

# TRAVEL AND SUBSISTENCE ROLES AND RESPONSIBILITIES

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### **1. Responsibility of Managers and Authorised Signatories**

The responsibility of Managers and authorised signatories is to check for the completeness of the claims, their accuracy and that the expenditure was incurred is reasonable and in line with policy and guidelines. This includes the provision of a valid VAT receipt which covers an adequate level of VAT in relation to miles claimed. It is the responsibility of managers to report any concerns regarding claims received from employees. [\(back to contents\)](#)

### **2. Responsibility of Employees**

The responsibility of the employee is to provide valid VAT receipts in support of all travel claimed and ensure that all claims are reasonable and accurate. Employees should ensure that all claims submitted are for the previous calendar month only. If a claim is found to be fraudulent the Council's mechanism related to the Code of Conduct will be applied. [\(back to contents\)](#)

### **3. Responsibility of the Payroll & Reward Team**

The Payroll & Reward Team are responsible for ensuring expenses forms are available. They will ensure that all claims are valid and checked and free from error and hold authorised signatories. All employees should use the online expense form which includes mandatory fields to ensure the accuracy of any surplus VAT calculations. Claim forms will be periodically checked to ensure that they comply with policy and guidelines. [\(back to contents\)](#)

### **4. Responsibility of Human Resources**

HR have a responsibility to have a clear policy and guidance for employees and managers on expenses that meets national conditions and are fair to employees. The policy and its effectiveness will be reviewed and evaluated every three years in accordance with the requirements of the Council's statutory equality duties.

Any changes to rates for travel and subsistence will be amended accordingly and communicated to all concerned. [\(back to contents\)](#)

## **5. Responsibility of Internal Audit**

Internal Audit have Terms of Reference which have been produced in compliance with CIPFA's "Code of Practice for Internal Audit in Local Government in the United Kingdom" (2003) [‘the code of practice’]. As required by the Code, Terms of Reference set out in detail a number of local policies and procedures relating to the work of internal audit. The Terms of Reference also expand upon and reflect the requirements of Section 7 of the Council's Financial Regulations and they should be read in conjunction with that document.

Internal Audit will periodically audit expenses forms and receipts to ensure these rules and procedures are being followed. This will reduce the amount of occasions when expenses forms are returned due to errors [\(back to contents\)](#)

## **6. Her Majesty's Revenue & Customs (HMRC)**

HMRC expects employees to record details of expenses claimed and, from time to time, HMRC review employers' records to ensure that employers have accounted for the right amount of PAYE. During a review, HMRC will check that the employer has correctly calculated and accounted for the tax due. They will also want to establish the method of recording expense payments to employees. This is why it is vitally important that travel and subsistence forms are filled in correctly and checked.

For tax purposes, the Council records travel and subsistence on specially designed forms to identify taxable and non-taxable claims and to reimburse employees.

In general, travel and subsistence expenses are non-taxable. However, certain types of journeys are liable for tax, eg home to work travel and these will be identified from the information on the expenses claim form and taxed through payroll.

All expenses payable for home to journey place of work journeys are taxable, regardless of when the journey is made and in general, no claim for expenses will be accepted for journeys made between home and normal place of work (exception being evening meetings where appropriate mileage or allowances are paid). Allowances will be paid for the full business mileage travelled for journeys that begin and end at the employee's normal place of work.

A taxable benefit arises from the mileage rates paid when they exceed the Approved Mileage Allowance Payments (AMAPs) issued by HMRC each year. Lease (contract car hire) Users are assessed on a percentage of their price which will vary according to the level of their carbon dioxide (CO<sub>2</sub>) emissions, measured in grams per kilometre (g/km). The "benefit" derived from this will be notified to claimants on a form P11d in June each year. HMRC will adjust individual tax codes to recover any tax liabilities.

The Value Added Tax (Input Tax) (Road Fuel Purchased by Employees) (Order) 2005 relates to HMRC rules for recovery of VAT on fuel. To comply with this, all mileage claims must be accompanied by a valid VAT receipt for the purchase of fuel.

A valid VAT receipt must show the following:

- The name, address and VAT registration number of the supplier
- The date of the supply
- A description of the purchase
- The total amount of the purchase including VAT
- The rate of VAT supplied. [\(back to contents\)](#)

## ***7. Employers' Compliance***

Employers are expected to operate systems which enable them to identify travel and subsistence expenses paid to their employees. Employers who have paid travel expenses to their employees must be able to show the HMRC that they have treated those payments correctly.

From time to time, HMRC review employers' records to ensure that employers have accounted for the right amount of PAYE. During a review, HMRC will check that the employer has correctly calculated and accounted for the tax due. They will also want to establish the method of recording expense payments to employees. This is why it is vitally important that travel and subsistence claim forms are completed accurately and checked prior to submitting. [\(back to contents\)](#)

## ***8. Driving Licence and Insurance***

Employees must hold a current driving licence valid to drive the vehicle used on Council business and, if authorised to use a private vehicle on Council business, must hold insurance cover indemnifying the Council against third party claims (including those concerning passengers). [\(back to contents\)](#)

## ***9. Transport of Passengers***

In the interests of economy and the environment, employees travelling to a single location should arrange to share the transport where practicable. The vehicle used should be the one which attracts the lowest allowances (see Travel Hierarchy of Use). No supplement will be paid for passengers. [\(back to contents\)](#)