



Travel and Subsistence Follow-Up Audit 2020/21

FINAL FOLLOW-UP REPORT

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1) Executive Summary

i) Introduction

1 high risk exception and 1 medium risk exception were raised as a result of testing during the initial 2019/20 audit. A follow-up audit has been carried out to establish whether progress has been made against these exceptions.

Testing on those exceptions found that both the high risk exception and the medium risk exception have been partially addressed.

ii) Explanation of Assurance Levels

The overall audit opinion is based solely on testing carried out and discussions held during the course of the audit.

Levels	Description/Examples
No Assurance (Critical Risk Exceptions)	Major individual issues identified or collectively a number of issues raised which could significantly impact the overall objectives of the activity that was subject to the Audit
Limited Assurance (High Risk Exceptions)	Control weaknesses or risks were identified which pose a more significant risk to the Authority
Reasonable Assurance (High or Medium Risk Exceptions)	Control weaknesses or risks were identified but overall the activities do not pose significant risks to the Authority
Assurance (Low Risk/Improvement Exceptions)	No issues or minor improvements noted within the audit but based on the testing conducted, assurance can be placed that the activity is of low risk to the Authority

iii) Summary of findings and overall assurance opinion

Objective: To ensure that Council policies and procedures are followed when claiming for travel and subsistence expenses

Current Assurance Level: Limited Assurance

Original Assurance Level: Limited Assurance

Testing found that action has been taken to address the medium risk exception relating to the lack of detail entered on the mileage claim forms and recording of visit information in Outlook calendars as per the Lone Working Policy. However, testing found that there is still a significant lack of detail being recorded on claims in order to substantiate the reasonableness of the claims and Outlook calendars are still not being updated. Further action is needed to address this. See EX 1 for full details.

Testing found that action has been taken to address the high risk exception relating to mileage being overstated, and travel from home not being adjusted for on claims. However, due to the lack of detail being recorded on claim forms it was not possible to ascertain during testing whether claims were still being overstated. Further action is needed to address this. See EX 2 for full details.

Follow-Up Overall Assurance Level: Limited Assurance

Initial Overall assurance level – Limited Assurance

Testing found that both the high risk exception and the medium risk exception raised during the initial audit had been partially addressed. Actions have been taken, but further action is needed in order to fully address the issues raised in the original audit. Therefore Internal Audit can still only give limited assurance that the Travel and Subsistence processes being followed are of low risk to the Authority.

Key for risk rating of exceptions:

Priority Level	Description
Critical Risk	<p>Control weakness that could have a significant impact upon not only the system function or process objectives but also the achievement of the organisation’s objectives in relation to:</p> <ul style="list-style-type: none">▪ The efficient and effective use of resources▪ The safeguarding of assets▪ The preparation of reliable financial and operational information▪ Compliance with laws and regulations <p>And corrective action needs to be taken immediately.</p>
High Risk	<p>Action needs to be taken to address significant control weaknesses but over a reasonable timeframe rather than immediately. These issues are not “show stopping” but are still important to ensure that controls can be relied upon for the effective performance of the service or function. If not addressed, they can, over time, become critical. An example of an important exception would be the introduction of controls to detect and prevent fraud.</p>
Medium Risk	<p>These are control weaknesses that may expose the system function or process to a key risk but the likelihood of the risk occurring is low.</p>
Low Risk - Improvement	<p>Very low risk exceptions or recommendations that are classed as improvements that are intended to help the service fine tune its control framework or improve service effectiveness and efficiency. An example of an improvement recommendation would be making changes to a filing system to improve the quality of the management trail.</p>

<p>EX 1 – Lack of detail entered on the mileage claim form. Risk rating: Medium Exception partially addressed</p>		
<p>Initial Findings</p> <p>A test on the reasonableness of the amount of mileage claimed found that of the sample of 45, 18 were unable to be tested because:</p> <ul style="list-style-type: none"> • 5 had not included all the journey details. • 3 had entered abbreviations, therefore making it increasingly difficult to calculate the mileage • 10 had entered the same place for start, destinations visited and end points. <p>The Council's lone working policy states that "visiting staff must record in their electronic diaries the address and contact details of the places they intend visiting." A check on the 18 claims that could not be tested for reasonableness found that:</p> <ul style="list-style-type: none"> • For 12 cases no information had been entered onto the employee's calendar • For 1 case the diary information was not accessible • For 2 cases the employees had left the employment of CDC • In 3 cases the employees had entered information into their calendar 		
<p>Risks and consequences</p> <p>Without all information being completed on the claim the authorising manager would be unable to confirm that the claim is correct.</p> <p>The Council's Lone Working Policy is not being adhered to and therefore the welfare and safety of employees of the council may be at risk.</p>		
<p>Initial Agreed action and Officer Responsible</p>	<p>Follow-up findings</p>	<p>Further action required</p>
<p>An annual reminder will be sent to managers and staff via email as well as being posted on the Intranet. This will contain links to the relevant documents informing employees of the procedures and responsibilities when claiming expenses or overtime.</p>	<p>The first annual reminder was sent to all CDC staff on 14th February 2020, by email. The second annual reminder was sent on 14th April 2021 and this was also posted on the Intranet on 28th April 2021.</p> <p>Evidence was provided to show that expenses and overtime have been added as a heading on the new starter induction checklist for managers and within the Trent/Self Service Learning pool</p>	<p>No action required.</p>

