

ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Audit, Risk and Scrutiny Committee
<b>DATE</b>	25 September 2018
<b>REPORT TITLE</b>	Internal Audit Report AC1909 – Timesheets & Allowances
<b>REPORT NUMBER</b>	IA/AC1909
<b>DIRECTOR</b>	N/A
<b>REPORT AUTHOR</b>	David Hughes
<b>TERMS OF REFERENCE</b>	2.2

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**1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present the planned Internal Audit report on Timesheets & Allowances.

**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 Timesheets and Allowances.

**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. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.
- 7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	An 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. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
<b>Privacy Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

## 9. APPENDICES

- 9.1 Internal Audit report AC1909 – Timesheets & Allowances.

## 10. REPORT AUTHOR DETAILS

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# ABERDEEN

## CITY COUNCIL

### **Internal Audit Report**

### **Timesheets and Allowances**

Issued to:

Andy MacDonald, Director of Customer Services  
Steven Whyte, Director of Resources  
Jacqui McKenzie, Chief Officer – Customer  
Morven Spalding, Interim Chief Officer – People and Organisation  
Mark Reilly, Chief Officer – Operations and Protective Services  
Fraser Bell, Chief Officer – Governance  
Sandra Buthlay, Interim Chief Officer – Finance  
Andrea Garden, Team Leader

External Audit

## EXECUTIVE SUMMARY

The objective of this audit was to review a sample of timesheets to ensure that they had been completed and paid correctly. Specific testing was also undertaken on the Non-Standard Working Week Allowance as this was previously identified as an area of concern.

In general, the sampled timesheets were found to have been completed accurately although in a small number of cases errors had been made which resulted in overpayments being made. Most of these were under £100, although one amounted to £360, all of which are being recovered by Payroll.

Although regular overtime working is discouraged, some Service areas rely on it to ensure that work is completed effectively. Where this is the case, there are risks that the Working Time Regulation requirements regarding working in excess of 48 hours per week over a defined reference period may be breached. Regular monitoring of working hours was agreed as part of a previous Internal Audit and People and Organisation has confirmed that this has been made the responsibility of managers who should be keeping records of hours worked. As the Payroll System holds details of hours worked, it should be possible to produce reports from the system to identify those employees who have, or may be at risk of, working more than 48 hours per week. The control would be more robust and efficient if it could be digitised and would ensure a more consistent approach across the Council. The Service has advised that the new CoreHR system is in the User Acceptance stage of implementation and has triggers that allow for the calculation of Working Time compliance. Available reports for managers will be fully explored following the initial implementation.

In the 2016/17 audit of timesheets and allowances, it was identified from a sample of almost 200 employees in receipt of a fixed Non-Standard Working Week Allowance (NSWWA) that 32% were being paid incorrectly. In addition to appropriate briefings and guidance being issued, it was agreed that all Managers / Supervisors of employees who had NSWWA as a permanent value set up in the payroll would be required to enter the shift / rota / working pattern into the YourHR system. This was to capture the data and allow quarterly verification of the working arrangements by Managers / Supervisors.

Testing of current allowances confirmed that payments are now more accurate although there were still errors in payment as rotas had not been updated as required, and not all rotas were held in YourHR. The rotas that are in the system are not being verified as planned and, as a new system is about to be implemented, changing YourHR would not be beneficial. It is important that the rotas in place are verified as still being appropriate when data is migrated to the new Payroll System and that regular verification is built into the new system. The new CoreHR System has rota management functionality which will be fully explored following initial implementation.

Whilst testing the NSWWA, it was identified that one employee who was in receipt of the Allowance was not detailed on the establishment's rota. It was confirmed that the employee had left the Council and that notification had been sent to the HR Service Centre, but it had not been forwarded to Payroll to make the necessary changes in the Payroll System. The former employee left on 1 April 2018 and had been paid their full salary and the Allowance for April, May and June 2018. Payment was about to be made for July 2018 when this was identified, and payment was stopped immediately upon notification by Internal Audit. Payroll will arrange for recovery of the previous months' overpayments; the gross amount of which was just over £5,400.

