

Travel & Expenses Policy

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| Owned and maintained by: | Human Resources |
| Date checked/created: | June 2015 |
| Next review date: | June 2017 |

Introduction

This document contains information in relation to travel arrangements for Audit Scotland staff. It covers travelling for business purposes, methods of travelling, reclaimable expenses and booking arrangements. In addition it outlines the process for dealing with travel expenses and sets out allowances and subsistence rates. The objectives of the policy are:

- To have a single travel policy for all staff
- To ensure that staff who have to travel regularly for business purposes do so in comfort and safety, and are not out of pocket.

In keeping with our agreement on pay, terms and conditions with PCS, we have reached this policy through consultation with PCS.

Lease Car Scheme

The lease car scheme is designed to provide staff with a reliable and effective way to travel on Audit Scotland's business. Cars are provided to individuals who are members of the scheme. Those cars must be made available for work, and are a resource that may need to be shared with other staff to meet the needs of the business.

Eligibility

Staff undertaking roles which Audit Scotland has determined require a job need car participate in the lease car scheme. Certain staff with legacy terms of employment also participate in the scheme although this benefit ceases upon promotion when the car lease expires.

Lease car costs and allowances

Audit Scotland provides a monthly allowance which is considered sufficient to lease a suitable car for business purposes. The allowance is reviewed every three months and is adjusted accordingly. Reviews are undertaken by Audit Scotland's Finance team. The review examines the monthly hire charge of a 'basket' of approximately six representative cars within the compact family car sector of the UK market. The average hire charge is then calculated and this is the allowance that then applies for staff choosing their lease car in the following three months.

Occasionally, models within the basket of cars are deleted or significantly revised. Where an individual model within the basket needs to be changed, Finance agree this with the HR & OD

Manager. The PCS union is consulted before any changes are finally agreed. Details of the basket of cars currently applicable can be found within the Finance section of our intranet site.

Audit Scotland's contribution to the contract hire cost is made on the basis of five working days, with two days (i.e. weekends) for personal use.

Part-time staff who work fewer days are required to pay an additional contribution, to cover the increased availability of the car for personal use. This is calculated on a pro-rata basis, e.g. for someone who works 29 hours, the amount Audit Scotland will reduce its contribution is calculated using the following formula: contribution per hour (i.e. personal contribution/36.25) x 29. The revised contribution is then deducted from the total monthly cost of the car, and your personal contribution is the excess amount. This additional contribution is offset to some extent by a reduction in your tax liability, as you are paying more towards the cost of the car.

Tax and National Insurance

Company car tax payments will vary depending on the type of car you have. Please contact our Finance team for further information.

Operation of the car scheme

The administration of Audit Scotland's car lease scheme is handled by Ogilvies Fleet. Our Finance Team deal directly with Ogilvies to allocate cars and finalise agreements for staff. Any queries about the car scheme should be directed to our Finance Team. A car scheme handbook is available from ishare within the Staff Handbook.

To speed up the administration process for cars, we have set up a central email facility, called 'Cars'. You should use this email address for all enquiries about the Audit Scotland car scheme (including requests for new or replacement cars, and notification of insurance claims). You should also inform 'Cars' if you move to part-time hours, as this will affect the level of personal contribution.

Cash for car allowance for qualifying staff working reduced hours

Where a supporting business case represents value for money for Audit Scotland it may be possible to provide an employee with a non-pension qualifying cash for car allowance instead of a lease car. This facility is only available to employees undertaking roles which normally require a lease car for full-time staff.

Details will be provided by Human Resources upon request. You should discuss the business case with your Assistant Director in the first instance. Approval is made by your Business Group Director and the HR & OD Manager. The business case is subject to on-going review – at least annually. Audit Scotland can withdraw the allowance and ask that you rejoin the lease car scheme at its sole discretion. Three months notice will be provided.

