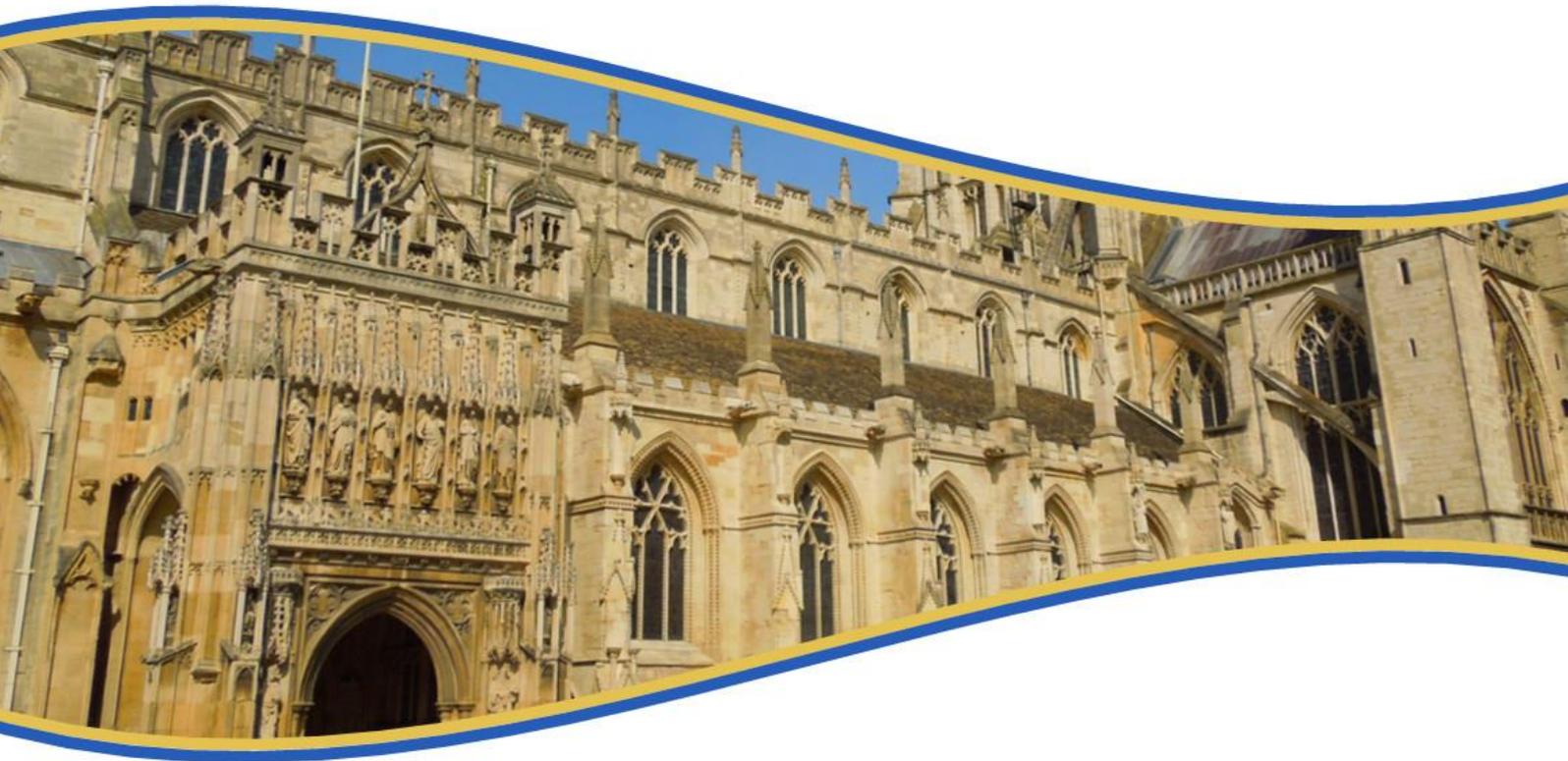


GFRS Expenses and Service Benefits

2nd October 2019

Josie Church – Principal Auditor



Gloucestershire
COUNTY COUNCIL

ARA
AuditRiskAssurance

Gloucester City Council STROUD DISTRICT COUNCIL Gloucestershire COUNTY COUNCIL

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To:	Jon McGinty	Managing Director/Commissioning Director
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Executive Summary

