

Joint Audit and Governance Committee

Report of Internal Audit Manager

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To: Audit and Governance Committee

DATE: 15 October 2018

Internal audit activity report quarter two 2018/2019

Recommendation

That members note the content of the report.

Purpose of Report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity at both councils for the committee to consider. The committee is asked to review the report and the main issues arising and seek assurance that action will be/has been taken where necessary.
2. The contact officer for this report is Victoria Hughes, Internal Audit Manager for South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC), telephone 01235 422430.

3. Delivery of an effective internal audit function will support the councils in meeting their strategic objectives.

Background

4. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the council's objectives. It assists the councils by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work and recommending improvements where necessary. After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure and recommend changes for improvements where applicable. Managers are responsible for considering audit reports and taking the appropriate action to address control weaknesses.

5. Assurance ratings given by internal audit indicate the following:

Full assurance: There is a good system of internal control designed to meet the system objectives and the controls are being consistently applied.

Substantial assurance: There is a sound system of internal control designed to meet the system objectives and the controls are being applied.

Satisfactory assurance: There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

Limited assurance: There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

Nil assurance: Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

6. Each recommendation is given one of the following risk ratings:

High Risk: Fundamental control weakness for senior management action

Medium Risk: Other control weakness for local management action

Low Risk: Recommended best practice to improve overall control

2018/2019 Audit Reports

7. As at 30 September 2018, since the last audit and governance committee meeting the following audits and follow up reviews have been completed:

Completed Audits

Full Assurance: 1

Substantial Assurance: 0

Satisfactory Assurance: 0

Limited Assurance: 1

Nil Assurance: 0

	Assurance Rating	No. of Recs	High Risk Recs	No. Agreed	Medium Risk Recs	No. Agreed	Low Risk Recs	No. Agreed
Joint								
Housing Development 1819	Full	1	0	0	1	1	0	0
1. Travel and Subsistence 1819	Limited	8	2	2	3	3	3	3
SODC								
None								
VWHDC								
None								

Follow Up Reviews

	Initial Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing	No longer applicable
Joint							
Credit Card Usage 1718	Limited	4	0	0	3	0	1
SODC							
None							
VWHDC							
None							

8. **Appendix 1** of this report sets out the key points and findings relating to the completed audits which have received limited or nil assurance, and satisfactory or full assurance reports which members have asked to be presented to committee
9. Members of the committee are asked to seek assurance from the internal audit reports and/or respective managers that the agreed actions have been or will be undertaken where necessary.
10. A copy of each report has been sent to the appropriate service manager, the section 151 officer and the relevant member portfolio holder. In addition, reports are now published on the councils' intranet and limited assurance reports are reviewed by the strategic management team.
11. Internal audit continues to carry out a six month follow up on all non-financial and non-key financial audits to establish the implementation status of agreed recommendations.

All key financial system recommendations are followed up as part of the assurance cycle. **Agenda Item 6**

Overdue Recommendations

12. Following on from the management restructure, the who's who section of the intranet is not being updated until service teams are in place. This is now expected to be completed by December 2018 and, since the recommendations database relies on the who's who contacts, the update and relaunch of the recommendations database for monitoring and reporting overdue recommendations has been delayed. A revised report will be presented to committee as soon as full functionality is resumed. Auditors continue with formal follow up work, but the recommendations database will facilitate a more proactive approach.

Financial Implications

13. There are no financial implications attached to this report.

Legal Implications

14. None.

Risks

15. Identification of risk is an integral part of all audits.

VICTORIA HUGHES
INTERNAL AUDIT MANAGER

1. Travel and Subsistence 2018/2019

1. INTRODUCTION

- 1.1 This report details the internal audit review of procedures, controls and the management of risk in relation to travel and subsistence. The audit has been undertaken in accordance with the 2018/2019 audit plan agreed with the audit and governance committee of South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC). The audit has a priority score of 18. The audit approach is provided in the audit framework in Appendix 1.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- Appropriate policies and procedures are in place including all aspects of travel and subsistence expenses;
 - There is adequate communication and understanding of responsibilities over travel and subsistence claims of key officers;
 - Claims are correctly detailed, documented and evidenced;
 - Claims and amendments to claims are checked and agreed appropriately;
 - Claims are processed promptly and accurately and in accordance with agreed procedures.

