

ABERDEEN CITY COUNCIL

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COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	22 February 2018
REPORT TITLE	Internal Audit Report AC1821 – Adult Social Work Payroll
REPORT NUMBER	IA/AC1821
LEAD OFFICER	David Hughes
AUTHOR	David Hughes

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**1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present the planned Internal Audit report on Adult Social Work Payroll.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

**3. BACKGROUND / MAIN ISSUES**

- 3.1 Internal Audit has completed the attached report which relates to an audit of Adult Social Work Payroll.

**4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.

**6. MANAGEMENT OF RISK**

- 6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the attached appendix.

## **7. IMPACT SECTION**

7.1 **Economy** – The proposals in this report have no direct impact on the local economy.

7.2 **People** – There will be no differential impact, as a result of the proposals in this report, on people with protected characteristics. An equality impact assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. The proposals in this report will have no impact on improving the staff experience.

7.3 **Place** – The proposals in this report have no direct impact on the environment or how people friendly the place is.

7.4 **Technology** – The proposals in this report do not further advance technology for the improvement of public services and / or the City as a whole.

## **8. APPENDICES**

8.1 Internal Audit report AC1821 – Adult Social Work Payroll.

## **9. REPORT AUTHOR DETAILS**

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# ABERDEEN CITY COUNCIL

## Internal Audit Report Adult Social Work Payroll

**Issued to:**

Aberdeen City Health & Social Care Partnership

Judith Proctor, Chief Officer

Tom Cowan, Head of Operations

Alex Stephen, Chief Finance Officer

Aberdeen City Council

Morven Spalding, Interim Head of HR

Steven Whyte, Director of Resources

Fraser Bell, Head of Legal and Democratic Services

External Audit

## **EXECUTIVE SUMMARY**

Adult Services employs staff in day care centres, sheltered housing and care homes, along with out of hours care, criminal justice and mental health. The staffing budget for 2016/17 was £17.1 million, with a planned budget for 2017/18 of £17.3 million. The budget is managed by the Health and Social Care Partnership, via Aberdeen City Council's HR Service Centre (HRSC) and Payroll systems and processes.

The objective of this audit was to consider whether all aspects of payroll administration (new starts, leavers, timesheet completion and authorisation, overtime approval, etc) are adequately controlled. There are suitable controls over processing the majority of documentation by HR and Payroll, however authorised signatories and processes within the Service need to be reviewed to ensure claims for all payments are adequately supported and treated consistently in line with policy.

# 1. INTRODUCTION

- 1.1 Adult Services employs staff in day care centres, sheltered housing and care homes, along with out of hours care, criminal justice and mental health. The staffing budget for 2016/17 was £17.1 million, with a planned budget for 2017/18 of £17.3 million.
- 1.2 The budget is managed by the Health and Social Care Partnership, via Aberdeen City Council's HR Service Centre (HRSC) and Payroll systems and processes.
- 1.3 The objective of this audit was to consider whether all aspects of payroll administration (new starts, leavers, timesheet completion and authorisation, overtime approval, etc) are adequately controlled. This involved contacting the Service to find out the current practices that are in place as well as practice within HRSC and Payroll. Tests were carried out on randomly selected samples across the various aspects involved with this audit to ensure that the practices are correct and there are no issues or errors arising as a result of these.
- 1.4 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Tom Cowan, Head of Operations (Aberdeen City Health & Social Care Partnership) and Morven Spalding, Interim Head of HR (Aberdeen City Council).

## 2. FINDINGS AND RECOMMENDATIONS

### 2.1 New Starts

- 2.1.1 Following the recruitment process (not tested as part of this audit) management notify HR of a new start, and the HRSC sets up a new employee (or moves an existing employee to a new post) on the HR system. Since June 2017 forms have been processed wholly electronically rather than in paper format and scanned. Payroll is then notified that the new start has been set up, and proceed to set up any permanent allowances and check calculation of the employee's first payslip.
- 2.1.2 15 of 42 new starts within Adult Social Work between April and October 2017 were selected by Internal Audit for review. In each case the information supplied was correct and it was entered into the system correctly, producing a correct first payment.
- 2.1.3 4 of the forms tested were processed manually, therefore processing dates were clearly noted. In one case the new start was processed by Payroll after their start date, but this had no impact on payment. The 11 forms processed electronically only retain the date on which they were processed by the HRSC, not the date they were processed by Payroll. In one instance the HRSC processed the form after the start date but again there was no impact on the amount or timing of the payment.
- 2.1.4 Although in these instances there was no impact on the employee's first payment, late notification or processing of HR and Payroll paperwork could present a risk, and might indicate recruitment processes not being applied consistently.