Introduction

On 15th June 2018 a letter of complaint was sent by email to the Leader of the Council. There were three strands to the complaint, one concerned the sale of a Gloucestershire Fire and Rescue Service (GFRS) owned vehicle and the former Chief Fire Officer's (CFO) involvement in the process. The other two concerns were regarding staffing issues. It was agreed that Internal Audit would investigate the sale of the vehicle and Human Resources (HR) would review the remaining two concerns, which are included within the management review of culture.

Shortly after commencing the investigation, numerous whistleblowing allegations and Freedom of Information requests in respect of other concerns relating to GFRS governance arrangements, procedures, systems and processes were received. As a result, following Internal Audit review, research, analysis and interviews with key stakeholders including relevant GFRS Officers, Internal Audit co-ordinated the findings and made a number of GFRS-specific and council-wide/cross-cutting recommendations to undertake detailed reviews/audits within each area to determine the level of risk. These reviews/audits were outlined in the Action Plan presented to the Audit and Governance Committee on 12th October 2018. Progress updates against each review/audit included within the Action Plan continues to be provided to the Audit and Governance Committee.

This audit reviewed the adequacy of the payment of officer / staff expenses and service benefits including travel and subsistence and medical expenses (excluding fuel and fuel cards).

Audit Scope

The objectives of the audit were to ensure that:

- GFRS policies and procedures are in compliance with GCC policies and officer / staff terms of employment; and
- A test sample of expenses paid are in line with policies, are adequately evidenced / supported as being for business purposes and have been appropriately authorised.

Staff within GFRS are under three conditions of service: Gold Book (principal officers), Grey Book (other uniformed staff) and Green Book (support staff). The review did not exclude any members of staff, but reviewed a random sample of payments made to staff during 2018/19 as per the relevant cost centre codes on SAP, the Council's accounting system. The random sample included one member of staff under Green Book conditions of service, all others were under Gold Book or Grey Book.

Reimbursements to staff for travel, subsistence, accommodation and medical expenses were all considered. Payments made using purchase cards or via petty cash were not looked at as these were part of separate Internal Audit reviews.

Key Findings

Policies and Guidance

GCC travel and subsistence policies exclude GFRS uniformed staff (those under Gold and Grey Book conditions of service). At the time of the audit there were no separate policies relating to these uniformed staff. GFRS staff under Green Book conditions (non-uniformed staff) are covered by the GCC policies.

The GFRS Fleet Management Policy covers lease cars but guidance is not detailed and it is not clear over what constitutes business miles. It states that fuel claims can be made for “business and taxable business” without further definition. Under Gold and Grey Book conditions of service *“Locally determined arrangements will apply where employees are provided with a car by the fire and rescue authority or through a leasing scheme”*.

The Fleet Management Policy also conflicts with GCC SAP user guidance which states that a claim should be made each calendar month for that calendar month only. However, the GFRS Fleet Management Policy states that claims should be submitted on 17th of the month.

Please refer to Recommendations 1 and 2

Compliance with Policy / Procedures

Car Allowances

As part of the GFRS Fleet Management Policy staff with a lease car can claim an allowance to cover the fuel element of business travel. Staff opting to use their own vehicle or those outside of the lease car scheme, are able to claim full allowances for business travel. Testing of car allowances that had been paid was undertaken on a sample of GFRS staff. A sample of nine staff to whom payments had been made was selected. Six of these staff had lease cars; the other three were using their own vehicles.