Services are advised of payments made to their employees through a report issued by Payroll. This had not been checked by the establishment at which the employee

worked. It has been agreed that anonymised details of this case will be issued to all Chief Officers for cascading to all Managers highlighting the importance of undertaking checks on payments made.

# 1. INTRODUCTION

1.1 Council employees under Equal Pay & Modernisation terms and conditions are paid for any hours worked as part of their contracted hours at plain time (normal hourly rate). Contracted hours are paid automatically having been set up on the payroll system whilst additional hours and enhancements have to be claimed on a monthly timesheet, or by direct input to the YourHR System.

1.2 Work in excess of an employee's contracted hours is paid as follows:

- Where the employee is contracted to work less than 37 hours per week, additional hours up to 37 hours per week are paid at plain time. Any hours over 37 hours per week, unless part of an agreed rota where the average weekly hours are 37 hours or less, are defined as overtime.
- Where an employee is contracted to work over 37 hours per week (this can be up to 45 hours per week), all hours over the employee's contracted hours (except where this is part of an agreed rota where the average weekly hours covering the rota period are below the employee's contracted hours) shall be considered as overtime.
- Overtime is paid at the rate of time and one half. However, for employees paid above Grade 12, overtime payments are restricted to the flat rate equivalent of the top point of Grade 13.

1.3 Where additional hours / overtime is considered to be "regular" the payment made attracts an additional holiday entitlement of 8.3%.

1.4 Certain hours that are not paid at the overtime rate attract a non-standard working week enhancement:

- Hours worked between 2000 and 0700, Monday to Friday attract an enhancement of one third.
- Hours worked on a Saturday and Sunday attract an enhancement of 40%.

This Allowance is either paid automatically based on rotas submitted to the YourHR System or by timesheet.

1.5 Casual Workers are paid all of their hours at the basic hourly rate for the job undertaken. An additional 12.07% of the hourly rate for each hour worked up to 37 hours per week is paid in respect of the workers entitlement to annual leave. These workers are not employees of the Council and there is no 'mutuality of obligation' to offer or accept work.

1.6 Employees providing the Out of Hours Service in Social Work do not claim the enhancements for unsocial hours. They are, instead, paid a composite rate of 25% on all hours worked in lieu of the non-standard working time allowances. This was approved by the Corporate Policy and Performance Committee in December 2011.

1.7 Craft Workers have a separate set of Terms and Conditions which includes payment of a Flexibility Allowance to cover unsocial hours worked. They have to commit to working a specific work pattern to receive either a 4% or 8% allowance.

1.8 The objective of this audit was to review a sample of timesheets to ensure that they had been completed, authorised and paid correctly. This was undertaken in the form of a "desk top" exercise, reviewing a sample of timesheets that had been paid in June 2018 for reasonableness (without initial reference to supporting documentation held by Services) and, where appropriate, seeking further information from Services to support

and justify the hours being claimed. Specific testing was also undertaken on the Non-Standard Working Week Allowance as this was previously identified as an area of concern.

- 1.9 The factual accuracy of this report and action to be taken with the recommendations made have been agreed with Jacqui McKenzie, Chief Officer – Customer, Morven Spalding, Interim Chief Officer – People and Organisation, Mark Reilly, Chief Officer – Operations and Protective Services Operations, and Andrea Garden, Team Leader (Payroll & HRSC).

## **2. FINDINGS AND RECOMMENDATIONS**

### **2.1 Review of Timesheets**

2.1.1 To establish compliance with the Council's terms and conditions, timesheets relating to payments made to 150 employees in June 2018, were examined. Whilst most timesheets appeared to be completed appropriately some were queried with authorising officers and / or HR / Payroll for a number of reasons and the outcomes are detailed below.

### **2.2 Errors in Timesheet Completion**

2.2.1 During the review a small number of errors were identified in the completion of timesheets. Details of these are shown in Appendix 1 and the errors are being addressed by Payroll.

2.2.2 Where errors have been made in the completion of timesheets, these should be identified by the officer approving them for payment. Where they are not identified, it suggests that appropriate scrutiny is not being applied. However, the move to on-line timesheets should resolve any underlying issues and reduce the risk of further errors being made in this regard in the future.

