

Glasgow City Council Internal Audit Section

Committee Summary

Corporate Review – Travel Expenses

Item 2(d)

26th March 2025

1

1 Introduction

- 1.1 As part of the agreed Internal Audit plan we have carried out a review of the arrangements in place for the payment of mileage and travel expenses to Council employees.
- 1.2 With the exception of journeys costing less than £25, all travel for Council business should be arranged by the Executive Compliance Unit (ECU). The ECU will liaise with the Council's appointed travel agent, Corporate Travel Management (North) to obtain the most efficient and cost effective business travel arrangements. For travel costs below £25, employees are expected to purchase travel or incur expenses and then reclaim the costs via their salary, either through My Portal or using claim forms where the employee is not a portal user. In 2024/25, up to period 9, almost £1m had been paid out in mileage and reimbursement of expenses.
 - Parking arrangements;
 - Ensuring best value (eg public transport versus mileage costs);
 - Payment arrangements, and
 - Verification before reimbursements.
- 1.3 The purpose of the audit was to gain assurance that there are effective arrangements in place for the reimbursement of travel claims and that these arrangements are fit for purpose given changes to working patterns in recent years. The scope of the audit included a review of key controls in the following areas:
 - Documented policies and procedures;
 - Identification and recording of a place of work;
 - Audit trails;
 - Retention of receipts;

2 Audit Opinion

- 2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and four recommendations which management should address.

3 Main Findings

- 3.1 There are sufficient and appropriate methods through which travel and expense claims can be made. For expense claims up to £25 the majority of employees claim reimbursement through My Portal, and those with no access to the portal complete and submit a claim form to CBS Service HR.
- 3.2 We found that in a sample of 81 mileage and expense claims, all claims were for allowed amounts and had been approved by a manager prior to any reimbursement being paid.
- 3.3 Employees with access to My Portal must submit vehicle compliance documentation (driving license, insurance, MOT certificate) to CBS for uploading on SAP in order to ensure that reimbursements of mileage claims are not paid to employees with out of date documentation. From a sample of the mileage claims for 12 employees in 2024/25 we found that the system is working correctly and payments will not be processed when vehicle compliance documentation is out of date or incomplete.
- 3.4 There are procedure documents in place covering travel and expenses which outline the claim thresholds and exclusions for which employees cannot claim. Employees can access these procedures via the Council intranet site. The procedures are reviewed on an on-going basis and amended for any minor changes, however, major changes to policy, such as changes to claim rates, requires committee approval.
- 3.5 For mileage claims, there is no formal documented process for recording a place of work where employees work from multiple locations. This is required as claims made with a start point of a home address should be compared with the distance from the normal work location to the site, and the reimbursement should be for the lower distance. However, there has been no communication circulated to managers or employees to make them aware of this requirement. From the sample of mileage claims for 12 employees in 2024/25 we found one instance where an employee was regularly reimbursed for journeys starting / ending at their home address which exceeded the mileage had the journey been made / claimed from their regular place of work.
- 3.6 In a sample of 69 expense claims from employees across all services, for both My Portal users and non-users, we found that 59 of the expense claims were made in line with policy and all 69 were appropriately authorised, however, recurring issues were identified with re-imbursements of Zonecards. The policy states that where Zonecards are the most appropriate means, they should be purchased by the ECU,

however, we found that this was not the case. In our sample approximately £1k of reimbursed expenses related to Zonecards. We also identified issues with managers failing to retain or submit receipts for expenses to CBS in line with the policy.

- 3.7 In the sample of the mileage claims for 12 employees in 2024/25 across services, we found that all claims were submitted following the correct process and were appropriately authorised. However, for 5 out of 12 claims there was a lack of clarity or completeness on the trip origin and destination. Additionally, only 2 out of 12 claimants sent their petrol receipts to CBS in line with policy.
- 3.8 We found that vehicle compliance documentation for most services is sent to CBS and uploaded to SAP to ensure mileage claims are not paid to employees who have out of date documentation. However, we found that most Education Services staff (monthly paid staff) do not submit vehicle compliance documentation to CBS for SAP uploading. We were advised that there was an informal agreement when My Portal was implemented that documents for these staff members would be retained and reviewed by Education Services managers to ensure they are always up to date. However, we found that not all Education Services managers were aware of this responsibility.
- 3.9 An action plan is provided at section four outlining our observations, risks and recommendations. We have made four recommendations for improvement. The priority of each recommendations is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	3
Low	Lower level controls absent, not being operated as designed or could be improved.	1
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.10 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.11 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.12 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the actions contained in the attached Action Plan.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: There is documented policy and guidelines for travel and expenses. The policy is regularly reviewed and available to all staff.				
1.	<p>There is no documented process for identifying and recording a place of work where employees work from multiple locations. With more employees working from home for part of the week the understanding was that when an employee claimed for mileage from / to their home address they would only be re-imbursed up to the amount of what they would have been able to claim had that journey been taken from the office. In our sample of 12 mileage claims we found 1 instance in which an individual was reimbursed for journeys starting / ending at their home address which exceeded the mileage had the journey been taken from their regular place of work.</p> <p>Without detailed guidance documentation or communication to staff to outline the procedures and responsibilities for checking mileage claims, there is the risk that managers may not be aware of all their responsibilities when checking mileage claims. This could then result in claimants being reimbursed for amounts which exceed the amount allowed.</p>	Management should remind all employees approving and making claims that mileage claims to or from their home address cannot exceed the amount claimable if the same journey had been made to or from their normal place of work.	Medium	<p>Response: CED/SW/NRS – Recommendation noted. A management circular will be issued via SMT to relevant staff, reminding them of the procedures, and that staff should follow them. EDU – Accepted. A reminder will be sent to all staff. FS – Recommendation noted. A management circular will be issued via SMT to relevant staff, reminding them of the procedures. The maximum rates for expenses in general, including mileage, overnight and subsistence are currently being reviewed with an update expected by the end of the 2025/26 financial year.</p> <p>Officer Responsible for Implementation: CED – Corporate Governance and Planning Manager FS – Head of Executive Compliance SW – Head of HR EDU – Head of Resources NRS – Divisional Director</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
				Timescales for Implementation: CED – 30 June 2025 EDU/NRS – 31 May 2025 FS/SW – 30 April 2025

