

Title of Report:	Over-Under Payments Policy
Committee Report Submitted To:	Finance Committee
Date of Meeting:	11 September 2025
For Decision or For Information	For decision
To be discussed In Committee YES/NO	No

Linkage to Council Strategy (2021-25)	
Strategic Theme	Cohesive Leadership
Outcome	Council has agreed policies and procedures and decision making is consistent with them.
Lead Officer	Chief Finance Officer

Estimated Timescale for Completion	
Date to be Completed	September 2025

Budgetary Considerations	
Cost of Proposal	
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue
Code	
Staffing Costs	

Legal Considerations	
Input of Legal Services Required	YES/NO
Legal Opinion Obtained	YES/NO

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes /No	Date:
	EQIA Required and Completed:	Yes /No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes /No	Date:
	RNA Required and Completed:	Yes /No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes /No	Date:
	DPIA Required and Completed:	Yes /No	Date:

1.0 PURPOSE OF REPORT

- 1.1 To inform members of a new policy in relation to Over and Under payments processed through payroll in line with an internal audit recommendation.

2.0 BACKGROUND

- 2.1 The Over-Under payments policy was previously undocumented and this was identified in an internal audit review of payroll leading to a recommendation to document the policy.
- 2.2 Council's Over-Under Payments policy has been drafted to incorporate current payroll practices and comply with the relevant audit recommendation. The policy has been attached as Appendix A to this report.
- 2.3 The policy has been consulted on with Unions and agreement has been reached therefore the policy is now before Council for approval.

3.0 RECOMMENDATION

- 3.1 **It is recommended that** Council approve the Over-Under Payments Policy as attached at Appendix A.



**Causeway
Coast & Glens**



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Borough Council**

Policy for Dealing with Salary Over/Under Payments

	Policy Number	
	Version Number	2025-1.0
	Author	Chief Finance Officer
	Date of Screening of Policy	May 2025
	EQIA Recommended?	No
Policy Number	CCG 1-19	
Version Number	2025-1.0	
Author	Chief Finance Officer	
Date of Screening of Policy	7 February 2019	
EQIA Recommended?	No	
Date Adopted by Council		
Date Policy Revised		

Reviewed May 2025

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4. Monitoring	Error! Bookmark not defined.
5. Reviewing the Policy	Error! Bookmark not defined.

POLICY ON DEALING WITH SALARY OVER/UNDER PAYMENTS

1. POLICY STATEMENT

- 1.1 The council has a duty to take reasonable care to ensure that employees receive the appropriate rates of pay, allowances and benefits in accordance with the terms of their contracts of employment. To assist the council in complying with this duty, employees should regularly check that they are receiving their correct contractual entitlements and report any unusual or unexpected variances to their line manager as soon as possible. Line managers must in turn, notify within strict pay processing deadlines, any changes to the terms and conditions or working arrangements of employees that are likely to affect their rates of pay.
- 1.2 In the event that an overpayment or underpayment occurs, the council aims to remedy the matter in a manner that is reasonable and fair to the employees affected whilst at the same time, fulfilling the council's duty to exercise care in administering public funds.
- 1.3 Under the terms of this policy, the council undertakes to remedy any underpayment at the earliest opportunity. Equally the council will timeously and effectively recover in full, all overpayments made in error or as a consequence of fraudulent actions. Recovery will be effected either by deduction from pay/salary or by other appropriate measures arranged through the council's Payroll function.
- 1.4 Employees are expected to co-operate with arrangements to recover payments made to them in error subject to the council taking account of any relevant personal circumstances and existing financial commitments.
- 1.5 Whilst the primary aim of this policy is to deal with salary underpayments and overpayments, the council acknowledges the importance of having robust human resources and payment systems and procedures in place to prevent or minimise the likelihood of those errors occurring.

2. SCOPE

The policy covers current and former employees.

3. KEY PRINCIPLES

The following principles will apply:

- 3.1 all incidences of salary underpayment or overpayment, will be dealt with according to the merits of each individual case;
- 3.2 incidences of underpayment will be addressed quickly and payment of outstanding monies made in the next available pay cycle, in cases where the error is not due to the actions of the employee the underpayment will be addressed as soon as possible;

- 3.3 where incidences of overpayment are identified, the employee affected and other relevant parties will be notified as soon as possible and arrangements will be made to timeously recover any monies owed to the council;
- 3.4 appropriate measures will be considered in cases where an employee would experience genuine financial hardship arising from a significant underpayment or overpayment. This may involve the authorisation of an 'out of course' payment in the case of an underpayment or alternatively seeking to agree a realistic timeframe for recovery in the event of an overpayment. In either case, the amount of over/underpayment involved and the employee's personal circumstances including existing financial commitments, will be relevant considerations, for example in a case where an overpayment has been repeated over a period of time and not discovered immediately. Any repayment will only be taken following written agreement with the employee concerned;
- 3.5 an employee who fails to notify of an overpayment situation in accordance with the terms of this policy, where it is reasonable to conclude that they would have been aware of the overpayment and it can be determined that the payment was falsely claimed, may be subject to the council's disciplinary procedures

4. Monitoring

The effectiveness of this policy will be monitored through management reporting and internal audit

5. Reviewing the Policy

The policy will be reviewed as necessary in consultation with the recognised trade unions.