### **2.3 Additional Holiday Pay on Additional Hours / Overtime**

2.3.1 Where employees work regular additional hours / overtime, they are entitled to claim additional holiday pay at a rate of 8.3%. Where additional hours / overtime are not regular, additional holiday pay is not claimable.

2.3.2 In this respect, HR has issued the following additional holiday pay guidance to Services:

*“The decision on whether the earnings form part of normal pay will be made by the managers concerned based on their knowledge and experience of the work. If the employee could reasonably expect those earnings on a regular or recurring basis then that would form part of normal pay. If they could have expected to earn that money had they been at work rather than on holiday then the hours are normal. Ad-hoc or one off occurrences would not be considered to be normal.”*

2.3.3 Testing undertaken in previous audits identified that, whilst the majority of claims were being made correctly, there were occasions when staff were incorrectly claiming infrequent additional hours / overtime as Regular Hours and being paid Additional Holiday Pay whilst also enhancing their pension at additional cost to the Council. Conversely, some staff were failing to claim their additional hours / overtime against Regular Hours and were not being paid Additional Holiday Pay (and pension increases) which they were entitled to. HR discussed this issue with Directorate Business Managers and re-issued guidance in order to make improvements with compliance. In addition, where additional hours / overtime is submitted to Payroll via YourHR, there is a button which provides a definition of “regular” which has to be chosen for additional holiday pay to be made.

2.3.4 The results of this audit have shown an improvement but there are still a small number of cases which are incorrect. The Service has advised that implementation of the new CoreHR System is currently going through the testing phase and its capabilities regarding managing this aspect of payroll have yet to be explored.



## 2.4 Overtime

- 2.4.1 The Council's Local Terms and Conditions for Local Government Employees state that work in excess of normal contracted hours should be discouraged. In view of this, Internal Audit looked for regular patterns of overtime within the sampled timesheets and, where identified, sought explanations from the authorising officers. Responses received provided appropriate justification for the hours worked.
- 2.4.2 In relation to Roads, employees record all their hours on a Roads Service – Weekly Timesheet. The job that they are working on is recorded along with the time spent – split between basic and overtime hours. The overtime hours are then transferred to a spreadsheet which is approved and sent to Payroll, where the data is uploaded to the Payroll System. Testing undertaken during this audit confirmed that the data contained in the May 2018 spreadsheet was accurately recorded in the Payroll System for the June 2018 pay run. A small sample of timesheets was requested from the Service to check that the data had been accurately recorded in the spreadsheet and was otherwise appropriate. Except for the following issue, this was the case.
- 2.4.3 Some of the timesheets showed claims for overtime relating to vehicle maintenance without detailing the specific hours worked. The 2015/16 cross-Service audit of Timesheets and Allowances identified similar claims and Service management stated that this related to an old agreement whereby 20 minutes per day had been allowed for these duties. HR confirmed at that time that there was no longer any provision in the Local Terms and Conditions for Local Government Staff for this. Roads Service Management was advised of this in April 2016 with a request from HR that such payments cease.
- 2.4.4 Internal Audit report AC1705 (Roads Payroll) was issued in August 2016 and raised similar issues. Service management stated that they would work with HR (now People and Organisation) to identify necessary changes to working patterns to reduce reliance on overtime and ensure that these tasks could be completed within contractual hours.
- 2.4.5 This has not been achieved, as reported to the Audit, Risk and Scrutiny Committee, due to a failure to recruit to senior posts within the Service. The latest update from the Service, as reported to Committee, is that this issue will be resolved by December 2018. In the meantime, overtime payments are continuing to be made based on an old agreement which has been superseded.
- 2.4.6 Regular monitoring of working hours in relation to the maximum of 48 hours per week over the appropriate reference period was agreed as part of Internal Audit report AC1705 (Roads Payroll). People and Organisation has confirmed that this has been made the responsibility of managers who should be keeping records of hours worked. As the Payroll System holds details of hours worked, it should be possible to produce reports from the system to identify those employees who have, or may be at risk of, working more than 48 hours over a defined reference period. The control would be more robust and efficient if it could be digitised and would ensure a more consistent approach across the Council.