For all nine staff referred to above there was no breakdown on SAP of individual journeys. GCC guidance on using SAP states that each journey should be recorded. For example, one member of staff had claimed for 2,588 miles (over a four month period) with no journey details recorded. However, all staff were able to provide travel logs for journeys travelled, although full journey details were not recorded in two of these logs (see below).

The reason for travel, e.g. meeting, training, inspection etc. was not recorded by seven members of staff.

Please refer to Recommendation 3

It was noted that all six members of staff within the sample that had lease cars were claiming reimbursement of miles travelled for their normal commuting journey, one of which included diversions on route (e.g. via a supermarket).

One of these members of staff was claiming the fuel cost for private miles travelled whilst on-call. In the absence of policy defining the requirements, the Chief Fire Officer's response was that as staff need to use their vehicle and carry kit when on-call it was appropriate for them, under the Grey Book principle of freedom of movement, to be able to claim such mileage. Internal Audit also discussed this practice with the Assistant Head of HR who advised that the Grey Book does not indicate that expenses are due and that this area would need to be reviewed and discussed to ensure equitable practices are applied. Therefore, due to the absence of policy that underpins the Grey Book and current uncertainty of applied practice, consideration of this area is required within implementation of audit recommendations 1 and 2.

The current HMRC guidance in relation to emergency vehicles states that fuel provided will not be treated as an additional expense where fuel is paid for by the employee and only **business** expenses are reimbursed (July 2018 for tax years 2017-18 to 2019-20). Clarification needs to be sought from a tax professional on application of this guidance.

A list of lease cars obtained by Internal Audit during 2018/19 indicated that 21 officers were using lease cars at that time. A review of miles claimed by officers indicated that the majority were claiming around 1000 miles per month. Whilst travel logs were not sighted to confirm the journeys undertaken, management may wish to consider if this number of miles would be reasonable to claim as business mileage.

Those staff without lease cars are able to use their own cars and claim higher car allowances to cover all costs, as with other GCC staff and in line with HMRC regulations. In one case reviewed, the small number of "private" miles declared on the officer's claim form and the mileometer readings provided, would indicate again that this member of staff was claiming for their normal commuting journey. Staff under compulsory relocation (Grey Book terms) are able to claim commuting miles, although as this is not an emergency vehicle such payments made are taxable. Internal Audit has been informed by the Chief Fire Officer that professional tax advice is being sought.

Please refer to Recommendation 4

Sample testing of some of the journeys recorded within the logs that officers provided was undertaken to ensure that the miles claimed reflected the journey details recorded. Various anomalies were identified. On occasion, the distances claimed appeared to be significantly greater than the journey details recorded on staff travel logs. For example one officer was claiming home to headquarters (HQ) to home as 24 miles, however, on one day the journey details were recorded as home to Glos (taken as Gloucester) to HQ to home with recorded miles of 90. All destinations travelled should be recorded.

These expense claims were made through the SAP system which requires authorisation by the officer's line manager prior to payment. Two line managers, when questioned, stated that verification checks had not always been undertaken in the past on individual journey details or receipts sighted.

Please refer to Recommendation 5

It is understood that the role of officer A (one of the officers within the sample) involves significant travel on a daily basis. The individual has been making these journeys using their own vehicle and then reclaiming their mileage. It appears that they have also been claiming commuting miles. Over a six month period, officer A received car allowance payments in excess of £2,800. This figure is inflated slightly due to the officer claiming the normal commute journey. Officer A is part of a team all of whom are using their own cars for business miles. This may not be the most cost effective method of travel for the team, and it may be more appropriate and cost effective for these staff to have use of a pool car.

Some of the journeys made by other staff using their own vehicles were long distance leading to large payments for a single trip (in excess of £100). For example staff within the sample drove to Yorkshire and Woking. The most cost effective option of travel for such journeys for those staff without a lease car should be considered such as a pool car or train.