2. BACKGROUND

- 2.1 Capita provide the payroll and HR function to the councils under the 5 Councils Partnership (5CP) agreement from 1 August 2016. Prior to 11 September 2017, claimants had to make payments through the council's internal online claims system. This was managed by the councils' in-house IT team. After 11 September 2017, Capita implemented a new system called ResourceLink for all HR administration, which includes travel and subsistence expense claims. Officers and councillors have access to the front end of this system called MyView, which is linked and interacts with ResourceLink. Internal audit noted that the councils' travel and subsistence expenses policies were adopted in the migration of systems, with the appropriate additional system procedures being provided to officers and councillors.
- 2.2 MyView is a web-based application that allows employees to access the following parts of their employment record:
- View and modify personal details
 - View holiday entitlements
 - Request leave
 - View payslips
 - Submit overtime/additional hours
 - Request training
 - Submit expense claims

- 2.3 The councils make mileage payments under the “The Approved Mileage Allowance Payments (Rates) Regulations at the approved mileage rates from tax year 2011 to 2012 to present date which are as follows:

From tax year 2011 to 2012 onwards	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

3. PREVIOUS AUDIT REPORTS

3.1 SODC

Travel and subsistence expenses were last subject to an internal audit review in January 2012 and 14 recommendations were raised. Thirteen recommendations were agreed, and one was not agreed. A satisfactory assurance opinion was issued. A follow up audit was undertaken in August 2012 and it was identified that seven recommendations had been implemented. From findings of the current review, one further recommendation has been implemented and two are no longer relevant. Three recommendations on policies, receipts and exception reports have been revised and incorporated into this report (Recs 1, 4 and 8).

3.2 VWHDC

Travel and subsistence expenses were last subject to an internal audit review in January 2012 and 15 recommendations were raised. Fourteen recommendations were agreed, and one was not agreed. A satisfactory assurance opinion was issued. A follow up audit was undertaken in August 2012 and it was identified that nine recommendations had been implemented. From findings of the current review, one has been implemented, one is no longer relevant. Three recommendations on procedures, receipts and exception reports have been revised and incorporated into this report (Recs 1, 4 and 8).

4. 2018/2019 AUDIT ASSURANCE

- 4.1 **Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.
- 4.2 Eight joint recommendations have been raised in this review. Two high risk, three medium risk and three low risk.

5. MAIN FINDINGS

5.1 Policies and procedures

5.1.1 A travel and subsistence policy is in place that covers all aspects of travel and subsistence expenses for officers and a separate policy was identified for councillors' travel and subsistence process. Internal audit established that the council officers' policy requires reviewing and updating as it was last updated prior to the commencement of 5CP, and the policy does not reflect the current ways of working. It was also noted that the procedure notes for officers and councillors have been developed by Capita for use of the travel and expenses claim system (MyView) and the councils' intranet guides officers to where the appropriate policies are held. Further review identified two councillor travel and subsistence procedures that had not been uploaded onto the relevant online platforms.

5.1.2 Area assurance: Substantial
One recommendation has been made as a result of our work in this area (Rec 1).

5.2 Communication and understanding

5.2.1 Officers and councillors have been kept informed of the travel and subsistence expenses process, including the change in systems that took place in September 2017, through the council's internal communication channels. It was also noted that an interim Head of Five Councils was employed in August 2017 to February 2018 and kept officers up to date with the transition of HR system changes for expenses, which also involved managing any issues with the migration process. Details of escalation process after the interim period ended was communicated to officers adequately.

5.2.2 Internal audit tested the understanding of current guidance, by way of creating a travel and subsistence process questionnaire. This was circulated anonymously to 19 council officers and two councillors (one SODC and one VWHDC) to ensure that they are aware of the current policies and procedures in regard to travel and subsistence process. All questionnaires were returned to internal audit. The responses were collated and the following summary was extracted:

- 76 percent were aware of the council's current travel and subsistence policies and procedures;
- 52 percent were confident in using the new HR system to record and claim travel and subsistence, whilst the other 48 percent were not confident or felt neutral towards the use of the new system;
- 76 percent attended the training provided by Capita prior to the new HR system went live in September 2017;
- From the 76 percent that undertook the training, 19 percent found the training useful and 81 percent were neutral or felt the training was not sufficient to ensure they can use the system to process travel and subsistence expenses claims confidently;

- 52 percent know where to direct any queries/questions regarding travel and subsistence claims;
- 24 percent have raised a travel and subsistence query to the HR team. From the 24 percent that sent a travel and subsistence query to HR, 20 percent found the overall experience good and 40 percent found the overall experience disappointing.