### **Recommendation**

The Service should ensure that the new Payroll system can monitor working hours to ensure compliance with the 48-hour rule across the Council.

### **Service Response / Action**

The new system is in the User Acceptance stage of implementation, the initial implementation is hoped to be completed by March 2019. There are triggers to allow for calculation of the working time directive, this can be explored in terms of the availability of reports for managers after the initial implementation.

<b><u>Implementation Date</u></b> July 2019	<b><u>Responsible Officer</u></b> Team Leader (Payroll & HRSC)	<b><u>Grading</u></b> Significant within audited area.
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## 2.5 Working Time

- 2.5.1 The European Working Time Directive requires that employees receive certain rest breaks in and between their working hours. In general, although there are exceptions, if an employee works for continuous periods in excess of six hours they should take a break of at least 20 minutes. Guidance relating to the Council's Working Time Policy states that a 30-minute break should be taken after 6 hours of work. The guidance goes on to state that whether such breaks are paid will depend on the terms of the employment contract. The timesheets for Casual Staff state that the minimum unpaid break if working more than six hours is 20 minutes.
- 2.5.2 During the 2015/16 and 2016/17 audits of Timesheets and Allowances, 18.5% and 7% of timesheets examined showed continuous periods in excess of six hours being recorded with no unpaid in-work rest break having been evidenced between the starting and finishing times recorded. This covered a range of staff in different Services.
- 2.5.3 People and Organisation has been working with Services to resolve the issues and during this audit only timesheets relating to Children's Homes and the Aberdeen City Music School Halls of Residence showed continuous periods in excess of six hours being paid in full. People and Organisation advised that there may also be staff in the Criminal Justice Unpaid Work Service who are unable to take an unpaid in-work rest break.
- 2.5.4 People and Organisation is currently finalising arrangements in relation to these groups of staff which will be included in revised Collective Agreements following implementation of the Target Operating Model. In view of the progress made to date, no further recommendation is being made.
- 2.5.5 Whilst the Non-Standard Working Week Allowance (see section 2.7, below) in place for eight members of staff in one Team was correct based on the hours they work, they take their unpaid break early in the shift (before the 2000 threshold for paying the Allowance) when working night shifts. The Working Time Regulations state that unpaid in-work rest breaks should be taken somewhere in the middle of the shift. The Service has stated that this is for operational reasons and Internal Audit has advised that this be checked with People and Organisation to ensure compliance with the WTR.

### **Recommendation**

People and Organisation should confirm whether the taking of unpaid in-work rest breaks near the start of a shift, rather than somewhere in the middle, is compliant with the Working Time Regulations.

### **Service Response / Action**

Agreed.

### **Implementation Date**

October 2018

### **Responsible Officer**

Policy and Advice Officer,  
People and Organisation

### **Grading**

Significant within audited area.

## 2.6 Craft Workers

### Flexibility Allowance

- 2.6.1 One employee in the sample was in receipt of a Flexibility Allowance. The employee's rota was provided by the employing Service and was referred to People and Organisation to confirm if it fits with requirements detailed in the Craft Workers Terms and Conditions. In strict terms, it did not comply, and the intention is to address this when the Craft Workers' Terms and Conditions are addressed through a Service Redesign (see paragraphs 2.6.5 and 2.6.6, below).

### Vehicle Checks

- 2.6.2 One employee in the sample has been claiming overtime at time and a half rather than at plain time (as stipulated in the Craft Workers Terms and Conditions) for vehicle checks. This appears to have been going on since at least the April 2017 payroll run, giving rise to a potential overpayment (up to June 2018) of £360 plus holiday pay. The Service has advised that this arose following a change in the employee's duties and the payment regarding vehicle checks was not fully explained or subsequently picked up by line management. The overpayment will be recovered and the importance of ensuring that claims are correct has been reiterated to line management.