<p>In addition expenses and overtime will be added as a heading onto the new starter induction checklist for managers and within the Trent /Self Service Learning pool heading on the HR Induction Checklist. This will highlight where guidance on how to claim for expenses/overtime can be found on the intranet.</p> <p>Tim Radcliffe – by 14th February 2020</p> <p>The Health and Safety Manager is already in the process of reviewing the Lone Working Policy in response to a new corporate lone working solution. On completion the policy with will be distributed to all employees across the Council.</p> <p>Warren Townsend – by 29th February 2020</p>	<p>heading on the HR checklist. Both places now highlight where guidance on how to claim for expenses/overtime can be found on the intranet.</p> <p>There were 371 travel claims between 1st April 2020 and 8th March 2021. A sample of 25 claims was tested to determine whether enough information was recorded by claimants to support where they had visited and therefore if the mileage claimed was reasonable. For 20 of those claims the claimant had not fully recorded the place they had visited, meaning the claim could not be assessed for reasonableness.</p> <p>The Lone Working Policy was updated in February 2020 and the Health and Safety Manager confirmed that any staff affected by the change to the system were updated as part of the review process.</p> <p>The Council’s Lone Working Policy, states that ‘visiting staff must record in their electronic diaries the address and contact details of the places they intend visiting’, a further test was carried out on the same sample of 25 claims. There were 20 individual employees in that sample and it was found that none of them had fully recorded the destination and contact details of the places they had visited in their Outlook calendars. This information could have been used to substantiate their claims.</p> <p>Further action was taken remind staff about the requirements of the Lone Working Policy and where it can be found. This was included in the May 2021 staff news email and referred staff specifically to the section about recording visits in their outlook diary.</p>	<p>No action required.</p>
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<p>EX 2 – Mileage is overstated and travel from home is not adjusted Risk rating: High Exception partially addressed</p>		
<p>Initial Findings</p> <p>Employees are required as per procedures to enter their milometer readings when submitting their travel claim. In 1 case out of 45 the milometer readings were not entered which could lead to inaccuracies in the number of miles claimed.</p> <p>Testing was carried out on the reasonableness of mileage claims by taking the longest route calculated by Google maps and adding a 5 mile threshold to cover diversions or getting lost. Using this methodology it was found that:</p> <ul style="list-style-type: none"> • For 7 cases the mileage had been overstated by more than 5 miles. Of these 7 a total of 304 additional miles had been claimed at a cost of £142.58 to the Council. • 1 claim was overstated by an additional 231 miles at a cost of £108.34 to the Council <p>The policy states that “If your journey included home to work, please deduct those miles from the number claimed and include explanation in the Reason for Journey field” from testing the sample of 46, 6 had stated that their journey started from Home. Of these 6:-</p> <ul style="list-style-type: none"> • 2 claimants had not adjusted their mileage as per the policy. The total mileage over claimed was 8 and 78 miles respectively than if the claimant had travelled from Chichester • 4 had adjusted their mileage to take account of travelling from home 		
<p>Risks and consequences</p> <p>If mileage and expense procedure are not followed there is a risk of an inaccurate claim being made which could lead to overpayments to the employee and financial impact to the Council.</p>		
<p>Initial Agreed action and Officer Responsible</p> <p>An annual reminder will be sent to managers and staff via email as well as being posted on the Intranet. This will contain links to the relevant documents informing employees of the procedures and responsibilities when claiming expenses or overtime.</p>	<p>Follow-up findings</p> <p>See EX 1 for details on actions taken against the agreed actions.</p> <p>Adjustments for travel from home are no longer required for the employees who live within the Chichester boundary, due to the current</p>	<p>Further action required</p>

<p>In addition expenses and overtime will be added as a heading onto the new starter induction checklist for managers and within the Trent /Self Service Learning pool heading on the HR Induction Checklist. This will highlight where guidance on how to claim for expenses/overtime can be found on the intranet.</p> <p>Tim Radcliffe – by 14th February 2020</p>	<p>environment and working from home. However, employees who live outside of Chichester District can only claim once they have reached the district's border by the most logical route from home.</p> <p>Further testing was carried out on the reasonableness of claims (see EX 1 for details). Due to the lack of detail about the journeys undertaken, the reasonableness of claims could not be established in 20 out of 25 cases, making it impossible to know whether or not these claims were overstated.</p> <p>Additional testing was carried out on the employee who was found to be very significantly over claiming in the 2019/20 audit. They submitted 6 claims between 1st April 2020 and 8th March 2021 and all 6 of those claims also appeared to be overstated by large amounts. However, not enough detail was given to be able to fully assess the reasonableness of their claims.</p> <p>Milometer readings were entered in all 25 of the claims tested.</p>	<p>Trent to be amended to prompt for post code or specific location of starting point and destination. An email will be sent to all staff to inform them of the changes to Trent and reiterating that travel claims must include more specific information on journey details.</p> <p>The Director of Corporate Services will raise the issue at Senior Leadership Team on 20th May 2021 and ask for Directors to cascade the message down to staff about the importance of travel claims being detailed and accurate.</p>
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