5.2.3 Area assurance: Substantial

One recommendation has been made as a result of our work in this area (Rec 2).

5.3 **Documentation of claims**

5.3.1 Prior to 11 September 2017, claimants entered their expenses through the council's internal expenses database or using a paper form which had been signed as authorised by the line manager. The paper forms were sent directly to payroll team to check and administer. Capita now administer HR processes through the new ResourceLink system. All documentation is retained online and processed in the same system which links to the payroll system. Clear details of information required to enter travel and subsistence claims in MyView is documented in the Capita Navigation guide. All cells are mandatory and need to be completed or claims cannot be submitted. Once completed, a user can view, edit or delete their claims. Internal audit identified that there is no statement that recommends officers or the authorising officer to confirm that they are satisfied with the entered claim and/or claim authorised.

5.3.2 Internal audit performed tests on the following sample selected for the period 1 April 2017 to 12 April 2018 of:

- 40 subsistence expenses (21 SODC and 19 VWHDC) for 11 September 2017 to 12 April 2018;
- ten mileage claims (four SODC and six VWHDC);
- 31 rejected travel and subsistence expenses (100% sample selected)
- 10 travel and subsistence expenses for the period 1 April 2017 to 10 September 2017.

This sample covered the period before and after the migration of systems to Capita's HR system - MyView. The review found that:

- expenses had been calculated and recorded correctly;
- appropriate classification had been entered;
- claims had been appropriately submitted, authorised within agreed timescales, and;
- payments were made in time for payroll purposes.

5.3.3 During the travel and subsistence expenses audit tests, internal audit identified four issues:

- failure to retrieve corresponding receipts from the HR system;
- description fields were not always being completed by the claimants;
- insufficient documentation of why rejections were issued by authorising officers, and;
- one subsistence payment made to an officer without sufficient evidence to support the arrangement in place between the parties involved.

5.3.4 Whilst reviewing the travel and subsistence for officers and councillors, it was noted that there were issues with the setting up of councillors on the Capita system (MyView) introduced on 11 September 2017. The councillors had been set up on the system without having an assigned authorising officer which meant the claims were being sent for approval but had no officer to approve the claims (including training requests). These issues were raised with Capita by the council's democratic services team in October 2017 and resolved in December 2017.

5.3.5 Area assurance: Limited
Four recommendations have been made as a result of our work in this area (Recs 3 - 6).

5.4 Amendments and authorisation of claims

5.4.1 Review of the authorisation process identified that there are sufficient controls in place to ensure claims sent for approval are valid, entered and approved correctly. The online claims system retains records of the:

- submission author;
- date and time authorised;
- authoriser employee number;
- authoriser.

Following findings recorded in 5.3.3, internal audit recommend that a reminder is sent to authorising officers to ensure that when a claim is rejected, an explanation and/or justification is recorded on the system.

5.4.2 All authorised travel and expenses claims are not amendable by the claimant or authorising officer once approved. The only claims that can be amended are rejected claims at which, an option is provided for the claim to be reopened or deleted by the claimant.

5.4.3 Area assurance: Substantial
No recommendations have been made as a result of our work in this area. (See related Recs 1, 3 and 6).

5.5 Processing of claims

5.5.1 Travel and subsistence claims are processed by Capita's payroll team based in Belfast. Claims need to be approved by the end of the third working day of the month to ensure that they are included in the monthly payroll process undertaken by payroll. Approved claims received or authorised after this date are not paid until the following month.

5.5.2 Capita confirmed that the mileage rates are kept up to date by the payroll team. If any system parameter updates are required, this would be done through the Capita Management Information (MI) team that manage the HR/payroll system (ResourceLink) administration. Internal audit noted that no changes have taken place regarding the business miles rates used to calculate travel and subsistence expense claims since 2011. Seven officers were identified to have been paid with the lower mileage rate of 25p/mile instead of 45p/mile.

- 5.5.3 Area assurance: Satisfactory
One recommendation has been made as a result of our work in this area (Rec 7).