### Overtime

- 2.6.3 Three Craft Workers who had claimed overtime whilst on standby were included in the sample of timesheets selected for testing. The employing Service provided their Emergency Call Out Time Sheets from which the Craft Workers Claim Form is completed, authorised and paid. The hours agreed between the two records.
- 2.6.4 However, the timesheets exhibited periods of up to 19 hours of continuous work without a break being evidenced. This may be because the Craft Workers Terms and Conditions allow employees to claim a minimum period of 2 hours per call-out whilst on standby (although where call-outs are consecutive these count as one callout).
- 2.6.5 Internal Audit report AC1602AW (Craft Workers Terms and Conditions), issued in October 2015 raised the issue of timesheets demonstrating breaches of the Working Time Regulations, whilst also potentially being inaccurate. At the time, there were no other records which could be used to confirm attendance hours and show compliance with the Regulations. In view of this, the report stated that if any safety critical work were found to be defective, having been completed in periods of work where the documentation shows that the employee had been working without a break (for up to 19 hours as evidenced in this audit), it would be unlikely that the Council would be able to mount a satisfactory defence and demonstrate its compliance with the Health and Safety at Work Act. As a result of recommendations made in Internal Audit report AC1602AW, the Service confirmed that it had reviewed and implemented revised procedures to ensure and demonstrate compliance.

#### **Recommendation**

The Service should put arrangements in place that demonstrate compliance with the Working Time Regulations regarding required rest breaks.

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

As per Internal Audit report AC1602AW, we have alternative shift patterns that comply with Working Time Regulations that are ready to implement, which forms part of a Craft agreement review. However, the review is currently on hold due to unresolved industrial relations. The craft agreement review will be included within the Service Redesign.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
To be advised separately	Chief Officer – Operations and Protective Services	Major at a Corporate Level.

## 2.7 Non-Standard Working Week Allowance

- 2.7.1 Where staff work Non-Standard Working Week (NSWW) hours, ie between 2000 and 0700 on a weekday, or any hours at a weekend, they are entitled to payment of an enhanced rate. The additional payment made is 33% for the weekday hours and 40% for weekend hours. Where staff work such hours as part of a rota, they can be paid the additional allowances as a fixed element of pay so that they don't have to claim the enhancements on a timesheet. Whilst this is efficient in terms of processing, it does rely on People and Organisation and Payroll being advised of any changes to rotas so that adjustments can be made to fixed pay.
- 2.7.2 When this area was last audited in 2016/17, there were 604 employees in receipt of a fixed NSWW Allowance each month, giving rise to payments of approximately £1 million per annum. Testing on a sample of 194 employees identified that 32% were being paid incorrectly.
- 2.7.3 It was agreed that all Managers / Supervisors of employees who had NSWWA as a permanent value set up in the payroll would be required to enter the shift / rota / working pattern into the YourHR system. This was to capture the data and allow regular (quarterly) verification of the working arrangements by Managers / Supervisors. There was also a briefing for all Managers / Supervisors with responsibility for staff who are paid NSWWA covering the necessity to alter the details in YourHR if there is any change in Rota / Shift / Working Pattern / Hours / Times of Work. YourHR would also calculate the allowance, removing the possibility of errors in manual calculations, whilst the data produced would still require to be input manually to the Payroll System.
- 2.7.4 Whilst rotas are now set up in YourHR, and the system is calculating the allowance payable accurately based on the rota details input, the quarterly verification of the rota remaining accurate has not been implemented. Whilst this development would not now be beneficial in the current Payroll System, the Service should ensure that the replacement Payroll system has this verification requirement set up.
- 2.7.5 To test the accuracy of fixed payments, a sample of 7 work locations where employees were receiving the allowance was selected and their line managers were requested to provide the rotas that were being worked. Rotas relating to 50 employees were checked. This identified the following:
- 44 employees were being paid correctly.
  - Two employees were being paid incorrectly:
    - one has been overpaid by £15 per month for eight months – the Service has now corrected the rota in YourHR and will liaise with the employee and Payroll to recover the resultant overpayment;
    - another had been input to Your HR incorrectly and was not, therefore, accepted by the system. The employing Service has now rectified this, and Payroll has been advised that there may be a resultant overpayment. This area has rotas ranging from 2 to 65 weeks, making the calculation of NSWW Allowance complicated and giving rise to potential accuracy issues should employees leave. Consideration should be given to restricting rotas to a maximum number of weeks.
  - Three out of four staff at one establishment appear to be incorrect. The one that is correct and one of those that is not, do not have rotas recorded in

YourHR, indicating that the process set up previously to ensure that all NSW Allowances are supported by a rota in YourHR has not been fully implemented. The Service has been advised to input the actual rotas to YouHR and Payroll has been advised so that this can be monitored.

