

# Glasgow City Council Internal Audit Section

## Committee Summary

### Corporate Review – Early Retirement and Voluntary Redundancy

## 1 Introduction

- 1.1 As part of the agreed Internal Audit plan we have carried out a review of the arrangements in place within the Council for managing voluntary redundancy and early retirement. Between April 2023 and March 2024, a total of 89 employees were granted voluntary redundancy or early retirement.
- 1.2 The Council has developed a range of policies and procedures in relation to early retirements and voluntary redundancies which have been approved by Committee. Several officers and teams are involved in the processes, including employees' line managers, senior management both corporately and within Services in respect of decision making, Corporate and Service HR teams, the Strathclyde Pension Fund Office (SPFO) and Customer and Business Services (CBS).
- 1.3 The purpose of the audit was to gain assurance that agreed policies and procedures are being followed and that any payments made to staff are consistent with these policies, are properly authorised and calculated correctly. The scope of the audit included:
- Documented processes and procedures.
  - Approval and authorisation processes.
  - Calculations of costs and savings.
  - Sample checking of a sample of employees who have been granted voluntary redundancy / early retirement.
  - Records supporting calculations of initial costs, future savings and pay-back periods.
  - Reporting to FASC.

### Item 6 (b)

18th September 2024

## 2 Audit Opinion

- 2.1 Based on the audit work carried out, assurance can be taken that the control environment is satisfactory

## 3 Main Findings

- 3.1 We are pleased to report that key controls are in place and operating effectively. We confirmed that there were written procedures in place for all aspects of the early retirement and voluntary redundancy processes.
- 3.2 We selected a sample of 10 employees from across a range of different Services who had been granted voluntary redundancy or early retirement. We noted that for the sample of cases selected for testing there was evidence of appropriate documentation and details in relation to any applications for retirement being retained. Additionally, details of pay-back periods were made available to senior officers for review to enable informed decisions to be made prior to applications being granted.
- 3.3 We also confirmed that there are robust authorisation processes in place and evidence of applications for retirement or redundancy being reviewed and approved by senior officers prior to these being processed.
- 3.4 There are clear criteria which employees need to meet in order to be eligible for voluntary redundancy or early retirement. We noted that these criteria had been met in all cases within our sample.
- 3.5 In all cases we confirmed that employees' salary payments had stopped from their approved retirement or redundancy date. We also noted that in all cases within the sample, the redundancy payments had been correctly calculated in accordance with the Council's agreed policy where appropriate, and the correct redundancy payment had been made in the employee's final salary payment.
- 3.6 Cases within the sample were identified where a strain on the fund costs had been incurred by the Council, i.e. costs incurred as a result of employees accessing their pension earlier than expected. In these cases we confirmed that the pay-back period had been calculated correctly and had been authorised at a senior level.
- 3.7 We also confirmed that reports are regularly taken to the Finance and Audit Scrutiny Committee with summarised information on staff who have been granted Early Retirement or Voluntary Redundancy, and the initial costs to the Council as well as recurring savings.

- 3.8 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.9 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.10 It is recommended that Committee note the content of this report.