#### **Recommendation**

The Service, HRSC and Payroll should review instances where there has been late notification of changes to the payroll to identify whether changes to the process are necessary.

#### **Service Response / Action**

Agreed. Payroll and HRSC will continue to work with managers to improve and streamline processes.

#### **Implementation Date**

Implemented

#### **Responsible Officer**

Team Leader (HRSC)

#### **Grading**

Important within audited area

- 2.1.5 The Non-Standard Working Week Allowance (NSWWA) is paid to take account of enhanced rates of pay available for employees working to a fixed rota which includes night and / or weekend work without the need for separate monthly timesheet claims. Two employees in the sample of 15 were entitled to an allowance and were paid the correct initial amount.

### 2.2 Leavers

- 2.2.1 From April to October 2017 there were 30 leavers within this Service. A sample of 15 was reviewed to ensure the appropriate paperwork was completed on time and the final payments were calculated correctly.
- 2.2.2 9 of the forms tested were processed by both HRSC and Payroll prior to the leave date. 3 of the forms that were late were still processed within the same month. 3 forms were processed the following month, however none resulted in any overpayments. Although late notification presents a risk of overpayment, it may be difficult to avoid in instances

where staff leave unexpectedly or with limited notice. The recommendation at 2.1.4 above refers.

- 2.2.3 All of the final payments of basic pay reviewed, including 2 cases where the NSWWA was applied, were calculated and processed correctly. However, in some cases manual adjustments had been made to final pay but no explanation had been recorded on the paperwork. This included extension of final pay in one month to two days into the next month in order to end employment on a Sunday, repayment of maternity pay due to departure within 12 weeks of return, and recovery of part of a lump sum car payment. Although HR was able to provide reasonable explanations, if adjustments are not clearly recorded and explained it will not be possible to identify and correct any errors should they occur. In one instance a minor error was made inputting the value to the payroll system.

**Recommendation**

Payroll should ensure manual adjustments are adequately explained and checked before and after input.

**Service Response / Action**

Agreed. A reminder will be communicated to all payroll staff that while Paper forms are in use all manual calculations will be written on the paper document.

**Implementation Date**

Implemented

**Responsible Officer**

Senior Payroll Officer

**Grading**

Important within audited area

**2.3 Timesheets**

- 2.3.1 Additional hours are claimed by timesheet, authorised by management as appropriate, input to the payroll system and paid a month in arrears.
- 2.3.2 Employees claiming hours through a relief or no fixed hours contract use the Casual Workers Timesheet, and all hours claimed are at plain time (no enhancement or overtime rates apply).
- 2.3.3 Employees with a fixed hours contract use a different Additional Hours & Overtime claim form. On this they can claim additional hours at plain time plus any enhancements for hours worked at night (33%) or during the weekend (40%) not already covered under the NSWWA, up to 37 hours, and overtime (at a premium) thereafter. Overtime is paid at a rate of time and one half of the employee's hourly rate, unless they are above Grade 12 (£16.17/hr), then it is paid at straight time equal to the top point of Grade 13 (£18.49/hr).
- 2.3.4 A random sample of 18 timesheets that were paid in October 2017 to employees within Adult Services was reviewed to ensure that they were claimed correctly, sufficiently authorised and paid correctly. In each case the hours paid matched those claimed on the timesheet.
- 2.3.5 Only 8 of the timesheets had been fully signed by the employee, authorised by an appropriate manager, and dated. 2 were authorised by managers in a lower graded post than the employee making the claim, and 4 were authorised by managers without recorded authority to approve overtime (and by extension additional hours) on the Service's Authorised Signatory spreadsheet.

**Recommendation**

The Service should ensure overtime and additional hours are authorised only by managers of an appropriate level with the recorded authority to do so.