Please refer to Recommendations 6 & 7

Different rates are paid to staff with lease cars for the reimbursement of fuel costs depending on the engine capacity and fuel type of the lease car that they have (between 11p and 23p per mile). As per the GFRS Fleet Management Policy these should correlate to the HMRC company car Advisory Fuel Rates which are updated quarterly. However, the rate paid by GCC has not been updated since 2014 when it is understood that GFRS staff provided rates to the Business Service Centre to be used in SAP, with no instructions about update of these figures. The HMRC rates went as low as 8p per mile during this period. Excess above these rates for **business** travel is classed as a taxable profit.

The rates selected on SAP by two members of staff with lease cars did not correlate to the engine capacity or fuel types of lease car that they had. This related to an overpayment of £125 to one member of staff on the one claim examined.

Please refer to Recommendations 8 & 9

Four claims from the sample of nine examined were from the 17th of the month as per GFRS Fleet Management Policy. A further three members of staff were claiming for the month as per GCC policy and guidance. Two claims were for a period in excess of three months.

Examination of payslips confirmed that members of staff within the sample received payment for several months at a time, although it was not known if this was due to delay in input of claim by the employee or delay in authorisation by their line manager.

Please refer to Recommendation 10

Where car allowances are paid to staff, the Council is able to reclaim the VAT from the fuel element of the payment. However to be able to do this, officers must retain VAT receipts to cover expenditure on fuel incurred and make them available to HMRC on request. These should be retained for a period of six years plus current. From the sample claims of the nine officers examined in detail, VAT fuel receipts were only available from four. GCC guidance states that receipts are to be retained by the employee.

Please refer to Recommendation 11

Subsistence and Accommodation

Where other expenses were included on the expenses claim within the sample referred to above, the receipts were requested from the officer by Internal Audit. Receipts to support expenses claimed by five employees were requested. Only four employees provided these. One member of staff did not provide receipts to support a claim of £118.85 for subsistence. This member of staff has subsequently retired, but the relevant receipts were not provided by their line manager.

Please refer to Recommendation 12

It was noted that VAT had not been reclaimed on a large proportion of the claims for subsistence and accommodation reviewed. Where VAT has been paid and a VAT receipt is held by the employee, this can be reclaimed by the Council. VAT receipts were held for expenditure of £63.12 but VAT had not been reclaimed.

Please refer to Recommendation 13

Medical Expenses

Staff who have had continuous employment within a fire service since November 1994 are able to reclaim dentist and prescription fees. This is a taxable benefit. The testing by reviewing the relevant cost centre codes in SAP identified that one member of staff had been reclaiming these costs, although this had been incorrectly completed via SAP rather than on an e-form as required. The total amount involved is minimal but Tax and National Insurance (NI) due had not been paid. Evidence suggested that other members of staff had reclaimed medical expenses, although payments could not be located. It is possible that reimbursements had been made through petty cash. If this were the case, again tax due would not have been paid.

Please refer to Recommendation 14

Insurance for the Use of Private Vehicles

Evidence indicated that checks are not carried out to ensure that staff using their own vehicle for GFRS business had appropriate insurance or, where required, a valid MOT.

Please refer to Recommendation 15

Conclusion

The audit identified that there are no detailed policies setting out the criteria for the payment of expenses and benefits for GFRS staff employed under the Gold and Grey Book conditions of service.

To support expense claims submitted on SAP, staff use travel logs to record journeys made. However, Internal Audit found this information was not always sufficiently detailed to undertake any meaningful checks e.g. full journey details including all destinations and reasons for travel are not always recorded. Discussions with officers identified that prior to the audit not all line managers had previously reviewed the supporting documentation before authorising the claim.

Staff have been claiming travel expenses for normal home to office commuting journeys.

On a number of occasions, the distances claimed by staff appeared to be significantly greater than the journey details recorded on the staff travel logs.

A number of officers are using their own vehicles for travelling significant distances within the county. Consideration should be given to understanding the requirements of the officers / teams and other options available to enable them to travel e.g. use of pool cars. Other staff had been using their own vehicle to travel a long distance in a single trip where it may have been more cost effective to use a pool car or train.

