

DEPARTMENT	AUDIT REVIEW	FINAL REPORT ISSUED
<b>Chief Executive's Department</b>	<b>Travel &amp; Subsistence</b>	<b>04 April 2022</b>

## BACKGROUND

Carmarthenshire County Council staff are eligible to claim travel and subsistence expenses in accordance with their Conditions of Service.

During the 2020/2021 financial year the Authority paid out approximately £1 million in travelling expenses, as well as approximately £50,000 in subsistence allowances. These payments were based on claims made by individuals, authorised by the respective manager, and claimed either on-line or submitted via manual claims.

## SCOPE

The purpose of the audit was to ensure that the systems and procedures in place for the processing of travelling and subsistence claims, including those processed online, fully comply with the requirements of Financial Procedure Rules and approved policies, in particular:

- Recommendations made in previous Internal Audit reports have been actioned.
- Adequate documented policies / procedures exist.
- Travel and subsistence claims are appropriately authorised.
- Travel and subsistence claims are analysed to identify any potential duplicate or overlapping claims.
- Effective controls exist over payments made in relation to travelling and subsistence claims processed on-line.
- Adequate controls exist over access to the application system, user rights and permissions.

## SUMMARY OF RECOMMENDATIONS

The audit findings and recommendations are detailed in the attached Action Plan.

A summary of these recommendations, by priority, is outlined below:

Priority	3*	2*	1*	Total
Number of Recommendations	1	4	2	7

## ASSURANCE RATING

The post review assurance level for systems relating to Travel & Subsistence is categorised as: **Low**.

## Internal Audit review of Travel & Subsistence 2021/22

### Action Plan

Ref	Summary of Issue Identified	Recommendation	Priority Level	Planned Action Responsible Officer / Target Date	Updated Position
1	Testing identified instances where excess mileage had been claimed as a result of working from home, with some staff seemingly unaware that the current policy and guidance in place still applied when working from home.	A reminder should be issued to all Authority staff to reiterate the rules and requirements of the Travel & Subsistence Policy, emphasising that the Policy remains the same, regardless of the current work location of the employee.	**	Staff and managers have been advised, through newsletters, regarding travel expenses during covid working. The Assistant Chief Executive to take to CMT for discussion. The Excess Travel policy is being reviewed and will be incorporated into the revised Staff Travel Policy. Communication will be issued to all staff when revised policy is in place.  Employee Services Manager 30 September 2022	Travel Policy has been consulted upon, discussed at CMT and final version is in the process of being agreed. The Policy will then be promoted to all staff and managers will be asked to ensure that any claims meet the policy requirements including excess travel.
2	HMRC guidance states that receipts for fuel purchased by employees must be obtained, and retained, and that claims cannot be supported by a VAT invoice that is dated after the dates covered by the claim.  The guidance for managers on the My View module of Resource Link advises that VAT fuel receipts should be submitted to accompany the mileage claim forms, however there is no guidance on fuel receipts included within the Travel & Subsistence Policy for employees submitting travel claims, nor is there guidance on the	It should be ensured that all guidance relating to the claiming of travel and subsistence is consistent, including the Travel and Subsistence policy, the separate guidance for managers, and the Financial Procedure Rules. All internal guidance should be in line with HMRC guidance.	*	Discussions to be held with Corporate Services Department on providing training to Managers on the Authorisation of expenses and the Financial Procedure Rules.  The guidance 'Making a Claim: Extract from the Financial Procedure Rules' referenced within My View will now be updated.  Employee Services Manager 23 March 2022	Training will form part of the roll out of the updated policy once agreed.

Ref	Summary of Issue Identified	Recommendation	Priority Level	Planned Action Responsible Officer / Target Date	Updated Position
	number or frequency of receipts considered adequate.				
3	Testing of travel claims identified eight journeys for 3 employees where times were incorrectly input resulting in claims appearing to be duplicate claims, when they were legitimate.	Claim forms should be completed accurately and in full by the employee to include the correct dates and times; authorising officers should ensure that claims are reviewed for accuracy prior to authorisation, with an emphasis on ensuring that claims/journeys are claimed only once.	**	We have a responsibility for policy and guidance, but it is managers who are responsible for checking claim details to ensure claims are being authorised appropriately.  The Assistant Chief Executive will take to CMT for discussion. Communication will be issued to all staff when revised policy is in place.  Employee Services Manager 30 September 2022	This will from part of training and roll out of updated policy.
4	Audit testing identified: - 56 duplicate journeys, from 17 employees, totalling 1,322 miles and equating to £594.90 overclaimed mileage. - 2 overlapping journeys, for one employee, resulting in 4 miles being overclaimed.	Authorising officers should ensure that claims are checked before authorisation to ensure that errors are rectified, and that potentially fraudulent claims are not made.  A regular exercise to review potential duplicate travel claims should be undertaken periodically, independently of Internal Audit reviews, in order to identify errors and/or potential fraud and to subsequently recoup and take appropriate action on any duplicate payments.	***	ResourceLink Reporting Services (RRS) report to be set up and quarterly check to be introduced.  People Services Advisor (HR/Payroll) 30 April 2022	Report has been set up.

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5	Testing on a sample of 20 home to base journeys identified that 11 employees had overclaimed mileage in relation to work journeys by claiming a greater number of miles than allowable as per the Travel and Subsistence Policy, having failed to factor in and deduct their usual home to base mileage.	All employees and authorising managers should be reminded of the Authority's policy in relation to the deduction of home to base mileage and ensure that this is factored in when submitting and authorising travelling claims for journeys made on Authority business.	**	The Assistant Chief Executive to take to CMT for discussion. Communication will be issued to all staff when revised policy is in place.  Employee Services Manager 30 September 2022	Updated travel policy will be promoted and training provided once finalised. Following review by ACE, it was established that many of these claims related to excess mileage which allow for additional commuting mileage to be claimed so are legitimate.
6	Testing highlighted that backing documentation was unavailable to evidence the travel and subsistence claims submitted and authorised in 23 instances, out of the 40 sampled.	All claims should be submitted and authorised in accordance with the guidance provided and be accompanied by adequate documentation, including receipts and summary sheets, to support all expense/ subsistence claims.	**	The Assistant Chief Executive to take to CMT for discussion. Communication will be issued to all staff when revised policy is in place.  Look at possibility of "upload" facility on web Expenses Claim Form to enable relevant documents to be included and retained  Employee Services Manager 30 September 2022	This can be covered in training for managers and staff reminded again to retain receipts. We are in discussions with Zellis re the possibility of developing the HR/Payroll system to enable uploads.
7	Four instances, from a sample of 20 subsistence claims, were identified where employees had paid for goods or services from their own pocket and then sought reimbursement, when it would have been advised to make use of the Authority's standard purchasing methods.	Employees and managers should be reminded of the requirement to utilise the Authority's standard purchasing methods where appropriate.	*	The Assistant Chief Executive to take to CMT for discussion. Communication will be issued to all staff when revised policy is in place.  Employee Services Manager 30 September 2022	To be included in updated travel policy communication.