**Service Response / Action**

Agreed. A review of authorised signatories will be undertaken.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Significant within audited area

- 2.3.6 5 timesheets weren't dated by either the employee or manager when signing and authorising the timesheet. 4 of these were because the timesheet used did not have a field for recording the date – indicating use of an old or incorrect version. This means there is no record of when these timesheets were authorised by the manager. Another timesheet was signed and dated by the employee the day after it was authorised. This increases the chance of the timesheet being amended after it has been authorised and incorrect claims being paid.

**Recommendation**

The Service should ensure all timesheets are signed by an authorised signatory after they are signed by the employee, and that dates are evidenced.

**Service Response / Action**

Agreed. These requirements will be highlighted to the authorised signatories.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Significant within audited area

- 2.3.7 Although most establishments maintain a rota, 4 of the timesheets reviewed came from establishments with no rota or record of the hours worked to support the claim. 7 timesheets did not match the rotas that were provided as they had not been updated to show actual hours worked, shifts swapped, or to name the member of staff filling a vacant shift. Although assurances were provided by management that the hours and staff were correct, there is no local record to support it.

**Recommendation**

The Service should ensure that establishments retain evidence of hours and shifts worked to support timesheet claims.

**Service Response / Action**

Agreed. Managers will be reminded of the requirement to keep evidence to support the timesheets.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Significant within audited area

- 2.3.8 Casual Workers Timesheets can be claimed up to the last day of the month. The Additional Hours & Overtime Claim Forms can only be claimed up to the last Sunday of each month, however in 7 cases forms included claims for hours up to the last day of the month. There is an increased risk in these instances of duplicate hours being claimed the following month.



**Recommendation**

The Service should ensure claim periods are consistent and aligned with policy.

**Service Response / Action**

Agreed.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Significant within audited area

- 2.3.9 Errors were identified on 8 of the 18 timesheets reviewed, including employees claiming too many hours as additional hours, incorrect enhancements being claimed and breaks not being deducted.
- 2.3.10 In one case an employee has claimed more than 37 fixed and additional hours in two of four weeks claimed. They should have claimed a total of 1.5 hours as overtime instead of additional hours, resulting in an underpayment of £12.13. This also has pension and income tax implications as additional hours are pensionable but overtime is not.
- 2.3.11 In two instances employees claimed an additional 10.5 hours on top of their fixed hours, which has taken them to 40.5 hours for a week. They should have only claimed 7 hours as additional hours and 3.5 hours as overtime. This has resulted in overpayments of £20.03 and £27.96, due to the overtime rates being restricted to the top of Grade 13.
- 2.3.12 In another case, one timesheet shows the employee worked from 09.30 – 16.30, however claimed 0.5 hours as non-standard working hours at 33%, which is only due for hours worked from 20.00 – 07.00. On another timesheet they worked 7.15 hours (which should have been claimed as 7.25 hours as minutes should be claimed in decimal format) on a Monday but claimed these hours as non-standard working hours at 40%, which is only due for hours worked at the weekend. These should have been claimed at 33% instead. This has resulted in a total overpayment of £8.64.
- 2.3.13 Although each of the above payment variances are minor, there is a risk that such errors might be recurring or be more widespread than the sample reviewed.

**Recommendation**

The Service should ensure that managers/employees know when overtime and non-standard working hours can and should be claimed.

The Service should ensure the payment errors identified are corrected.

**Service Response / Action**

Agreed. The payments will be corrected and training will be arranged for managers authorising these payments.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Significant within audited area

- 2.3.14 When an employee works for more than 6 hours the Council's Working Time Policy requires that they take an unpaid break of at least 30 minutes. On 5 timesheets no break had been deducted from the total hours worked, and it was not clear from either the timesheet or rota / other documentation whether a break had been taken or not. In addition to the lack of evidence supporting hours claimed on timesheets, rotas provided in support of these and other timesheet claims, and other rotas provided in support of NSWWA entitlements, showed that in the majority of cases establishments' rotas are set without

including unpaid breaks in shifts of over 6 hours. E.g. a 21.00 to 07.00 shift is counted as 10 hours working time rather than 9.5.