The GFRS Fleet Management Policy states that staff with lease cars will be reimbursed for business travel at the HMRC company car advisory fuel rates used to reimburse staff for company cars with fuel. These can be paid to staff free of tax to reimburse the cost of fuel payments for business mileage only. However, the rates currently being paid to officers are the 2014 rates.

Staff are not retaining VAT fuel receipts to support travel claims submitted as required by HMRC and GCC Policies which impacts on the Council's ability to reclaim VAT.

One member of staff did not provide receipts to back up a claim for subsistence.

Evidence suggested that checks had not been undertaken to ensure that staff using their own vehicle for GFRS business had the relevant insurance.

Due the above findings and the complexities surrounding taxation, Strategic Finance and GFRS are now considering commissioning a tax expert to advise on the treatment of tax in the future which will also inform policy.

Audit Opinions on Risk Management and Control

The Public Sector Internal Audit Standards require Internal Audit to provide an independent opinion on the adequacy and effectiveness of the risk identification processes which management has put in place within the area under review, and a sound framework of controls is in place to sufficiently mitigate those risks. This opinion feeds into the Chief Internal Auditor's annual opinion on the overall adequacy and effectiveness of the Council's governance, risk management and control environment, which supports the Annual Governance Statement.

Each report will provide a statement on the levels of assurance that can be given within these two areas, evaluated by applying the following criteria:

Assurance Levels	Risk Identification Maturity	Control Environment
Substantial	<p>Risk Managed</p> <p>Service area fully aware of the risks relating to the area under review and the impact that these may have on service delivery, other services, finance, reputation, legal, the environment, client/customer/partners, and staff. All key risks are accurately reported and monitored in line with the Corporate Risk Management Strategy.</p>	<ul style="list-style-type: none"> System Adequacy – Robust framework of controls ensures that there is a high likelihood of objectives being achieved Control Application – Controls are applied continuously or with minor lapses
Satisfactory	<p>Risk Aware</p> <p>Service area have an awareness of the risks relating to the area under review and the impact that these may have on service delivery, other services, finance, reputation, legal, the environment, client/customer/partners, and staff, however some key risks are not being accurately reported and monitored in line with the Corporate Risk Management Strategy.</p>	<ul style="list-style-type: none"> System Adequacy – Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger Control Application – Controls are applied but with some lapses
Limited	<p>Risk Naïve</p> <p>Due to an absence of accurate and regular reporting and monitoring of the key risks in line with the Corporate Risk Management Strategy, the Service area has not demonstrated an adequate awareness of the risks relating to the area under review and the impact that these may have on service delivery, other services, finance, reputation, legal, the environment, client/customer/partners and staff.</p>	<ul style="list-style-type: none"> System Adequacy – Risk of objectives not being achieved due to the absence of key internal controls Control Application – Significant breakdown in the application of control

Taking account of the issues identified in this audit, in our opinion, **Limited** assurance can be provided that the risk identification arrangements operating within the area reviewed are operating as intended. **Limited** assurance can be provided that these risks which are considered to be material to the achievement of the services objectives for this area under review are adequately managed and controlled.

Appendix A – Action Plan and Management Response

This section contains the findings for each audit objective along with any recommendations made by Internal Audit to strengthen the control environment. The recommendations are categorised as follows:

Priority	Description
High	Critical/Major risk exposure which materially impact on the assets, reputation, service delivery and objectives of the organisation.
Medium	Moderate risk exposure that impacts on the assets, reputation, service delivery and objectives of the organisation.

Objective 1: GFRS policies and procedures are in compliance with GCC policies and officer / staff terms of employment

Finding

GCC travel and subsistence policies and other benefits, specifically exclude GFRS uniformed staff (employed under Gold and Grey Book conditions of service). Other than the GFRS Fleet Management Policy there are no separate policies in relation to expenses for these staff.

