

Expenses claims mileage verification: driving out the fiddle

A WebExpenses Guide



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Expenses claims mileage verification: driving out the fiddle

Statistically speaking, according to survey data, as many as [71% of your staff](#) may think it is acceptable to fiddle expenses in certain circumstances. If we consider this statistic in relation to the recent uproar around MP's expenses, it supports the idea that there is a widespread paradox in attitudes towards fiddling across the public and private sectors.

It seems to be a fact that many of those upset by the behaviour of MPs are themselves fiddling business expense accounts. For many organisations, the one business expense that is most open to abuse by routine fiddling is the mileage claim.

How much could it be costing your organisation?

One of the easiest ways to understand the scale of the problem and how much it could be costing your business is to look at a simple example: If one claimant averaging, say, 1000 miles per month is putting an extra 50 miles through on their claim, then at 40 pence per mile, this equates to £20.00 per month.

However, many road based staff like senior sales people or specialist technicians may cover many more miles than this in a month; some may cover 1000 miles in a week. A seasoned fiddler claiming 4000 miles a month with the same margin of error as above equates to an overpayment of £80.00 per month. How many might be claiming an extra 75 or 100 miles per thousand actually driven?

If your organisation has a significant team on the road, then it's a good bet that your next thought is "Now, how many mileage claims do we process per month?"

Unverified mileages invite inaccuracy

The underlying problem for most Excel or paper based expenses claims systems is one of mileage verification.

This arises because there is usually more than one route between A and B and it is not easy to verify the distance covered in every possible permutation of road route.

Essentially, whether deliberately falsified or just inaccurate because of poor record maintenance by the claimant, there is a need to provide consistent verification of the mileage between claim allowable locations.

Some steps for self-help

There are some straightforward ways to obtain consistent verification of mileages and avoid inviting inaccuracy. One of the easiest ways is to introduce some expenses policy mileage verification rules.

- In the policy define the A and B points for each claim allowable journey as postcode-to-postcode.
- In the policy say that you are only going to pay mileage claims determined by the distance between postcode endpoints, regardless of any 'actual' miles that may have been driven.
- Look up the mileage between each postcode on internet sites such as Google, Multimap, or The AA.

This is a simple solution that will meet the needs of smaller businesses or those that only process mileage claims infrequently.

The need for a complete solution

The problem with this simple solution is that the administrative overhead increases as more journeys and claims have to be processed. For larger organisations, it's a scalar problem. The solution for many larger organisations is to opt for a complete expenses management system such as WebExpenses.

WebExpenses mileage verification features negate the need to look up individual journeys by using postcode data to provide precise distance calculations for every business journey.

Microsoft's mapping technologies let WebExpenses automatically determine the best route between A and B by using post codes. With WebExpenses employees can't exaggerate claims or round them up, so you know that mileage claims are accurate. This removes administrative inefficiency, and claimants and finance teams are able to make better use of time to improve productivity.

Web Expenses is a feature rich web based expenses management solution. There is no hardware or software to buy, so there's no capital start up cost. Besides powerful mileage verification, customer organisations obtain access to benefits such as:

- **Credit card interface:** Direct input of digital data from credit card issuers

- **SMS Mobile:** SMS submission of expenses items from mobiles
- **Multi-entity configuration:** Easily accommodates complex international corporate structures
- **Electronic receipts attachments:** Electronic attachment of receipts as scans or mobile phone snaps
- **Carbon Tracking:** Carbon footprint for air, car, rail and London Underground travel in real time
- **Petty Cash Management:** Improve financial efficiency and control of your business
- **Offline version:** Allows expenses to be entered when not connected to the internet

ROI

If we look at WebExpenses solely in the context of mileage verification, then it is easy to determine ROI and see that it is cost effective. For every employee that exaggerates their mileage claim by 50 miles per 1000 actually driven, then WebExpenses pays for itself after the first 150 miles.

When we consider the solution holistically, the range of benefits delivered means that WebExpenses is invaluable to organisations because it removes inefficiency from Excel and paper based expenses claims processes.

About WebExpenses

WebExpenses is a provider of award-winning web-based expenses management solutions. The company's solutions allow for unparalleled flexibility in configuration and ease of use, allowing organisations to quickly reduce travel and entertainment spending and the costs of processing expense claims.

Customers include a broad range of corporate, public sector and small and mid-sized organisations including BT, EMI Music, JCB, Merck Pharmaceuticals, Pernod Ricard and Museum of London.

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