- 2.3.15 Similar issues have been identified in previous Internal Audit work and it was agreed that HR would maintain a register of agreements by HR in conjunction with the appropriate Services where it has been identified that breaks will be paid. This was due to be implemented by July 2017 but was subsequently delayed to December 2017.
- 2.3.16 There is no consistency across the Service in how employees with fixed hours contracts claim additional hours. Employees who are based in Day Care Centres or Sheltered Housing and continue working past the end of their fixed hours shift get the choice to either claim the extra hours as Time Off In Lieu (TOIL) or to be paid them as relief work on a Casual Workers Timesheet. All other employees claim additional hours on an Additional Hours & Overtime Claim Form. Also, if any of these employees pick up additional shifts at the same base as their substantive post (their main post, in which their fixed hours are worked), these are claimed as relief work on a Casual Workers Timesheet.
- 2.3.17 An inconsistent approach could lead to some employees being treated more favourably depending on which establishment they work in.

**Recommendation**

HR should ensure guidance is developed to ensure consistency of approach to TOIL, additional hours and overtime claims.

**Service Response / Action**

Agreed. Smarter working guidance is on The Zone and covers options available for payment. HR will provide the Chief Finance Officer (ACHSCP) with a link to the guidance for distribution to service managers. Service management will review and reiterate practice with senior staff to ensure consistent application.

**Implementation Date**

Implemented

**Responsible Officer**

Team Leader (HRSC)

**Grading**

Significant within audited area

February 2018

Lead Social Work Officer

- 2.3.18 There is further variation in how extra hours for Day Care Centre and Sheltered Housing employees are paid. Some are paid these hours as relief work through their fixed hours post, however others are paid through a relief contract, which in some cases has a lower hourly rate than their substantive post. As a general principle staff should be paid at the grade of the post they are covering rather than their substantive post – as the duties covered will vary between the two.
- 2.3.19 2 timesheets were claimed on Casual Workers Timesheets and paid through the employees' substantive posts. There was a difference in rate of £0.30 per hour in one case and £1.22 in the other between their substantive and relief posts, resulting in overpayments.
- 2.3.20 A further 5 timesheets were claimed on Casual Workers timesheets and paid through their relief post. For 3 of these there was a difference of £1.22 to £3.12 per hour between the substantive and relief posts.
- 2.3.21 If there is no clear guidance, then there is a risk that employees will be treated differently and paid at different hourly rates for doing the same job, depending on whether the hours are for fixed hours or extra hours. This also has a potential impact on pension and income tax.

**Recommendation**

HR should ensure managers are aware that staff with multiple posts should be paid at the grade of the post they are covering.

HR in conjunction with the Service should identify all instances in which incorrect payments have been made as a result and recover them in line with policy.

**Service Response / Action**

Agreed. A reminder has been issued to the support team to ensure all casual worker timesheets are paid at the appropriate rate. Payroll has provided a report to the Service for all Casual Worker hours paid at the rate for their substantive post. The Service will review and determine appropriate actions. HR will be available for any guidance or assistance required by the Service.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Significant within audited area

- 2.3.22 HR does not monitor hours to ensure that the average weekly hours requirements of the Working Time Regulations are being complied with. Policy states that no employee is expected to work an average of over 48 hours per week across a reference period of 17 weeks. The Lead Social Work Manager has advised that it is up to each manager within the Service to monitor the hours worked and this is normally done when they are authorising timesheets. However each timesheet will be for up to a maximum of 5 weeks, therefore it may not be immediately apparent if someone working in excess of 48 hours in one period is at risk of breaching it over the 17 week reference period.

**Recommendation**

The Service and HR should ensure they can demonstrate that there are regular reviews of working time compliance.

**Service Response / Action**

Agreed. Payroll will provide a monthly report to the Service to identify anyone who exceeds an average weekly value in a month, and this will be reviewed by the Service.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Significant within audited area

**2.4 Travel & Subsistence**

- 2.4.1 Employees driving or incurring expenses in the course of their duties may claim 45p per mile travelled on Council business and reimbursement of subsistence or other expenses (e.g. bus fares or parking). 19 Travel & Subsistence claim forms paid in October 2017 were reviewed by Internal Audit.
- 2.4.2 2 forms were authorised by managers without recorded authority to approve travel and subsistence according to the Service's Authorised Signatory spreadsheet.
- 2.4.3 1 form had no field for signature or authorisation by the employee and manager, and another form was signed by the employee after being authorised by the manager. This increases the chance of the claim form being amended after it has been authorised and incorrect claims being paid.

