

**Manchester City Council
Report for Resolution**

Report to: Personnel Committee – 7 March 2018
Subject: Employee Expenses Policy - Amendments
Report of: Director of HROD

Summary

Following an internal audit into expense claims last year this report seeks the Committee's agreement to introduce an amended employee expenses policy. The new policy will replace the previous policy agreed in 2015. The revised policy responds to the findings of the 2017 audit and will enable greater assurance of the appropriateness of claims and the accuracy of associated data.

Recommendations

The Committee is asked to approve the introduction of the revised employee expenses policy.

Wards affected: All

Financial considerations – Revenue: and Capital budgets

None

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Background documents (available for public inspection):

None

1.0 Background and Context

- 1.1 An internal audit of compliance with the Council's expense claims policy, conducted in Summer 2017, provided moderate assurance over current policy and practice. Compliance with the current policy, agreed in July 2015, was sought with regard to three key criteria:
- If claims were supported by receipts;
 - If claims were made within the three month claim period prescribed by the policy; and
 - If claims were for a type of expenditure permitted by the policy.
- 1.2 The audit, which reviewed a small sample of claims, found no examples where there was evidence of a deliberate intention to defraud the Council, however there were a number of expense claims where Auditors were unable to confirm the legitimacy of expenses based on system records, in addition to claims where supporting information had not been retained. As a result the report outlined a number of recommendations to improve assurance that claims are being made in line with policy and procedure.
- 1.3 Two of the recommendations related to practical actions possible within the current policy framework: namely strengthening operational exception reporting on expense claims and including management responsibilities in this area within our management development offer. Work is well underway in both these areas in line with the agreed timescales. The HROD Service is also continuing to work closely with internal Audit to address any individual cases of non compliance and, through internal communications and the leadership and management development framework, emphasise the importance of management compliance.
- 1.4 The third Audit recommendation relates to the current policy and guidance and is the subject of the remainder of this report.

2.0 Policy Recommendation

- 2.1 The recommendation regarding the current (2015) policy was for:

'The Head of Organisation Development to ensure that the Expense Policy is updated to link more clearly to claim form categories. The policy should outline what spend is acceptable within the broad category areas already stated.'

- 2.2 The intention of the proposed policy updates, and associated improvements to the guidance on employee expenses was to provide more clarity on what kind of spend is acceptable and reduce the misclassification of expenses.

3.0 Policy Amendments

- 3.1 In response to the above recommendations and in consultation with Internal Audit the intention is to add the following two expense categories and associated explanations into the Council's revised policy.
- 3.2 **Mobile Phone Charges** - *If you find you need to use your personal mobile phone in the course of carrying out your duties with the Council then you can claim for reasonable charges incurred. For any usage claimed you will need to provide proof of associated costs incurred in order to assess the validity of the claim. Where possible, please check with your line manager first if you know you are going to be away from your work location and feel you may need to claim for mobile phone charges. They may be able to provide a shared Council mobile phone if this is a regular occurrence and you do not have a mobile phone assigned to you as part of your role.*
- 3.3 **Flu Vaccinations** - *Flu vaccinations not only protect employees, they also help to protect the vulnerable people they come into contact with and members of the public. If employees are pregnant, age 65 or over, a carer, or living with a long term health condition they can receive a free flu jab through their GP.*
- For other employees, flu jabs are widely available through GPs, at pharmacies and even at supermarkets for a small cost. - Dependant on the likely scale of flu and potential benefit of wide scale vaccination the Director of Public Health and Director of HROD may permit the reimbursement of the cost of a flu jab, up to an agreed maximum amount, using the standard expenses process.*
- 3.4 The policy and associated guidance has also been strengthened in relation to 'acceptable spend', emphasising managers' responsibilities in being assured around the reasonableness of spend and linking to relevant information such as the agreed information on subsistence rates and guidance on maximum value of flu vaccinations. Guidance has also been strengthened to emphasise that advice should be sought in the event of uncertainty regarding the validity of a claim.

3.0 Implementation

- 3.1 Following Committee's approval the revised Policy will be published together with improved guidance for employees and managers.
- 3.2 Communications via managers 'Team Talk' will also emphasise the important role of managers in determining reasonable spend levels in line with guidance as per the strengthened policy language noted above.
- 3.2 The revisions made to the current policy and clearer guidance will provide greater consistency and accuracy when individuals are submitting/approving expense claims. As a result of these changes it is anticipated that there will be improved assurance that claims made are in line with the policy principles going forwards.

4.0 Key Policies and Considerations

(a) Equal Opportunities

None.

(b) Risk Management

Employees and line managers will be expected to adhere to the process for submitting and approving claims. Anyone who submits, or approves claims that are not in line with the process may be subject to disciplinary action.

The policy makes clear that employees are bound by the Employee Code of Conduct and Disciplinary Policy when submitting claims for expenses incurred as part of their role.

(c) Legal Considerations

None

4.0 Trade Union Comments

To follow

5.0 Comments of the Director of HROD

The revised employee expenses policy addresses the areas for improvement identified by Audit and supports our overarching approach to improving the transparency and accuracy of any expenses claimed.