **70,686**

Quarterly Total Payroll Difference: **0**

The selection criteria for this report is based on a flag which indicates whether it is a "Physical or a "Mail" audit. The audits shown in this "Assigned Risk Market - Physical Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Physical". This will include audits in the > \$3,000 premium range and are experience rated.



Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2023 - December 31, 2023

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3188267	12368	55,480	36,088	P6	19,392
	3775709	12368	87,039	87,039		0
	3731457	12368	62,119	62,119		0
	3183329	12368	19,644	19,644		0
	3751845	12368	93,675	93,675		0
	3196049	12368	6,744	6,744		0
	3242739	12368	20,981	20,981		0

Quarterly Total Test Audit Payroll: **345,682**

Quarterly Total Company Audit Payroll: **326,290**

Quarterly Total Payroll Difference: **19,392**

The selection criteria for this report is based on a flag which indicates whether it is a "Physical or a "Mail" audit. The audits shown in this "Assigned Risk Market - Physical Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Physical". This will include audits in the > \$3,000 premium range and are experience rated.

Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Physical Audits

Test Audits Completed

January 1, 2023 - December 31, 2023

YTD Total Test Audit Payroll:	1,077,321
YTD Total Company Audit Payroll:	1,004,251
YTD Total Payroll Difference:	73,070

Total Audits: **21**

Total Audits requiring corrected USRs: * **3**

Percentage of Audits requiring corrected USRs: * **14.3 %**

Summary of Differences:

Payroll Difference	Count	Classification Difference	Count
P1	1	C1	0
P2	0	C2	0
P3	1	C3	0
P4	1	C4	1
P5	2	C5	0
P6	2		
P7	0		

Difference Reasons

Payroll Differences:

- P1: Officer, partner, individual and family members payroll inclusion, exclusion or limitation
- P2: Overtime Credit
- P3: Reported payroll not within policy period dates
- P4: Rule 2 payroll inclusions/exclusions
- P5: Mathematical - extension errors
- P6: All other differences
- P7: Accepting insured figures without an audit

Classification Differences:

- C1: Standard exceptions
- C2: Executive officers, partners, sole proprietors
- C3: Improper splitting of individuals payrolls
- C4: Classification variance
- C5: All Other

* Test Audits that develop a reportable difference in payroll (\$3,000 difference in reportable payroll or in excess of 2% of total payroll) or classification code (a change in governing code).