No.	Recommendation	Risks	Agreed Action	
1 (H)	Policies specifically relating to the payment of expenses and benefits for GFRS uniformed staff should be drafted in consultation with relevant staff within the Council and referred to the Commissioning Director or his delegated officer for approval. These should be in line with GCC policies to ensure equity between staff whilst meeting the operational needs and staff terms and conditions of service.	Breach of taxation legislation and possible penalties. Potential fraud, corruption and irregularity. Inequitable treatment of staff.	GCC and GFRS have commissioned tax advisors to develop HMRC compliant policies.	
			Person Responsible	Due Date
			CFO Strategic Finance Strategic Finance Business Partner	31 st March 2020

Finding

The lease car scheme is included in the GFRS Fleet Management Policy; however, it does not include sufficient detail to support its application. In addition, the Policy conflicts with GCC SAP user guidance in relation to the date of claiming travel expenses.

No.	Recommendation	Risks	Agreed Action		
2 (H)	The GFRS Fleet Management Policy should be updated and approved to ensure that it provides detailed guidance to staff on the application of the lease car scheme. This Policy should comply with legislative requirements and align with GCC policies. Alternatively a new policy in relation to lease cars should be written and approved. Any changes should be in compliance with tax changes from April 2020 and disseminated to GFRS staff.	Breach of taxation legislation impacting on potential fines and penalties.	As per finding 1		
		Potential fraud, corruption and irregularity.			
		Inequitable treatment of staff.	<table border="1"> <thead> <tr> <th data-bbox="1516 667 1839 703">Person Responsible</th> <th data-bbox="1852 667 2166 703">Due Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="1516 708 1839 745">As Per finding 1</td> <td data-bbox="1852 708 2166 745">31st March 2020</td> </tr> </tbody> </table>	Person Responsible	Due Date
Person Responsible	Due Date				
As Per finding 1	31 st March 2020				
Inconsistent approach by staff.					

Objective 2: A test sample of expenses paid are in line with policies, are adequately evidenced / supported as being for business purposes and have been appropriately authorised

Finding

A sample of nine travel claim payments were examined as part of the audit. All staff within the sample were using logs to record business mileage travelled. However, these logs were incomplete and did not contain sufficient detail to enable managers to check the contents prior to authorising the claims made. In addition, the reason for travel for seven of the nine members of staff was not recorded.

No.	Recommendation	Risks	Agreed Action	
3 (H)	The vehicle logs should record all journey details, including the start and end and any points in between. The reason for travel should also be recorded.	Breach of taxation legislation if travel claimed is not business travel.	Staff advised of required process for recording mileage. Line managers trained to check and authorise claims.	
		Potential fraud, corruption and irregularity.		
		Non compliance with policy.	Person Responsible	Due Date
			Strategic Business Partner Finance	31 st Dec 2019

Finding

All six of the staff with lease cars from the sample of payments examined were claiming reimbursement of fuel for normal commuting miles. One of these officers had been claiming fuel costs for private miles whilst “on-call”. One of those staff using their own vehicle was claiming travel allowances for normal commuting miles. In the absence of policy defining the requirements, the Chief Fire Officer’s response was that as staff need to use their vehicle and carry kit when on-call it was appropriate for them, under the Grey Book principle of freedom of movement, to be able to claim such mileage. Internal Audit also discussed this practice with the Assistant Head of HR who advised that the Grey Book does not indicate that expenses are due and that this area would need to be reviewed and discussed to ensure equitable practices are applied. Therefore, due to the absence of policy that underpins the Grey Book and current uncertainty of applied practice, consideration of this area is required within implementation of audit recommendations 1 and 2.

