

Remaining in Control – HR/Payroll

During 2019/20 and pre COVID-19 MIAA undertook reviews of HR/payroll systems at NHS Trusts/Foundation Trusts focusing on the operation of the payroll systems and accompanying processes.

HR/Payroll Systems

HR and payroll systems need to be effective to ensure that only employees of the organisation are paid, and only for the work that they perform on behalf of the organisation. It is important that organisations ensure robust controls are in place to manage their HR/Payroll system throughout the COVID- 19 pandemic response and beyond.

Areas of Good Practice

- ✓ **New starters** were generally added promptly and accurately to payroll systems
- ✓ **Appropriate procedures and guidance** allowed managers to complete supporting documentation and initiate payroll processes
- ✓ **Termination and contractual change forms** were completed accurately and demonstrated appropriate authorisation by management
- ✓ **Reporting mechanisms** for salary overpayments were in place at the majority of organisations reviewed
- ✓ **Contracts of employment** were issued to staff on a timely basis.

Areas for Enhancement

- × **Leavers** were not always notified through the appropriate channels, missing payroll deadlines
- × Processes to review Electronic Staff Record (ESR) (HR/payroll system) **access levels** required enhancement
- × **Salary overpayments** recovery processes were not followed correctly and notifications were not consistently sent to employees
- × A number of standard **procedure documents** had not been reviewed and updated appropriately
- × **Contracts of employment** were not always retained by Trusts.

Challenge Questions

1. Are Payroll Key Performance Indicators (KPI's) consistently reported to the Board and appropriate Committees/Sub-Committees?
2. Is your documentation being completed and uploaded to ESR within the correct timeframes? Has this been impacted by COVID-19?
3. Are your staff notified when they receive an overpayment?
4. Are your repayment processes effective?

This Insight provides information to support organisations in reviewing their HR/Payroll processes. It is intended to prompt and inform discussions in this area.