

Glasgow City Council Internal Audit Section Committee Summary Chief Executive's – Payroll Verification

Item 3(b)

20th May 2026

1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a payroll verification review within the Chief Executive's Department (CED).
 - That appropriate steps had been taken to correct payroll records and recover overpayments as necessary.
- 1.2 In order to achieve this, a responsible officer from CED was required to verify that all staff named on a download of data from June 2025 were current employees being paid at the correct level for the correct number of hours worked. The payroll extract dated 26th June 2025 showed CED had a payroll of 721 employees (FTE 687) with a total gross salary of £33.4m.
- 1.3 In addition to this we selected and reviewed responses from the line managers of a sample of 10 CED employees to corroborate the verification responses.
- 1.4 We conduct this exercise on a biennial basis and it is an essential component of the payroll leavers control environment.
- 1.5 The purpose of the audit was to verify:
 - That only current Council employees were being paid.
 - The accuracy of employee's core pay and hours.
- 1.6 The audit focused on core salary and did not include a review of additional salary payments or overtime.

2 Audit Opinion

- 2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and one recommendation which management should address.

3 Main Findings

- 3.1 The payroll verification exercise undertaken by CED management confirmed that all employees were current employees. However, for one employee incorrect working hours were recorded. This is currently being further investigated to determine the financial impact of the error and to action as appropriate. This error did not impact materially on the accuracy of the overall payroll. The Service also identified a number of housekeeping errors such as incorrect job titles.
- 3.2 In the financial year 2024/25 overpayments to CED leavers totalling £5,877 had been made and recovery of this amount sought via four invoices raised. £137 of this amount was still outstanding as at 31/03/2026. For the financial year 2025/26 there have been £154 of overpayments to staff who have left the Service, with this amount recovered.
- 3.3 When running the payroll reports for this audit we identified five agency staff and seven individuals listed as “External Chiefs” giving them a SAP record to be able to carry out managerial duties within MyPortal. The Service identified that two of the agency staff no longer worked for the Council.
- However, it should be noted that these individuals did not receive payroll payments through SAP therefore this did not result in any overpayments.
- 3.4 For the 10 employees whose payroll details were sampled, we obtained evidence from the Service that checks had taken place, which confirmed that all individuals had been verified and were found to be current employees at the time of the selected pay run, their hours of work and gross pay were correct.
- 3.5 An action plan is provided at section four outlining our observations, risks and recommendation. We have made one recommendation for improvement. The priority of this recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	1
Low	Lower level controls absent, not being operated as designed or could be improved.	0
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.6 The audit has been undertaken in accordance with the Global Internal Audit Standards in the UK public sector.
- 3.7 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.8 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the actions contained in the attached Action Plan.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Employee records are accurately maintained.				
1	<p>CED identified one employee where incorrect working hours were recorded. The relevant paperwork was submitted by the line manager to reduce the employee's hours via Pulse with a confirmation received from CBS. While the change was originally processed in November 2024, this was subsequently overwritten in error when a separate request was being processed in January 2025. This has been raised again by the line manager to action and is currently being investigated to determine the financial impact of the error.</p> <p>CBS issued a reminder to staff regarding the processing of requests via Pulse following the NRS payroll verification exercise reported to committee in January 2026. As this was after the above noted issue, a repeat recommendation for this part of the observation will not be made within this report.</p> <p>When running the payroll reports for this audit we identified five agency staff and seven individuals listed as "External Chiefs" giving them a SAP record to be</p>	<p>CED management should remind managers:</p> <ul style="list-style-type: none"> To submit details of changes to employee's details to CBS in a timeous manner in order that these can be processed. That any overpayments should be actioned immediately to assist in the recovery process. That SAP records for non-employees (e.g. agency staff and External Chiefs) are closed when no longer required. <p>CED management should ensure any issues remaining that were identified during the verification exercise, including any SAP records open that are no longer required, are corrected once fully investigated.</p>	Medium	<p>Response: Accepted</p> <p>Action is underway to resolve all outstanding issues generated from the payroll verification work, and a reminder will be cascaded to management across the service.</p> <p>Officer Responsible for Implementation:</p> <p>Governance and Planning Manager</p> <p>Timescales for Implementation:</p> <p>30 June 2026</p>

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	<p>able to carry out managerial duties within MyPortal. The Service identified that two of the agency staff no longer worked for the Council. However, it should be noted that these individuals did not receive payroll payments through SAP therefore this did not result in any overpayments.</p> <p>The Service also identified several housekeeping errors including incorrect locations, line managers and job titles in conjunction with this audit exercise.</p> <p>If changes to employment are not recorded and submitted and processed in a timely manner there is an increased risk that under/overpayments may occur and may persist, undetected, for a prolonged period of time.</p>			