No.	Recommendation	Risks	Agreed Action	
4 (H)	A complete review of staff travel should be undertaken. Consideration should be given to the tax implications of fuel paid for private miles while on-call and commuting expenses. Advice should be sought from a tax expert. GFRS should update relevant policies to make it clear when private travel expenses can be claimed (recommendations 1 and 2).	Failure to comply with taxation legislation which could lead to financial penalties. Inequitable treatment of staff. Not complying with the Nolan Principles, the expected standards of public office holders.	As per finding 1	
			Person Responsible	Due Date
			As per finding 1	31 st March 2020

Finding

The miles recorded on the travel logs examined and subsequently claimed by staff did not correlate to journey details. On several occasions, the recorded miles appeared to be well in excess of distance expected for destination recorded. All claims had been authorised by managers on SAP prior to payment, however, travel logs and receipts had not always been sighted in the past when claims were authorised. Accounting Instruction 17 places onus on managers to ensure that the Council is compliant with HMRC requirements.

No.	Recommendation	Risks	Agreed Action	
5 (H)	Checks to confirm the mileage claimed is correct, appropriate and arithmetically correct should be undertaken by line managers prior to claims being authorised on SAP. A review of miles claimed by staff should be undertaken to ensure HMRC tax requirements have been applied correctly	Potential fraud, corruption and irregularity. Breach of taxation legislation could lead to possible penalties if travel claimed is not business travel.	As per finding 3	
			Person Responsible	Due Date
			As per finding 3	31 st Dec 2019

Finding

A member of staff within the sample using their own vehicle received in excess of £2,800 in a six month period. It is understood that the role of the member of staff involves significant travel in the county. Although it is believed that this figure includes the normal commute journey as business miles, this may not be the most cost effective method of travel. It may be more appropriate for this officer and the rest of the team to use pool cars.

For those staff using their own vehicles it was noted that some of the journeys were long distance leading to very large payments (in excess of £100 for one trip).

No.	Recommendation	Risks	Agreed Action	
6 (H)	A review of the role of members of staff using their own vehicles and claiming significant number of miles should be undertaken to ascertain whether it may be more appropriate to use a leased or owned vehicle.	The Council is not obtaining value for money.	Fleet policy review to be undertaken including advice and guidance on appropriate methods of travel.	
			Person Responsible	Due Date
			Head of Technical Services	31 st March 2020
7 (M)	GCC policies do not apply to GFRS uniformed staff but GCC policy is that travel outside of the county should be approved in advance and the most cost effective option of travel used, usually pool car or train. It is recommended that this is extended to those GFRS staff without lease cars when policies are updated.	Additional costs to GFRS. Potential fraud, corruption and irregularity. Potential environmental impacts.	As per finding 6	
			Person Responsible	Due Date
			As per finding 6	31 st March 2020

Finding

The GFRS Fleet Management Policy states that staff with lease cars will be reimbursed in line with the HMRC Company Cars Advisory Fuel Rates, which vary depending on fuel type and engine capacity. HMRC update these rates quarterly, however, the rate paid to staff has not changed since 2014. In addition it was noted that two members of staff had not correctly classified their car on SAP. Rates paid in excess of the HMRC Company Cars Advisory Fuel Rates are subject to tax.

No.	Recommendation	Risks	Agreed Action	
8 (H)	Staff with lease cars should be paid at or below the HMRC company car Advisory Fuel Rates as otherwise payments made are taxable. These should be updated quarterly when HMRC update the rates. Advice should be sought from a tax expert on payments previously made.	Tax not paid when it is due which could lead to potential financial penalties. Reputational risk.	As per finding 1	
			Person Responsible	Due Date
			As per finding 1	31 st March 2020
9 (H)	Staff with lease cars should ensure that the rate selected in SAP correlates to the fuel type and engine capacity of their car. A review of rates paid to staff should be undertaken. Consideration will need to be made of the HMRC tax requirements.	Tax not paid when it is due which could lead to potential penalties. Additional costs to GFRS. Potential fraud, corruption and irregularity.	As per finding 1	
			Person Responsible	Due Date
			As per finding 1	31 st March 2020

Finding

Two claims on SAP from the sample examined covered a period in excess of three months. Examination of payslips confirmed that other staff in the sample received reimbursement of costs that spanned several months at a time. This could have been either delay in inputting claim, or a delay in authorisation by the line manager. Claims input were for single month periods.