6. ACKNOWLEDGEMENTS

- 6.1 Internal audit would like to take this opportunity to thank all staff involved for their assistance with the audit.

7. CATEGORISATION OF RECOMMENDATIONS

- 7.1 To assist management in using our reports, we have categorised our recommendations according to their level of priority as follows:

High risk	Fundamental control weakness for senior management action	Recs 4 and 5
Medium risk	Other control weakness for local management action	Recs 1, 7 and 8
Low risk	Recommended best practice to improve overall control	Recs 2, 3 and 6

OBSERVATIONS AND RECOMMENDATIONS

POLICIES AND PROCEDURES

1. Travel and subsistence policies

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Travel and subsistence policies are up to date, version controlled and reviewed in accordance with agreed timescales.</p> <p><u>Findings</u> The officers' travel and subsistence policy was reviewed by internal audit and it was identified that:</p> <ul style="list-style-type: none"> • the policy still referred to Crowmarsh Gifford as the council offices for claiming business mileage; • The last review was undertaken in November 2014; • There is no reference to the new Capita HR system used to process claims that was implemented on 11 September 2017. <p>The councillor's travel and subsistence policies were also reviewed and the following was identified:</p> <ul style="list-style-type: none"> • Two out of the three councillor policies and procedure notes did not reflect the date of last review and were not uploaded on the relevant online platforms. <p>There are no details to the timeliness of claim authorisation stated in the Capita procedural guidance for managers in MyView</p> <p><u>Risk</u> If version control is not fully completed and up-to-date, there is a risk of policies not being reviewed and updated in a timely manner and not reflecting current practices, which may lead to incorrect practices being followed.</p>	<p>a) All travel and subsistence policies should be reviewed and updated in accordance with agreed timescales.</p> <p>b) The councillor travel and subsistence policies, procedures and helpful tools should be updated to reflect the date of last review then uploaded on to the councils' intranet (Jarvis) and HR system (MyView).</p> <p>c) Timeliness of claim authorisation should be added to the MyView procedure for managers.</p>	<p>a) Strategic HR Manager</p> <p>b) Strategic HR Manager Head of Service – HR (Capita)</p> <p>c) Head of Service – HR (Capita)</p>
Management Response		Implementation Due Date
<p>Recommendation is Agreed We will ensure that the appropriate policy owner updates the points identified.</p> <p>Management response: Strategic HR Manager</p>		31 December 2018

COMMUNICATION AND UNDERSTANDING

2. Awareness of travel and subsistence practices (Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Officers and councillors aware of all travel and subsistence policies, procedures and practices to support understanding of the process.</p> <p><u>Findings</u> The following was identified from the audit questionnaire returned by 21 officers and councillors:</p> <ul style="list-style-type: none"> • five out of 21 (24%) were not aware of the travel and subsistence policies; • five out of the 21 (24%) had not attended the training provided for the new HR system; • 10 out of the 21 (48%) were not confident in the use of the current system used to claim travel and subsistence expenses. <p><u>Risk</u> If officers and councillors are not aware of their responsibilities in relation to travel and subsistence expenses and do not execute them effectively, there is a risk that they do not fulfil their obligations appropriately and may be left financially out of pocket.</p>	<p>a) Line managers should ensure that their teams are aware of the travel and subsistence policies, their location and have attended all relevant HR training to enable correct travel and subsistence claims. Officers who have not attended the training should be offered new dates for training by HR.</p> <p>b) The travel and subsistence policy should be promoted to all staff once it has been sufficiently reviewed.</p> <p>c) HR systems training (e.g. travel and subsistence claims) should be included in the induction training undertaken for new employees.</p>	<p>a) Strategic HR Manager Head of Service – HR (Capita)</p> <p>b) Strategic HR Manager</p> <p>c) Strategic HR Manager</p>
Management Response		Implementation Due Date
<p>Recommendation is Agreed The findings do not reflect how commonly those questioned generate expenses. There will naturally be some people who have attended training or read the policy, but who have not then needed to us the system for a long time afterwards. Therefore, in addition to the recommendations, we will also add some information on where to go/who to ask if someone doesn't know what to do in future.</p> <p>Management response: Strategic HR Manager</p>		<p>31 December 2018</p>