**Recommendation**

The Service should ensure all travel and subsistence claims are signed by an authorised signatory after they are signed by the employee, and that dates are evidenced.

**Service Response / Action**

Agreed. A review of authorised signatories will be undertaken.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Significant within audited area

- 2.4.4 Employees are allowed to claim an additional 5p per mile for each additional Council employee carried as a passenger. There is no payment due for any passengers carried who are not Council employees. When claiming these miles, the employee should also be claiming normal mileage.
- 2.4.5 There has been a claim by one employee for passenger miles where passengers were not Council employees (they were service users), which has resulted in an overpayment of 213 miles (£10.65).
- 2.4.6 Another employee has claimed for passenger miles but no normal miles, resulting in an underpayment of 63 miles (£28.35).
- 2.4.7 In one case an employee has claimed varying mileages on different days from their base to the same locations, yet this has been approved by their line manager.
- 2.4.8 In another, two claims have been approved and paid for an overlapping period resulting in an overpayment of 47 miles (£21.15) and £45.25 expenses.
- 2.4.9 A further case showed two return trips to Inverurie (34 miles return trip) as four separate trips each of 34 miles, resulting in an overpayment of £30.60.

**Recommendation**

The Service should ensure that all managers and employees are aware of policy and procedure for claiming travel and subsistence.

The Service should ensure the above over and under payments are corrected.

**Service Response / Action**

Agreed. The payments will be corrected and managers and employees will be reminded of the policy and procedures for claiming travel and subsistence.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Important within audited area

**2.5 Allowances**

- 2.5.1 Various allowances may be payable for additional skills or duties applied during the course of employment, and these are subject to completion and authorisation of relevant forms. A sample of Higher Duty, First Aid and Fire Warden allowances was reviewed to ensure these are being paid correctly.
- 2.5.2 Twice a year a spreadsheet is sent out from Payroll to each Service which details 8 permanent allowances that are currently being paid to their employees. It is then up to

each Service to review this information to ensure that the correct employees are receiving the right allowance and amount.

- 2.5.3 First Aid and Fire Wardens allowance is a set annual amount, pro rata to the post's full time equivalent. The payroll system automatically calculates the amount payable. The Service keeps copies of certificates supporting payment of the allowances. In each case reviewed these were adequately supported and had been paid at the correct rate.
- 2.5.4 Requests for payment of Higher Duty are sent to HRSC on a Higher Graded Duties Form that details the employee's current hourly rate, the hourly rate of the role they are covering, the percentage of their time that they are covering the role for per week along with the length of time they will be covering for. This allowance is paid a month in arrears.
- 2.5.5 Of 2 Higher Duty payments reviewed, both were processed incorrectly by Payroll. In the first instance an incorrect end date was input, it should have been 30 September 2017, however was entered as 30 September 2018, which caused an overpayment £1,835.50 in October 2017. In the second instance the employee was due to have the amount changed from 1 November 2017, however this was changed for their November 2017 pay instead of December 2017 (i.e. not a month in arrears), resulting in them being overpaid £230.88. In both cases Payroll have contacted the employees to arrange repayment.

**Recommendation**

Payroll should ensure that higher duty is started / stopped / amended from the correct month.

**Service Response / Action**

Agreed.

**Implementation Date**

Implemented

**Responsible Officer**

Senior Payroll Officer

**Grading**

Significant within audited area

- 2.5.6 A Social Work NSWWA of 25% is paid to the Out of Hours team on their basic pay and via adjustment of timesheets submitted for any additional hours claimed. This was introduced as a temporary measure after implementation of new terms and conditions, and introduction of the Non-Standard Working Week allowance at 33% and 40%, in 2009. The Service felt that since these employees always work non-standard hours that some shifts would be more lucrative than others due to the variation in rates of the allowance.
- 2.5.7 The Service obtained committee approval to make this allowance permanent in 2011, and committed to periodic corporate review to ensure that it remained fit for purpose. However, the allowance has not been reviewed since, and there is no review of rotas for the Out of Hours Service to demonstrate that the payments continue to offer value for money, and fair recompense, for the shifts actually worked.

**Recommendation**

The Service should review payment of the Out of Hours Non Standard Working Week Allowance against actual hours worked to ensure it remains fit for purpose.