- The final employee is referred to in paragraphs 2.7.7 and 2.7.8 below.

2.7.6 Based on the above findings, the payment of the NSW Allowance as a fixed element is working better than it was when tested previously in 2015/16. Despite this, there are still errors in payment and it is important that the rotas in place are validated as still being appropriate when data is migrated to the new Payroll System. This will provide an ideal opportunity to ensure accuracy of data and resultant payments.

<b><u>Recommendations</u></b>		
a)	Non-Standard Working Week Allowances should be set up on the new Payroll System based on current rotas provided by employees' line managers.	
b)	Once set up on the system, rotas should be verified by employees' line managers on a regular basis.	
c)	Consideration should be given to restricting rotas for NSW Allowance to a maximum number of weeks to ensure that calculations are transparent and that they reduce the risk of inaccurate payments when employees leave the Council.	
<b><u>Service Response / Action</u></b>		
a)	The new system is in the User Acceptance stage of implementation, the initial implementation is hoped to be completed by March 2019. The CoreHR system has a rota management aspect, implementing this will not be part of the initial implementation, we will explore the full capabilities of monitoring this after the initial implementation.	
b)	As for a), above.	
c)	Agreed. People and Organisation will give consideration to the feasibility of restricting the maximum length of time for a rota to be based on.	
<b><u>Implementation Date</u></b>	<b><u>Responsible Officer</u></b>	<b><u>Grading</u></b>
a) December 2019	a) Team Leader (Payroll & HRSC)	Significant within audited area.
b) February 2020	b) Team Leader (Payroll & HRSC)	
c) December 2018	c) HR Business Partner	

2.7.7 In addition to the above, one employee who was in receipt of the Allowance was not detailed on the establishment rota provided to Internal Audit by the employing Service. The Service confirmed that the employee had left the Council and that notification had been sent to the HR Service Centre. This had, however, not been forwarded to Payroll to make the necessary changes in the Payroll System. The former employee left on 1 April 2018 and has been paid their full salary and the Allowance for April, May and June 2018. Payment was about to be made for July 2018 when this was identified, and payment was stopped immediately upon notification by Internal Audit. Payroll will arrange for recovery of the previous months' overpayments; the gross amount of which was just over £5,400.

2.7.8 To mitigate against omissions like the above, Payroll send monthly reports to each establishment detailing the payments made. These had not been checked at the employing establishment. Equally, the former employee had not contacted the Council to advise of continuing payment. Whilst it is anticipated that further digitisation will help mitigate against such risks in future, action should be taken to ensure that management are undertaking the necessary checks to identify such issues.

**Recommendation**

All Service areas should be advised of this case (anonymised) and of the importance of undertaking the necessary checks in relation to payment reports received.

**Service Response / Action**

Agreed. A communication will be drawn up to highlight this and similar issues which will be sent to Chief Officers for cascading to all Managers.

**Implementation Date**

August 2018

**Responsible Officer**

Team Leader (Payroll & HRSC)

**Grading**

Significant within audited area.

**AUDITOR:** D Hughes

## **Appendix 1 – Errors in Timesheet Completion**

- A Craft Worker claiming overtime at plain time for vehicle checks (as permitted in the Craft Workers Terms and Conditions) recorded the hours in the incorrect column of the timesheet resulting in the time being input to the Payroll System as overtime at time and a half. This resulted in an overpayment of £90 plus additional holiday pay.
- Overtime payable at time and a half was transferred from one side of a timesheet to the other and recorded as Public Holiday Hours payable at double time. This resulted in an overpayment of £26.50 plus holiday pay.
- One member of staff included a claim for Public Holiday hours payable at double time in the total of additional hours for the same week payable at plain time, resulting in an overpayment of £66.50 plus holiday pay.
- Four timesheets were totalled incorrectly resulting in small overpayments.

## Appendix 2 – 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.