



Internal Audit Report

FINAL

Customer and Support Services

Review of Car Allowances

June 2011

1 INTRODUCTION

This report has been prepared as a result of the Internal Audit review of Car Allowances within the Customer and Support Services as part of the 2011/2012 Internal Audit programme. The specific focus on this Audit was on IT Services.

2 AUDIT SCOPE AND OBJECTIVES

The main objective of the audit was as follows;

- Travel and Subsistence claims are being completed in accordance with Council policies and procedures and that they are in accordance with Argyll & Bute's Financial & Security Regulations.
- Travel and Subsistence claims are completed in full, signed by the employee and appropriately authorised in accordance with the Authorised Signatory list.
- Travel and Subsistence claims are being paid to the appropriate individuals at the appropriate rates.

3 RISK ASSESSMENT

- As part of the audit process and in conjunction with our CIPFA Systems Based Audit (SBA), ICQ approach, the risk register was reviewed to identify any areas that needed to be included within the audit. The areas identified were:
- SR16 Failure to have a robust internal control process and system

4 CORPORATE GOVERNANCE

There are no Corporate Governance issues to be reported as a result of this audit.

5 MAIN FINDINGS

- 5.1 It was found that Travelling and Subsistence guidance is covered in Argyll & Bute's Financial and Security Regulations.
- 5.2 Travel and Subsistence claims are being completed and signed by the employee. The quality of information completed on the claims varied with staff failing to complete the form in full at times.
- 5.3 Travel and Subsistence claims are being paid to the appropriate individuals at the appropriate rates.
- 5.4 It was found that pool cars were not being fully utilised and that staff were using their own vehicle when pool cars were available.

6 RECOMMENDATIONS

5 recommendations were identified as a result of the audit, 5 rated as medium priority. The recommendations are shown in the action plan attached at Appendix 2 and has been compiled with the co-operation and agreement of the Supervisor/Manager.

Internal Audit considers that, in an effort to improve the quality of information, monitoring and control, the recommendations should be implemented in accordance with the agreed action plan. Management have set achievable implementation dates and will be required to provide reasons to the Audit Committee for failure to implement within the agreed timescale. Where management decides not to implement recommendations it must evaluate and accept the risks associated with that decision.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as fundamental, material or minor. The definitions of each classification are set out below:-

High - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;

Medium - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;

Low - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.

7 AUDIT OPINION

Based on the findings we can conclude that there are appropriate procedures in place covering Travel & Subsistence Claims and that the Council is committed to reducing its carbon footprint whilst making best use of the budgets it has through providing staff with information on sustainable travel. Recommendations arising from the audit work should be implemented by the nominated responsible officer within the agreed timescale. Recommendations not implemented will require explanation to the Audit Committee. This could lead to findings being reported in the Internal Control Statement produced by the Council in support of the Annual Accounts.

8 ACKNOWLEDGEMENTS

Thanks are due to Creditors Staff in Campbeltown for their co-operation and assistance during the Audit and the preparation of the report and action plan.

Argyll & Bute Council's Internal Audit section has prepared this report. Our work was limited to the objectives in section 2. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.

This report is private and confidential for the Council's information only and is solely for use in the provision of an internal audit service to the Council. In any circumstances where anyone other than the Council accesses this report it is on the strict understanding that the Council will accept no liability for any act or omission by any party in consequence of their consideration of this report or any part thereof. The report is not to be copied, quoted or referred to, in whole or in part, without prior written consent.

APPENDIX 2 ACTION PLAN

No.	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
1	Internal Audit, on enquiry, was advised that no corporate car allowance/travelling and subsistence procedures were available for distribution. Internal Audit was provided with a draft procedure - 'Travel Claim Guidance for Managers'.	Medium	The draft 'Travel Claim Guidance for Managers' should be issued to all authorised signatories. Internal Audit can now confirm that this has been implemented and that the guidance is now available on The Hub.	Head of Customer and Support Services	July 2011 - Completed
2	Internal Audit found that Travel and Subsistence claims are being completed, however the quality of information completed on the claims varied with staff failing to complete full details of journeys undertaken or failing to complete the purpose of the journey.	Medium	The current travel and subsistence claim form should be amended to separate the details of journey column into two columns, one for purpose of journey and the other for details of journey.	Head of Customer and Support Services	31 st December 2011
3	Internal Audit found that Travel and Subsistence		The Authorised Signatory		

No.	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
	Claims were being signed and authorised by staff that are not recognised on the Authorised Signatory list.	Medium	list should be updated on a regular basis.	Head of Customer and Support Services	31st December 2011
4	On three separate occasions two members of staff, who work in the same location travelled independently, at a cost of £284.31 to the Council, to the same meeting in Helensburgh when the pool car was available.	Medium	Staff should be reminded of the need to check the availability of pool cars and should be reminded of the importance of car sharing when attending the same locations.	Head of Customer and Support Services	30th September 2011
5	Internal Audit reviewed a number of other Councils with regard to sustainable travel and their travel policies. Internal Audit found that Highland Council made available to staff a live webcast facility on their PC. Highland Council ran live training sessions using this facility	Medium	Consideration should be given to providing webcams for staff who are regularly involved in travelling to meetings to allow them to video conference from their desktop. This will enhance the Councils commitment to reducing its carbon footprint whilst making best use of the budgets it has through	Head of Customer and Support Services	31st October 2011

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	<p>(in one particular case a recorded training course on Green Travel) reducing the requirement for staff to travel around a rural area to attend courses. This assists to reduce their carbon footprint, reduce expenditure on travel & subsistence claims and assists to reduce the amount of time staff spend travelling.</p>		<p>providing staff with the facilities which will enable them to conduct meetings without the requirement to travel.</p>		