

# Report to Audit Committee

Date: 26 March 2026

**Subject:**  
Payroll Audit Action Plan 24/25  
Progress

**For Information**

**Report of:**  
Eleanor Devlin  
Assistant Director of Workforce &  
Organisational Culture

**Portfolio holder:**  
Cllr Abdul Jabbar

**Sign-off:**  
Fiona Greenway, Director of Resources

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## 1. Introduction

- 1.1. This paper gives an update against actions as included in the Payroll Audit Report 24/25 and the HR & OD ReBuild Recovery Plan launched in September 2025.

## 2. Background

- 2.1. The Payroll service at Oldham Council has several, long-standing identified issues, which has led to it being classified as “*Inadequate*” by Internal Audit for a number of years.
- 2.2. The service provides a wide ranging and complex service across the borough. It provides a full range of Payroll and Pension service to Oldham Council. It also provides Payroll services to several schools and additional providers in the area, including Miocare Group Limited.
- 2.3. A full review of the service, data on pay anomalies for the previous 24 months and a full breakdown of the HR & OD ReBuild Plan was shared at Audit Committee in the October 2025 meeting. As requested, this is a short report to provide oversight on progress.

### 3. Improvement Plan and progress against action plan

- 3.1. A permanent Assistant Director of Workforce & Organisational Culture commenced at the end of July 2025, providing consistent leadership to the HR & OD team.
- 3.2. Subsequently, HR & OD ReBuild Recovery Plan had been drafted in partnership with the senior HR & OD team. This is a 12-month plan focused on ensuring compliant and resilient services across the HR team. It is acknowledged that improvements will take longer than 12 months to develop and embed, so further plans will need to be developed.
- 3.3. The ReBuild plan structures improvements into 5 pillars – *strategy, systems and infrastructures, structures, team development and engagement and governance, legal and audit.*
- 3.4. This plan launched from 1 September 2025. Updates on payroll-specific actions included in the ReBuild Plan to support the service to be safe and compliant are as below. This covers actions as included in the Payroll Audit action plan:
  - Launch and embedding of robust monthly Payroll Reconciliation process, with Payroll now showing consistent reconciliation to Finance ledger.
  - Commissioning and launch of an iTrent optimisation programme to support increased knowledge of the system and better utilisation.
  - Embedding of monthly reminders to managers on pay affecting deadlines, with specific learning for managers where repeated or significant errors occur.
  - Launch of monthly KPIs reports within the service which track pay anomalies and cause.
  - Inclusion of “Payroll accuracy” in Corporate Performance reporting from Q3.
  - Recruitment to substantive Employment Services Manager and Head of Operational HR, which had both been vacant for some time.
  - Identification of 7 Payroll and Pension colleagues to enrol on CIPP qualification programmes.
  - Launch of new approval process for CHAPs payments which are now approved by AD of Workforce and Organisational Culture.
  - Set up of monthly Overpayment working group for clearer oversight and review of repayments.

- Launch of new School pre-employment check process from January 2026 for greater oversight and governance.
  - Completion of 6-month file audit of all HR folders to identify gaps and learning for the teams (completed March 2026 so closedown report is underway).
  - Embedding of updated severance payment process which provides clearer line of sight to statutory guidance on the making and disclosure of Special Severance Payments.
- 3.5. One action as outlined in the ReBuild plan and the Payroll Audit Action Plan which has not progressed as planned is Recommendation 3 which links to creation of standard operating procedures/guidance for the Payroll team, to provide clarity and consistency. This had been predicated on a temporary additional resource to allow for a team member to be released to work on a specific project to create SOPs. The delay has been caused by some difficulty in identifying a suitable temporary resource, and then the first suitable candidate left for permanent employment.
- 3.6. A suitable resource is now in post, and the project is underway, with a projected end date of September 2026.

#### **4. Conclusion**

- 4.1. Fulfilling action as outlined in the Payroll Audit action plan has now commenced at pace. Improvement will take time and consistent focus. It remains one of the highest priorities for the HR & OD service.
- 4.2. Several actions will require ongoing oversight and local audit, which is part of our next phase of our ReBuild plan.
- 4.3. The Audit Committee is asked to note and acknowledge the above.