



HILLINGDON
LONDON

AUDIT REPORT

Members Expenses

Auditor: Gemma Leech

Final Issued: 23rd October 2009

**Internal Audit Service
1S/05
Civic Centre
High St
Uxbridge
UB8 1UW**

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Members Expenses

1. INTRODUCTION

- 1.1. In the light of the national media coverage and public response to the expenses claimed by Members of Parliament, the Head of Audit added this review to the plan with the aim of providing public confidence in Hillingdon's systems.
- 1.2. The expenses claim system for local members is different to those used by Members of Parliament. At LBH a Members Allowance scheme is in place. The audit brief, which provided the objectives, methodology and scope, was issued on 22 May 2009.

2. EXECUTIVE SUMMARY

- 2.1. Overall Audit's view is that we are able to give **Full Assurance** that the controls in place to manage **Members Expenses** are effective. A definition of the assurance level and risk categories is available on the [intranet](#) in the internal audit pages.
- 2.2. The following was in place:
 - an up to date Members Allowance Scheme that was reviewed and updated on an annual basis;
 - our testing established claims for expenses were adequate and had been properly authorised;
 - payments of Members Allowances were reported on the internet.
- 2.3. Detailed audit findings are set out from section three onwards.

3. POLICY

- 3.1. There is a Members Allowance Scheme (MAS) in place dated 2009/2010. The scheme is up dated on an annual basis by Cabinet. Percentage increases each year are in line with the annual Local Government Pay Settlement (as per recommendation no 12 from the Report of the Independent Panel on the Remuneration of Councillors in London dated 18th October 2006). The MAS provides details of the basic allowance (payable to all Councillors) and special responsibility allowances (payable to Councillors holding specific responsibilities). Councillors can also make claims for the following:
 - Mileage and Subsistence allowance
 - Dependent/ Carer's allowance
 - General Expenses

Members Expenses

4. PROCEDURES

- 4.1. The basic and special responsibility allowances and expenses claimed are paid through payroll. Equal monthly instalments are paid to the respective Councillors for the basic and special responsibility allowances. Our testing confirmed Councillors were receiving the right allowance in relation to their responsibilities.
- 4.2. The Head of Democratic Services is responsible for validating and authorising any expenses claimed by Councillors. Every claim should be supported by a claim form and receipt. Claims from all parties amounted to £11,759.06 in 2008/09 and £1448.76 to date in 2009/10. Our testing confirmed that all expenses for 2008/09 and 2009/10 were supported by adequate documentation and authorisation.

5. MANAGEMENT INFORMATION

- 5.1. Payments of allowances are posted on the website every year to show you how much each Member has claimed. This process provides transparency.