Item 8(e)

19th August 2026

Glasgow City Council Internal Audit Section
Committee Summary
Education Services – Payroll Verification

1 Introduction

1.1 As part of the agreed Internal Audit plan, we have carried out a payroll verification review within Education Services.

1.2 In order to achieve this, responsible officers from Education Services were required to verify that all staff named on a download of data from November 2025 were current employees being paid at the correct level for the correct number of hours worked. The payroll extract dated 18th November 2025 showed Education had a payroll of 14,304 employees (11,983 FTE) with a total gross salary of £496.3m.

1.3 In addition to this we selected and reviewed responses from the line managers for a sample of 50 Education Services 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.
- That appropriate steps had been taken to correct payroll records and recover overpayments as necessary.

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 within Education Services resulted in 1,418 queries from line managers which were then reviewed by CBS and Education Services HR with steps taken to correct any errors. Issues were identified resulting in quantifiable overpayments of £193,491 to 68 employees at the time of the payroll extract. These errors did not impact materially on the accuracy of the payroll, amounting to approximately 0.04% of the annual Education Services payroll.

3.2 The reasons for the incorrect payments were varied, although in the main these arose from the Service providing late notification to CBS of changes. The following table provides the reasons for the errors identified resulting in quantifiable overpayments.

Reason for overpayment	Number
Change in working hours	35
Leaver	18
Career break	6
Change of post	5
Number of working weeks	2
Incorrect grade	1
Maternity leave	1

The Service also identified several housekeeping issues, including incorrect contract status, location, and line managers.

3.3 In the financial year 2024/25 overpayments to employees who had left the Council totalling £188,652 had been made and recovery of this amount sought via 123 invoices raised. As at 31 March 2026, £74,120 of this amount was still outstanding. For the financial year 2025/26 there were £209,046 of overpayments to staff who have left with 107 invoices raised, with £107,875 of this amount outstanding as at 31 March 2026.

3.4 Repayment plans for overpayments to current employees totalling £127,462 were raised in the financial year 2024/25 with £81,973 outstanding as at 31 March 2026. For the financial year 2025/26 repayment plans totalling £197,953 were raised with £157,910 outstanding as at 31 March 2026.

3.5 There were also a small number of over / under payments that, when corrected, the payroll system automatically applied a backdated balancing payment or these were offset against a secondary post or existing arrears.

3.6 For the 50 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 and that their hours of work and gross pay were correct.

3.7 An action plan is provided at section four outlining our observations, risks and recommendations. We have made one recommendation for improvement. The priority of the 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

3.8 The audit has been undertaken in accordance with the Global Internal Audit Standards in the UK public sector.

3.9 We would like to thank officers involved in this audit for their cooperation and assistance.

3.10 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	There were 68 issued identified during the verification exercise which resulted in quantifiable overpayments of £193,491 at the time of the payroll extract. The majority of the errors occurred due to late notification of by the Service of changes to CBS such as a change in working hours or a leaver. A small number of issues also related to incorrect processing by CBS. 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 therefore no additional recommendation will be made as part of this report. There were also a small number of over / under payments that, when corrected, the payroll system automatically applied a backdated balancing payment or these were offset against a secondary post or existing arrears. The Service also identified several housekeeping errors including incorrect	Education Services management should ensure that: • Overpayments are monitored and manged in order that amounts are recovered as appropriate. • Employees who manage HR/Payroll changes are reminded of the need to ensure that these are reported to CBS in an accurate and timely manner.	**Medium**	**Response:** **Accepted** A group has been set up within Education consisting of Human Resources, Finance and Resources to review any overpayments and to maximise recovery. These are also separately considered if they occur through HR processes and raised with the appropriate manager. All managers are required to ensure that they are following the processes in relation to starters and leavers, or any other changes to contractual status to ensure that documentation is filled out timeously to ensure no overpayments are made. Education is also carrying out an annual payroll verification exercise. As part of the annual staffing exercise reminders of their responsibilities was sent out to all managers.

No.	Observation and Risk	Recommendation	Priority	Management Response
	locations, line managers and contract statuses in conjunction with this exercise. If changes to employment are not submitted and processed in an accurate and timely manner there is an increased risk that incorrect payments may occur and may persist, undetected, for a prolonged period of time.			**Officer Responsible for Implementation:** HR Manager **Timescales for Implementation:** 31 July 2026