DOCUMENTATION OF CLAIMS

3. Declaration statements expense claims (Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Expense claims are checked to ensure they are accurate, genuine and reasonable before forwarding for approving payment. Claimants certify that the claims being submitted are accurate and all</p>	<p>a) A declaration statement which forces claimants to confirm they have valid driving license, MOT, insurance and adequate receipts,</p>	<p>Head of Service – HR (Capita)</p>

<p>relevant conditions are met before forwarding for approval and approving claims for payment.</p> <p><u>Findings</u> Internal audit identified that there is no statement that recommends claimants to confirm they are satisfied the claim details entered in the HR system are valid and correct, prior to sending for approval.</p> <p>It was also noted that there is also no statement on the authorisation page confirming that the authoriser has inspected all supporting documents and approves the claim as valid, allocated to the correct budget code and accurate.</p> <p><u>Risk</u> If checks are not made before approval of mileage claims, there is a potential for excessive and fraudulent claims to be approved and paid.</p>	<p>distance claimed is in accordance with policies and procedures, and that the claim is correct and valid must be added to the HR system for use prior to submitting the claim.</p> <p>b) A declaration statement should be added to the authorisation page confirming that the authoriser has inspected all supporting documents and approves the claim as valid, allocated to the correct budget code and accurate.</p>	
<p>Management Response</p>		<p>Implementation Due Date</p>
<p>Recommendation is Agreed in Principle Such a system change would affect all five councils and may come with a cost. This would need to be discussed at the Service Improvement Group (SIG) HR and payroll meetings and agreed across all councils.</p> <p>As an alternative, to achieve the same aim of ensuring people know their responsibilities before submitting an expense, we could also include this information when the policy is refreshed and then build into the process that everyone receives a reminder on an annual basis to re-read and accept this. If this is agreed instead, then the responsibility would change to Strategic HR Manager.</p> <p>Management response: Strategic HR Manager</p>		<p>31 December 2018</p>

4. Travel and subsistence records

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Payments made in respect of travel & subsistence are supported by appropriate claims and documentation.</p> <p><u>Findings</u> Internal audit selected a random sample of 40 subsistence expenses and ten mileage claims for the period 11 September 2017 to 12 April 2018, and the following was noted:</p> <ul style="list-style-type: none"> • Four of 40 expense claims did not have the expense line description completed; • Internal audit were unable to obtain the corresponding receipt for 35 out of 40 	<p>a) Reminders to be sent to claimants and authorising officers to complete all fields of the claims. Authorising officers should also be reminded to check that all fields are completed prior to approving claims.</p> <p>b) An investigation as to why the receipts are not available on the HR systems should be undertaken by Capita, with the results and a</p>	<p>a) Strategic HR Manager</p> <p>b) Head of Service – HR (Capita)</p>

<p>expense claims and 10 of the 10 mileage claims reviewed in ResourceLink;</p> <p>It was also noted that the receipts attached by the claimant are stored in MyView. Internal audit tested the system and found that the links for these records were not functioning, therefore, it was not possible to obtain uploaded receipts from the back office and the front end of the HR systems.</p> <p><u>Risk</u> If claims are not supported by appropriate evidence, then it may not be possible to confirm that the claimed expenditure had been incurred.</p>	<p>proposed solution communicated to the council's strategic HR team.</p>	
<p>Management Response</p>		<p>Implementation Due Date</p>
<p>Recommendation is Agreed</p> <p>Management response: Strategic HR Manager</p>		<p>31 December 2018</p>

5. Inter-council agreements

(High Risk)

<p>Rationale</p>	<p>Recommendation</p>	<p>Responsibility</p>
<p><u>Best Practice</u> All formal and informal agreements between the council and other parties/organisations are current, appropriately documented, monitored and recorded.</p> <p><u>Findings</u> Internal audit identified one payment made to an SODC officer for work undertaken for Reading Borough Council – noise control team at Reading Festival. The officer charged the working hours to Reading Borough Council by sending an invoice for £999.94 (including admin costs). The officer's claim for the hours worked was £817.06 using an overtime claim form. Internal audit's review identified that there is no inter-council agreement regarding this arrangement. The following details are not formally documented:</p> <ul style="list-style-type: none"> • details of the payment process; • effects on the employee's payroll deductions, and; • responsible council (e.g. insurance and employee liability) if staff got involved in any issues that require insurance. <p><u>Risk</u></p>	<p>A management decision should be made with the assistance of HR, regarding inter-council agreements for work done on behalf of other councils and the how the council manages the arrangements and payments going forward.</p>	<p>Strategic HR Manager</p>