**Service Response / Action**

Agreed. A review will be undertaken.

**Implementation Date**

June 2018

**Responsible Officer**

Business Manager

**Grading**

Significant within audited area

- 2.5.8 No records are kept by the Service supporting entitlement, due to all of the team members automatically being entitled to receive it. HRSC keeps copies of the latest Notification of Start or Change form to either change job or hours, as these detail that the employee is entitled to receive the allowance. In one case however the relevant form had not been retained in the personal file.
- 2.5.9 14 employees in receipt of the corporate NSWWA were also reviewed. Under these allowances a calculation is made to ensure hours worked between 20.00 – 07.00 are paid at 33% of the employee’s hourly rate, and hours worked at the weekend are paid at 40%. The Service is responsible for ensuring the latest rotas are submitted to HRSC, through YourHR, to ensure that the payment of this allowance remains correct. 1 of the rotas on YourHR did not match what was being paid to the employee, however a copy of the new rota was in their personal file.
- 2.5.10 7 of the sample had no paperwork in their personal file relating to this allowance. This is due to an exercise that was carried out in 2009 for the implementation of new terms and conditions, and HRSC / Payroll have advised they do not keep paperwork from that far back. Although many of the Service’s employees in receipt of this allowance work fixed shifts, if these have not been reviewed in over 8 years there is a risk that circumstances will have changed and payment variations could have occurred.
- 2.5.11 4 of the sample had copies of Notification of Change forms or Variation to Contract letters provided, however the information was out of date when compared to what was currently being paid.
- 2.5.12 For 11 of the sample, the rotas provided by the Service did not match the amount of allowance being paid. This was either due to swapped shifts, sickness / holiday cover, the times the hours worked not being specified or the hours were before breaks are deducted.
- 2.5.13 As noted at 2.3.14 above, the rotas provided to HR on YourHR in support of NSWWA did not all include a deduction for unpaid breaks, meaning that half an hour per day of NSWWA may have been incorrectly paid to several employees. The YourHR system does not automatically apply the half hour deduction for shifts in excess of 6 hours.

**Recommendation**

The Service should ensure that all rotas are kept up to date.

HRSC to ensure that all information in personal files is kept up to date.

HR should ensure the YourHR system identifies rotas in excess of 6 hours with no break deducted and highlights this for review.

The Service should ensure unpaid breaks are being taken in line with policy, or specific exemptions agreed.

**Service Response / Action**

Service – Agreed.

HRSC - The YourHR rota system is currently only used to process the rota’s where NSWWA allowance applies. A review of the system will be required to ascertain the changes required to the process to allow the recording of all rota’s. This may have to wait until the replacement Payroll & HR system is implemented (March 2019).

HR – The YourHR system allows managers to input rota’s where NSWWA is applicable. It highlights that a break is required for any shift greater than 6 hours when the rota is

input. There is an option to accept the rota without a break which is available for the job roles where an agreement is in place, however there are no exemptions for Adult Services at this time.

Service management will review and reiterate practice with senior staff to ensure consistent application and compliance for future rotas.

<b><u>Implementation Date</u></b>	<b><u>Responsible Officer</u></b>	<b><u>Grading</u></b>
June 2018	Business Manager	Significant within audited area

## 2.6 Absences & Special Leave

2.6.1 Sickness absences are managed electronically through YourHR and the Payroll system, therefore there is limited paperwork available for review. A sample of 19 employees with different types of absence and special leave: sickness (paid and unpaid), maternity, unpaid leave and career break were reviewed.

2.6.2 In one case statutory maternity pay has been paid incorrectly for 30 days in October 2017 when they were due 31 days, resulting in an underpayment of £20.14.

### **Recommendation**

Payroll should arrange for the above correction to be made.

### **Service Response / Action**

Agreed. The underpayment has been paid to the employee in their December salary.

<b><u>Implementation Date</u></b>	<b><u>Responsible Officer</u></b>	<b><u>Grading</u></b>
Implemented	Senior Payroll Officer	Important within audited area

**AUDITORS:** D Hughes  
C Harvey  
R Brand

## Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
<b>Major at a Corporate Level</b>	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
<b>Major at a Service Level</b>	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
<b>Significant within audited area</b>	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
<b>Important within audited area</b>	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.