



**Internal Audit Report**

**FINAL**

**Customer Services**

**Review of Travel and Subsistence**

**February 2012**

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## **1 INTRODUCTION**

It is planned that in 2012 employees of Argyll and Bute Council will be able to submit their Travel and Subsistence Claims through MyView; this will make the process more efficient and streamlined. MyView will have a phased introduction and is a secure web-based portal which directly links to Resourcelink and is a self-service HR and Payroll system.

The introduction of MyView provides the Council and Internal Audit with an opportunity to resolve a number of recurring control issues. Discussions with the Council's Creditor's Section and the Project Leader for MyView were held, this centred on internal audit report recommendation themes. To ensure that our theme list was extant, Internal Audit undertook a quick review of recently submitted authorised Travel and Expense claim forms.

## **2 AUDIT SCOPE AND OBJECTIVES**

The broad objectives of the work undertaken were:

- Prepare a list of audit recommendation themes from past issued reports; and
- Undertake a spot check of authorised claim forms to identify any further issues.

## **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 risk identified was:

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 Customer Support provided a report to Internal Audit showing that the total mileage paid in the current financial year to September 2011, was 2,637,612 miles with just over 1,600 employees submitting claims.
- 5.2 The introduction of MyView will increase efficiency through a secure web-based portal and will enable the replacement of a largely paper based system.

- 5.3 During the course of the review of recent authorised claims, Internal Audit found that there is currently no upper limit to the amount staff can claim for a breakfast, lunch or evening meal, provided that receipts are attached and the claim has been authorised by a manager.

## 6 RECOMMENDATIONS

Seven recommendations were identified as a result of the audit; all are rated as Medium priority. The recommendations are shown in the action plan attached at Appendix 2 and have been compiled with the co-operation and agreement of the appropriate Head of Service.

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 for 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 more needs to be done to reduce the level of Travel and Subsistence claims being submitted and more needs to be done to ensure that there is a clear sustainable travel message given throughout the Council.

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 the Creditors Supervisor and Project Leader (MyView) 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. 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	<p>As part of Argyll &amp; Bute Council's objective of making processes more efficient and streamlined, there will be a phased introduction to 'MyView'. MyView is a secure web-based portal directly linking to Resourcelink and is a self-service HR and Payroll system. It is planned that in 2012 employees will be able to claim their Travel and Subsistence through MyView. The introduction of MyView provides the Council with an opportunity to address many of the highlighted Audit Report issues at a Corporate level.</p>	<p><i>Medium</i></p>	<p>It is recommended that mandatory fields be introduced to the new online facility.</p>	<p>Head of Customer and Support Services</p>	<p>31<sup>st</sup> March 2012</p>

No.	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
2	By September 2011 the total mileage claimed is 2,637,612 miles. This figure indicates that there is a possibility that this financial year the total mileage claimed will be in excess of both of the last 2 years. This raises concerns over sustainability.	<i>Medium</i>	Managers should be provided a monthly staff travel monitoring report, in order that they can better balance staff travel. Quarterly reports should be given to Executive Directors and their Heads of Service detailing the top 10 mileage claims for each quarter.	Head of Customer and Support Services	31 <sup>st</sup> July 2012
3	The mileage report provided showed that 13 individual staff had travelled over 9,000 miles by September 2011. Management have authorised the incurred travel but need to be aware of sustainability, employee performance and work requirement balance.	<i>Medium</i>	Consideration should be given to introducing an online staff travel diary on the Council HUB enabling staff to look for car sharing possibilities. The Head of Service has accepted this recommendation and action has commenced.	Head of Customer and Support Services	Complete

No.	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
4	<p>During the course of the review it was found that a number of staff had submitted claims for evening meals that were well in excess of the £10 agreed limit. One claim amounted to £27.12 another £24.15. There is currently no upper limit to the amount a staff member can claim in terms of evening meal allowance.</p>	<p><i>Medium</i></p>	<p>Consideration should be given to setting amount limits for meal claims. The Head of Service has accepted the recommendation and action has commenced.</p>	<p>Head of Improvement &amp; HR</p>	<p>Complete</p>
5	<p>Internal Audit is aware that when staff use Pool cars their driving licences are checked by Fleet Management for validity. However, little evidence could be found that checks are being undertaken on staff using their own cars on Council business to ensure that driving licences are valid and appropriate insurance is held by the staff member.</p>	<p><i>Medium</i></p>	<p>MyView should have an on-line facility that requests Council employees to record that they hold a valid Driving Licence and appropriate Insurance cover for business use. The Head of Service has confirmed that the online facility will be available through MyView.</p>	<p>Head of Customer and Support Services</p>	<p>Complete</p>



No.	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
6	Internal Audit notes that guidance to staff on the Council HUB states that when travelling on Council business the staff member requires to have a valid driving licence and insurance cover allowing business use when using their own car. The guidance also states that checks by nominated officers will be undertaken to ensure that both Driving Licences and Insurance details are current and cover appropriate.	<i>Medium</i>	Presently departments should ensure that staff who undertake business travel on behalf of the Council have a valid Driving Licence and appropriate Insurance cover.	Head of Customer and Support Services	30 <sup>th</sup> April 2012
7	With the imminent introduction of MyView, Internal Audit was advised that progress is also being made towards introducing an on-line booking system for Pool Cars.	<i>Medium</i>	Progress should be made towards implementing an online booking facility for Pool Cars with pool car availability clearly displayed on the HUB.	Head of Facility Services	31 <sup>st</sup> August 2012