Promotions/transfers

Employees with a lease car who are promoted or transfer permanently to a role which does not attract a lease car will be able to retain the lease car until the expiry of the lease or for six months, whichever is the greater. However, any cash for car allowance will cease immediately upon the promotion or transfer.

Travel

In principle, staff should travel by the most cost-effective option available. Staff are expected to travel by company car, where provided, and may be reasonably required to make available their car to provide transport to other Audit Scotland staff. When a company car is not available, staff should travel by public transport, or by using their own car.

Public Transport

Staff will be expected to travel by public transport (second class rail) where possible, or by lease car. For journeys over 3 hours and/or when there is a need to work during a journey, or when staff travel in their own time, for example at weekends to help meet business needs, first class travel may be an option, but will have to be approved by Assistant Directors or Directors in advance.

Hire Cars

Hire cars will only be considered if sharing company cars or using public transport is not a practicable option, and where there is a business case for it, including cost-effectiveness. Assistant Directors or Directors must approve this option in advance.

Private Car

If rail or bus is a more cost-effective means of transport, staff may travel by their own cars if they wish, but they may only claim the costs of public transport. This non-receipted expenditure has been agreed with the HMRC and will not be taxable. Where possible, you should provide evidence of the public transport rate you are claiming (for example, a printout of the relevant web-page).

If you are using a private car for business travel (whether or not you are claiming mileage), you must ensure that you have the appropriate class of car insurance for use of the vehicle while on Audit Scotland business.

Air Travel

Due to the high adverse environmental impact of air travel employees are asked to consider other viable transport alternatives which are less harmful to the environment – e.g. rail travel. When air travel is required, you should always obtain the best value fare available, having consideration for any business requirement for flexibility within the class of ticket, personal security and personal welfare (e.g. length of the working day on the day of travel) and operator selected. You may choose to take advantage of local facilities already arranged by your Assistant Director/Director.

Using Taxis

If you consider taxi travel to represent best value over other forms of public transport you may reclaim the full cost of taxi fares. You must always use licensed taxi vehicles and you must obtain a receipt.

For taxi travel within Edinburgh, Audit Scotland has a contract arrangement with a taxi firm. You should always use this facility when travelling from Edinburgh locations. To book one of these taxis, contact your local Business Support Specialist. You should quote your cost code (see Audit Scotland's intranet – Finance section) and travel requirements. You should request a receipt from the taxi driver which you should forward to Reception as soon as possible. You are not expected to make a cash payment for these taxis and will not need to make an expense reclaim.

International travel

For guidance and advice on international travel see appendix 1.

Environmental Issues

Through these proposals Audit Scotland wishes to support environmentally friendly initiatives and ensure car use is kept to the minimum. It will do this by:

- Encouraging the use of 'greener' cars (for example, more fuel-efficient ones).
- Encouraging the use of video conferencing in order to reduce the amount of travel to business meetings.
- Organising and supporting a car-sharing scheme.
- Providing interest-free loans to buy season tickets for public transport.
- Making good provision for cyclists by having secure and convenient parking areas and aiming eventually to provide facilities for people who cycle to work.
- Making bus tickets available to Edinburgh based staff through reception staff.

Mileage Rates

If you travel by car for business purposes, you may claim mileage reimbursement for travel to venues which are not your normal place of work (base location). You should base your claim on the number of miles from either your home or your base location to the business venue, using whichever is the lesser mileage.

Audit Scotland sets mileage rates in line with the HMRC advisory rates for company cars. For lease car holders, these rates are reviewed monthly by the Human Resources team and reference is made to the fuel reimbursement rates announced by HMRC from time to time. Audit Scotland has a dispensation from the HMRC for the travel policy, and therefore cannot pay allowances above the HMRC rates. The HMRC would regard individuals as liable to tax on the difference between the advisory rates and any higher rate paid.