<p>If a signed agreement is not obtained, resolutions for disputes that arise from work undertaken may be difficult to finalise, which may have a negative impact to the councils' finances and reputation.</p>		
<p>Management Response</p>		<p>Implementation Due Date</p>
<p>Recommendation is Agreed A decision has already been made to stop the Reading Borough Council support happening in this way. Any officers undertaking that work must be employed by Reading as casual workers, meaning no liability for SODC and VWHDC. Where duties are within an individual's usual work time and standard duties, we would, of course, support people helping other organisations on a goodwill basis. Each of these would be considered on a case by case basis.</p> <p>Management response: Strategic HR Manager</p>		<p>30 September 2018</p>

6. Rejected claims

(Low Risk)

<p>Rationale</p>	<p>Recommendation</p>	<p>Responsibility</p>
<p><u>Best Practice</u> All authorised claims are documented in full within the HR systems, including details of why any claims have been rejected.</p> <p><u>Findings</u> Internal audit obtained a listing of the claims which had been rejected for the period 11 September 2017 to 5 April 2018 and enquired about the status and nature of the claim currently. There was a total of 31 rejected expenses which were checked by internal audit. It was noted that there were no rejection notes recorded for 24 out of 31 expenses detailing why they had been rejected, as stated in the manager's guide.</p> <p><u>Risk</u> Lack of key information and a visible audit trail, such as why claim has been rejected, may cause delays to occur if dealing with queries should they arise.</p>	<p>Authorising managers should ensure that they enter details in MyView as to why the claim is being rejected as stated in the system procedure notes provided by Capita.</p>	<p>Strategic HR Manager</p>
<p>Management Response</p>		<p>Implementation Due Date</p>
<p>Recommendation is Agreed Management response: Strategic HR Manager</p>		<p>31 December 2018</p>

7. Mileage underpayments

(Medium Risk)

<p>Rationale</p>	<p>Recommendation</p>	<p>Responsibility</p>
<p><u>Best Practice</u></p>	<p>Capita payroll need to investigate why the</p>	<p>Head of Service – HR (Capita)</p>

<p>A full audit trail is available for all mileage payments with effective authorisation of claims, detailed records of claims and accurate checks on payroll input.</p> <p><u>Findings</u> Whilst undertaking this review, seven officers were noted to have been paid their travel claims using the lower business mileage rate of 25p/mile instead of the normal mileage rate of 45p/mile. The seven officers had not reached the first 10,000 business miles cap in the tax year.</p> <p>Further review also identified that four of the officers had commenced employment after 1 April 2018 and the remaining three had been TUPE transferred from VINCI to the council on 1 April 2018.</p> <p><u>Risk</u> If adequate checks are not performed for mileage payments in a consistent manner, then the council may be making under or over payments to employees.</p>	<p>officers were paid at the wrong mileage rates and rectify the issues to avoid further under and/or overpayments.</p>	
<p>Management Response</p>		<p>Implementation Due Date</p>
<p>Recommendation is Agreed Capita will ensure as part of any future TUPE back in process mileage rates will be added to the on boarding terms and conditions checklist to ensure this problem does not reoccur. There has been an investigation in this instance as it was clear that the wrong rates were initially applied, and this has been rectified.</p> <p>Management response: Head of Service - HR (Capita)</p>		<p>Implemented at time of audit</p>

PREVIOUS RECOMMENDATIONS RESTATED

8. Exception reports

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Exception reports are produced and reviewed on a regular basis to monitor and assist in identifying any potentially fraudulent duplicate or slow claims.</p> <p><u>Findings</u> Internal audit noted that there are no exception reports produced which highlights any potential duplicated claims and/or any delays in authorising claims.</p> <p><u>Risk</u> If duplicate or slow entries are not identified, then erroneous or</p>	<p>Management should consider introducing a regular report which details any duplicated claims or any slow claims (e.g. take longer than 3 months to process, remain unauthorised).</p>	<p>Strategic HR Manager</p>

fraudulent claims may remain undetected and repeated with financial loss to the council.		
Management Response		Implementation Due Date
Recommendation is Agreed		31 December 2018
Management response: Strategic HR Manager		