

# Glasgow City Council Internal Audit Section

## Committee Summary

### Neighbourhoods, Regeneration and Sustainability – Payroll Verification

Item 3(e)

28th January 2026

## 1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a payroll verification review within Neighbourhoods, Regeneration and Sustainability (NRS).
- 1.2 In order to achieve this, a responsible officer at NRS 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 NRS had a payroll of 3,306 employees (FTE 3,227) with a total gross salary of £105.5m.
- 1.3 In addition to this we selected and reviewed responses from the line managers of a sample of 20 NRS 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 That appropriate steps had been taken to correct payroll records and recover overpayments as necessary.
- 1.7 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 NRS management confirmed that all employees were current employees. However, for two employees, overpayments totalling £2,366 were identified. These two errors did not impact materially on the accuracy of the overall payroll, have now been corrected and recovery action is being undertaken. As part of this verification exercise, the Service also identified a number of housekeeping errors such as incorrect locations.

3.2 In the financial year 2024/25 overpayments to NRS leavers totalling £27,000 had been made and recovery of this amount sought via 26 invoices raised. £12,300 of this amount is still due (as at September 2025). For the financial year 2025/26 so far there have been £15,100 of overpayments to staff who have left, the recovery process has started with over 17 invoices raised. £11,200 of this is still due (as at September 2025).

3.3 Internal Audit also conducted sample checking of 20 NRS employees to corroborate the Service's verification. The auditor was able to confirm with the line managers of the 20 staff sampled that the employees were current members of staff at the time of the payroll report, the correct remuneration

was being paid to those employees and their hours of work were also correct.

3.4 An action plan is provided at section four outlining our observations, risks and recommendations. 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

- 3.5 The audit has been undertaken in accordance with the Global Internal Audit Standards in the UK public sector.
- 3.6 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.7 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
<b>Key Control:</b> Employee records are accurately maintained.				
1	<p>In terms of the total payroll expense £105.5m and staff numbers (3,227 FTE) the volume of errors discovered by this exercise was low.</p> <p>NRS identified two employees on their payroll who had been overpaid a total amount of £2,366.</p> <p>One of these totalled £1,333 and was made to a staff member who had reduced their working hours from 35 to 28 per week, however the Customer and Business Services (CBS) payroll team had not been notified of the change for three periods. The other overpayment for £1,033 was to a staff member who had been regraded upwards in error and overpaid for approximately 14 months. The payroll team had not processed the Service request for the reversal of the regrading in October 2024 in error.</p> <p>Appropriate steps were found to have been taken to correct these errors following the verification exercise. One employee repaid their balance in full and a repayment plan is in place to recover the other balance over 12 months.</p>	<p>NRS senior management should remind managers to submit details of changes to employee's details, including working patterns and hours, to NRS HR in a timeous manner.</p> <p>CBS should ensure that all service instructions are captured and acted on correctly and timeously.</p> <p>NRS management should review the data quality errors identified by the Service as part of the payroll verification exercise and ensure these are corrected.</p>	Medium	<p><b>Response:</b> NRS – Accepted. NRS managers will be reminded to timeously provide HR with details of any employee changes to allow the appropriate SAP updates to be made. The data quality errors will be reviewed and the necessary corrections made.</p> <p>CBS – Accepted. Communication to be issued to address this.</p> <p><b>Officer Responsible for Implementation:</b> NRS - Assistant HR Manager CBS-Head of Customer Operations.</p> <p><b>Timescales for Implementation:</b> NRS - 31 December 2025 CBS – 30 November 2025</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>The Service also identified 98 housekeeping errors in conjunction with this verification exercise, these mainly consisted of incorrect locations.</p> <p>If changes to employment are not recorded and submitted 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>			