A passenger supplement will be payable for those who are not members of the car scheme to promote car-sharing and aid the environment. The amounts will be 2 pence per mile for the first passenger and 1 penny per mile for any additional passengers. It is expected that those with lease cars will carry passengers as required, and in the interests of economy.

Drivers using their own cars on business can claim tax-free allowances for this mileage. Many companies have made special arrangements with the HMRC in order to simplify the tax position for business mileage. Since mileage will be paid at the HMRC authorised rates, Audit Scotland has a dispensation.

Mileage rates for lease car holders and private cars users are published within the staff handbook under 'Travel and Expenses Rates' form.

Car parking and tolls

If car parking charges are necessarily incurred in fulfilment of your duties then these will be reimbursed. Your claim for reimbursement should be accompanied by receipts unless you have used on-street meter parking. You should use the most cost effective car parks (i.e. use long term airport car parking where applicable). All road tolls will be reimbursed if incurred on business travel.

Some Audit Scotland base locations have parking spaces, which may be reserved by members of staff. These spaces are primarily intended for staff who require a parking space specifically for business requirements (e.g. to collect bulky files or for business journeys during the day).

Business needs should usually take priority over personal requirements for parking. However, if there are unallocated parking spaces, you may reserve these for occasional personal use. If parking is not available and there is no reasonable business need for using your car for business purposes, parking fees will not be reimbursed. It is your responsibility to pay for any parking fines incurred.

Subsistence

Employees staying away on business will be reimbursed for actual expenditure within set limits. Receipts will be required for all subsistence claims.

All subsistence rates are published within the staff handbook under 'Travel and Expenses Rates' form. These are the rates you should use unless you continue to benefit from Accounts Commission preserved rights (which cease upon your promotion).

Breakfast

If you choose to take your breakfast outside of a hotel or your journey began prior to 6:30am then you can reclaim the expense up to the maximum value as published within the staff handbook. A reasonable charge levied by the hotel you are staying in above the maximum rate shown in the expenses claim form will be reimbursed by Audit Scotland if not already included in the room rate.

Lunch

You may claim a daily lunch allowance (up to the maximum value as published within the staff handbook) supported by receipts providing:

- You are engaged in business for Audit Scotland which will involve your staying away from home overnight, or
- You have necessarily incurred additional expense as a result of being away from your normal place of work (base location). For example, if you were engaged in business abroad or if you were working in the UK and, in the interests of efficiency or effectiveness of the business, necessarily incurred higher costs than you would normally reasonably expect, then the amount of that additional expense can be reclaimed up to the maximum rate. If there is uncertainty about what additional expense may reasonably be incurred your line manager will be able to provide you with guidance.

Note that any lunch claim in respect of a business lunch with a client (e.g. client relationship management) should be claimed as a business entertainment expense and not lunch allowance. In this case you should indicate on your expense claim form with whom the lunch was taken and the purpose of the business lunch. All such claims should be receipted, reasonable and defensible (both to internal and external challenge) especially regarding the matter of maintaining professional independence. Any hospitality that you receive should be notified to the hospitality register.

Evening meal

If you take your evening meal in your overnight hotel then the cost of the meal including one non-alcoholic drink will be reimbursed. Sometimes the cost of your evening meal is included within the room rate. If not then the table d'hôte meal cost at the hotel is a guide for the maximum limit under this arrangement. Alternatively, if you choose to take an evening meal outside of your hotel accommodation then a limit will apply when receipted. – see the travel and expenses rates form for details of the maximum claim limit.

Some former Accounts Commission employees have a preserved right to claim subsistence allowances on the SJC scale for meals. This is a personal right, which will cease whenever the employee is promoted.

Staying with relatives or friends

Staff will be entitled to claim an allowance in lieu of accommodation and subsistence costs. This is a taxable allowance, the amount of which is shown on the travel and expenses rates form, and should be claimed on a separate form.