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Business travel and expenses costs and claims are submitted through approved methods and authorisation processes.				
2.	<p>In a sample of 69 expense claims we found that there were 31 instances in which receipts were not sent to CBS for retention as per the policy. From these 31 we found that in 11 cases, receipts were also not retained at a local service level, therefore there was nothing on file to substantiate these claims.</p> <p>We found that 6 of the 69 expense claims were for the purchase of Zonecards, however, the policy states that Zonecards should be purchased by the ECU and should not be purchased and reclaimed by employees.</p> <p>In a separate sample of the mileage claims for 12 employees we found only 2 cases in which fuel receipts were submitted to CBS in line with the policy.</p> <p>If employees and Managers are not following the policy correctly then there is a higher risk of fraudulent claims being raised and the Council not achieving best value for money.</p>	<p>Management should remind staff of the importance to follow policy, ensuring that all travel and expenses receipts are submitted to CBS.</p> <p>Managers should be reminded not to authorise reimbursement of Zonecards, and employees reminded that Zonecards should only be purchased through the ECU.</p>	Medium	<p>Response:</p> <p>Head of Executive Compliance will liaise with all services regarding communications to Managers and Employees about Zonecards.</p> <p>Executive Compliance Unit to undertake continuous monitoring of data to ensure no further reimbursement of Zonecards. Any violations of this, will be escalated to relevant Executive Directors for further action.</p> <p>Officer Responsible for Implementation:</p> <p>Head of Executive Compliance</p> <p>Timescales for Implementation:</p> <p>30 April 2025</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Business travel and expenses costs and claims are submitted, authorised and paid out through approved methods and authorisation processes.				
3.	<p>In the sample of mileage claims by 12 employees we found 5 instances where the origin and destination sections on the claim were either incomplete or incorrectly completed. In some instances multiple locations were entered for one trip making it difficult to calculate the accuracy of mileage claimed.</p> <p>If mileage claims are not correctly completed, then there is a risk that claimants are being incorrectly reimbursed for their mileage expenses.</p>	Management should remind staff of how mileage claims should be completed with an origin and destination entered for each trip and remind authorisers to only approve claims where this has been accurately completed.	Medium	<p>Response: CED/FS/SW/NRS – Recommendation noted. A management circular will be issued via SMT to relevant managers, reminding them of the procedures. EDU – Accepted. A reminder will be issued to all managers.</p> <p>Officer Responsible for Implementation:</p> <p>CED – Corporate Governance and Planning Manager FS – Head of Executive Compliance SW – Head of HR NRS – Divisional Director EDU – Head of Resources</p> <p>Timescales for Implementation:</p> <p>CED – 30 June 2025 EDU/NRS – 31 May 2025 FS/SW – 30 April 2025</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Employees are paid mileage and do not hold required vehicle documents.				
4.	<p>We found that vehicle compliance documentation for employees with the exception of M1 employees within Education services are submitted to CBS and uploaded to SAP to ensure claims are not paid when documentation is out of date or incomplete. We were advised that due to an undocumented agreement when My Portal was introduced, vehicle compliance documentation should be retained within and reviewed by Education services for M1 employees. However, officers within Education services appeared to be unaware of the need to re-review documentation to ensure it is still up to date.</p> <p>If vehicle compliance documentation for some employees within Education services is not reviewed then there is a risk that claims may be incorrectly paid to claimants, and that employees are driving on Council business without proper insurance or vehicle documents.</p>	Management should review the vehicle compliance documentation for employees within Education services who are paid monthly, and submit mileage claims, to ensure that the documentation is reviewed on an annual basis.	Low	<p>Response: A reminder will be sent to all M1 authorisers that the vehicle compliance documentation requires to be reviewed on an annual basis.</p> <p>Officer Responsible for Implementation: EDU - Head of Resources</p> <p>Timescales for Implementation: 30 April 2025</p>