No.	Recommendation	Risks	Agreed Action	
10 (M)	As per GCC policy any travel claims should be made on a monthly basis, with a separate claim for each month.	Potential breach of taxation legislation, if incorrect rates are paid due to delay in input.	As per finding 3	
		Risk of incorrect rates being paid (on change of rate).	Person Responsible	Due Date
		Incorrect accounting treatment if claims relate to previous years.	As per finding 3	31 st Dec 2019

Finding

Only four members of staff from the sample of nine examined provided VAT fuel receipts, which is a requirement of HMRC.

No.	Recommendation	Risks	Agreed Action	
11 (H)	The policy of retaining VAT receipts for fuel should be reiterated to staff. Receipts should be retained by staff for a period of six years. When a member of staff leaves these should be passed to their line manager.	Breach of taxation legislation could lead to possible financial penalties.	As per finding 3	
			Person Responsible	Due Date
			As per finding 3	31 st Dec 2019

Finding

One member of staff, from a sample of five, did not provide receipts to support a claim of £118.85 for subsistence.

No.	Recommendation	Risks	Agreed Action	
12 (H)	Receipts should be sighted by line managers prior to authorisation of an expenses claim. Staff should retain receipts supporting any expense claims for a period of six years. These should be available for inspection by the authorising manager or by HMRC. Where an employee leaves, the receipts should be retained by the employee's line manager.	Breach of taxation legislation could lead to possible penalties. Potential fraud, corruption and irregularity.	As per finding 3	
			Person Responsible	Due Date
			As per finding 3	31 st Dec 2019

Finding

VAT has not always been reclaimed on expense payments. Where a VAT receipt is held for expenses incurred, the VAT element can be reclaimed by the Council. The total of potential VAT that could have been reclaimed from the sample tested amounted to around £60.

No.	Recommendation	Risks	Agreed Action	
13 (M)	Staff should be advised of the requirement to, where possible, obtain VAT receipts and ensure that these are recorded on SAP when expense claims are input.	Non compliance with GCC policy. Inability to reclaim the VAT element of purchases leading to additional costs to the Council.	As per finding 3	
			Person Responsible	Due Date
			As per finding 3	31 st Dec 2019

Finding

Staff who have been employed within a fire service prior to 1st November 1994 are able to reclaim dentist and prescription fees. This is a taxable benefit. The testing by reviewing the relevant cost centre codes in SAP identified that one member of staff had been reclaiming these costs, although this had been completed via SAP as a medical certificate rather than on an e-form as required. Tax and NI due had not, therefore, been paid. Evidence suggested that other members of staff had reclaimed medical expenses, although payments could not be located. It is possible that reimbursements had been made through petty cash. If this were the case, again tax due would not have been paid.

No.	Recommendation	Risks	Agreed Action	
14 (M)	Staff entitled to reclaim medical expenses should do so via an e-form to ensure that the payment is correctly taxed. This will need to be included in any policy updates.	Breach of taxation legislation could lead to possible penalties.	As per finding 1	
	Adjustment should be made for payments made to employees where tax has not been made.		Person Responsible	Due Date
			As per finding 1	31 st March 2020

Finding

Evidence indicated that checks are not carried out to ensure that staff using their own vehicle for GFRS business had appropriate insurance or, where required, a valid MOT certificate.

No.	Recommendation	Risks	Agreed Action	
15 (H)	Line managers should ensure, on an annual basis, staff using their own vehicle for GFRS business have the relevant car insurance and where appropriate a valid MOT.	Council liable if the member of staff has an accident.	As per finding 6 including appropriate vehicle suitability and documentation checks annually.	
	Driving licence checks should also be undertaken on a regular basis for all staff who use either their own vehicle or a GFRS vehicle.	Individual's insurance may not cover them in the event of an accident.		
		Insurance on GFRS vehicle not valid if employee does not have a valid licence.	Person Responsible	Due Date
	Reputational risk.	Head of Technical Services	31 st March 2020	