Out of pocket expenses

All staff may claim an amount per night for the first five nights they are away from home on business. HMRC dispensation for this amount has previously been agreed, and claims for this should be included in your normal monthly claim, with other receipted expenditure. For any further consecutive nights you may claim a higher amount per night. This is a taxable allowance, and should be claimed on a separate form. Details of the two rates (the lower and upper rate) are shown on the travel and expenses rates form.

Extended periods away on business

No additional payments to be made but also no reduction in overnight accommodation or subsistence rates. The details contained within the travel and expenses rates form will always be the latest rates that apply.

Change of base location allowances

If you are asked by Audit Scotland to change your base location (e.g. through reorganisation of office locations) then you may claim expenses in respect of excess travel for a period of four years from the date of the change. The excess travel is the difference between the distance from your home to your old base and from your home to your new base. Your entitlement to this allowance will cease upon promotion.

If you move homes within the four years, you may only claim for the lesser travel costs (i.e. if your new home is closer to your new base, you claim the difference between the distance from your new home to your old base and that of the new base. If your new home is further away, your claim will be capped to its original value).

If you are a member of the Audit Scotland car scheme, you may claim actual excess travel expenses at the agreed mileage rate.¹ Otherwise, the maximum allowance is that of suitable public transport (standard class fares) whether you choose to use such transport or travel in your private vehicle.

This allowance is taxable, and you must use a separate form, with other taxable allowances.

Season ticket loans

Audit Scotland will provide you with an interest free loan for the purchase of a season ticket for travel between your home and office, provided you are paid through the Audit Scotland payroll. Casual and temporary staff are not eligible for such advances. For more information and how to

¹ If you claim the mileage rate, you should be aware of the tax implications of doing this. Mileage rate counts as a fuel benefit. When fuel benefit is paid for private mileage, it is considered a 'benefit in kind'. Travel from home to your base location is considered private mileage. As soon as you claim for **any** private mileage, the 'benefit in kind' rule has to be applied. The level of taxable benefit depends on the size of the car. Staff claiming the relocation mileage allowance would incur this tax liability, in addition to the taxable benefit for their car.

apply, please see the separate policy covering Season Ticket Loans in the Staff Handbook in ishare.

Booking arrangements

Accommodation

There are no central arrangements in place for hotel bookings at this time. When you need overnight accommodation, you should always seek best value and balance this with hotel location, acceptable standards of accommodation and service. This has often been achieved in the past by Assistant Directors and/or Directors making local arrangements with accommodation providers. Where possible, accommodation costs should be charged to Audit Scotland.

Public Transport

Where effective local arrangements for booking travel have been negotiated by your Assistant Director or Director, you should continue to use this facility. Usually you can arrange bookings through your local administrator.

Personal purchase of rail tickets or accommodation

You may, if you prefer, purchase your own travel tickets and then reclaim the cost after the journey, by submitting your receipts with your expenses claim. This is the preferred option for local rail travel (e.g. between Edinburgh and Glasgow), as it avoids administrative costs, which may be excessive for short journeys.

You may also book hotels directly, although this should be used as the option of last choice, and you should always seek best value. As a guide, three star hotel accommodation is your benchmark.

Procedure for claiming expenses

1. Expenses are claimed electronically through the Time Recording System (TRS). This should be used by all staff to reclaim business-related expenses. You should record your expenses on a weekly basis in conjunction with your weekly timesheets. It is essential that TRS expense records are kept up to date and submitted timeously. Taxable expenses should be claimed in the same manner, using the taxable expenses code.
2. Claims are processed and paid monthly via BACS and published annually. On the 3rd of the following month, an automatic email will be sent to all staff claiming expenses in the previous month containing links to both non taxable and taxable expense forms.
3. It is the responsibility of the claimant to print the expenses report. You should attach all relevant receipts to the form, check it is an accurate record of your expenses, sign and date the form and pass it to an authorised individual for approval.
4. All expenses must be authorised by an individual accorded that authority in the Audit Scotland Scheme of Delegation; namely Directors, Assistant Directors, and Managers within our support functions. Advances will be paid only in very exceptional circumstances and will have to be approved by your Assistant Director or Director.

5. Your line manager, or a delegated member of staff, is responsible for ensuring that the claim form has been correctly completed. In particular that:
 - all claims are substantiated with a receipt (with the exception of agreed non-receipt subsistence and mileage).
 - the appropriate rates have been used, and;
 - the calculations are correct.
6. Authorised expenses claim forms must be with our Finance Team by scheduled dates during each month (available from our intranet (Finance – expenses calendar). Alternatively, you can contact our Finance Team directly. Local administration teams are also provided with this schedule

If you are seconded to Audit Scotland from another organisation, you may claim any business expenses incurred for the duration of your secondment, using the rates outlined in this document.

For further information, please refer to the 'Using Expenses in TRS Guidance Document' on the ishare Finance homepage, located here: <http://ishare/Finance/SitePages/Home.aspx>

Appendix 1

International work assignments

From time-to-time Audit Scotland staff maybe required to work outwith the United Kingdom. In addition to the normal travel and expenses arrangements the following applies to international work assignments.

Country entry requirements

Where entry to the country of your work assignment requires you to possess an entry VISA or other document you should apply for and obtain it, then claim the cost back through the normal expense process. The cost of the VISA or other document should be fully supported by receipts.

Medical

Your occupational safety and health is just as important to Audit Scotland when your work assignment is outwith the United Kingdom as it is in any of our offices. If you are advised that vaccinations are recommended for your foreign destination then you should contact your GP or travel health clinic and arrange for them to be administered (failure to acquire the appropriate vaccinations will result in travel being denied). The cost of the vaccinations, supported by receipts, should be claimed back through the expenses process. Please allow sufficient time before deployment for the vaccinations to become effective. Staff who volunteer for international assignments must keep their vaccinations up-to-date.

Car hire

In line with Audit Scotland's environmental strategy, travel outside the United Kingdom should be by public transport wherever possible. It is recognised however that in some countries public transport is unsafe, unreliable or non existent. In this case it is permissible to organise local car hire when transport is not provided for you by the host or main contractor. The type of car and the selection of a hire company should be on a most cost effective basis taking into account reliability and safety. As Audit Scotland's car insurance policy does not cover cars outwith the UK you should take fully comprehensive insurance (Inc CDW) to cover the cost of any damage to the car and its occupants. The cost of the car hire, insurance and fuel, supported by receipts, can be claimed back through the expenses process.

Foreign Currency

Audit Scotland recognises the additional financial burden placed on staff for hotels, meals, transport, etc. which may fall outwith our contract with the engaging authority and therefore may have to be paid for in foreign currency whilst undertaking the international work assignment. To assist in reducing this financial burden, staff can apply for a monetary advance to purchase foreign currency. Up to £150 can be requested per night of assignment using the Foreign Currency Advance Form. Advances will be processed using the BACS system and therefore will be transferred directly to your bank account. Request for advances must be with finance five working days prior to travel. Requests for advances must be authorised by the chair of the international steering group or a senior manager.

On return to Audit Scotland staff must reconcile their advance and spend on their expenses form and where a surplus occurs they must return the surplus by means of a cheque made payable to Audit Scotland in GBP. All claims must be supported by receipts and accounted for on your expenses form, where receipts are missing a full account should be given in a supporting letter, and endorsed by the claimants line manager, to the expense claim. The finance department reserve the right to decide whether a non receipted expense claim item is taxable or non-taxable.

Flights

Many of the flights for international travel are organised and paid for by our senior partners on international projects e.g. NAO. Where staff have to organise their own flights this should be done through the International Liaison Manager (ILM) and the Travel Company. Details of the flight arrangements should be sent as quickly as possible to the ILM in order to achieve best value fares.