

Loch Lomond & the Trossachs National Park Authority

Fleet Management

Final Report

AUDIT GLASGOW

June 2021



**Loch Lomond & the Trossachs National Park Authority
Fleet Management**

Table of Contents

1	Introduction
2	Audit Opinion
3	Main Findings
4	Action Plan



FS 57095
Management System Certification

Loch Lomond & the Trossachs National Park Authority Fleet Management

1. Introduction

- 1.1 As part of the agreed Internal Audit plan we have carried out a review of the fleet management arrangements within Loch Lomond & the Trossachs National Park Authority (the Park Authority).
- 1.2 In order to carry out the services that the Park Authority provides, it requires a fleet of vehicles. The fleet is made up of a variety of vehicles, including small cars and vans. At the time of the audit, there were 36 vehicles in the fleet - 27 owned vehicles and 9 leased vehicles. Over the last few years the Park Authority has been moving towards the use of hybrid and electric vehicles. Currently there are 14 electric vehicles, however there are still currently some diesel vehicles within the fleet.
- 1.3 Administration and management of the fleet is undertaken by a centrally based Facilities Team managed by the Facilities Manager.
- 1.4 The Park Authority is due to move towards a newly procured estates management system in 2021/22, comprising of a software service contract and applying to all of the Estates, which includes vehicles. However, at the time of the audit, most of the information relating to the fleet was held on Excel spreadsheets.
- 1.5 The purpose of the audit was to gain assurance that there are appropriate controls in place to manage the fleet of vehicles used by the Park Authority, including the recent switch to some electric and hybrid vehicles within the fleet. The scope

of the audit included reviewing:

- Contractual arrangements;
- Documented procedures;
- The checking and monitoring controls;
- Maintenance of the fleet of vehicles;
- The arrangements for fuel;
- The arrangement for vehicles that are off hire;
- Record keeping;
- The arrangements for allocation of vehicles;
- Invoicing/ payment arrangements;
- Access to the fleet management information/system;
- The transition from diesel to electric vehicles, and
- The impact that the COVID-19 pandemic on the fleet management arrangements.

2. Audit Opinion

- 2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and six recommendations for management to address.

3. Main Findings

- 3.1 We are pleased to report that some key controls are in place and generally operating effectively. A record of all the vehicles within the fleet is maintained and appropriate arrangements are in place for the storage of these vehicles when not in use. We found that there are suitable arrangements in place for determining when a vehicle should be off hire and a record of this is maintained. Fuel cards which are allocated to each vehicle for fuel purposes are

accounted for each month as part of the vehicle inspections. A fuel card transaction report is generated each month which is reviewed and used to monitor the use of fuel.

- 3.2 Changes to fleet management arrangements relating to the use, booking and collection of vehicles, as a result of the COVID-19 pandemic, had been made and these were appropriately reviewed by HR, approved and then communicated.
- 3.3 Our review also identified some areas where current arrangements could be improved. Although we were advised that vehicles are to be inspected for damage and any required repairs at the end of the lease period, there was no reference to this in the contract documentation provided. We also found that there is no agreed process for replacing or renewing vehicles that are at the end of their lease period.
- 3.4 There is an approved Driving and Vehicle Policy (hereafter referred to as the Policy) in place that provides information on responsibilities in relation to the hiring and maintenance of vehicles. A requirement of the Policy is that drivers should provide their licence details each year to confirm their eligibility to drive, however, we found that there is no process in place to ensure that vehicles are only allocated to officers who have provided valid licence details. There are also process maps that provide operational guidance for the use of vehicles, including servicing and defects, however these have yet to be agreed and formally signed off.
- 3.5 We found that there is a lack of audit trail in relation to any movement of vehicles from the service they were initially allocated to. Details of the vehicles insured by the Park Authority are managed via an online database facilitated by the Insurance Company. At the time of the audit, we found

that although the 36 vehicles currently within the fleet were included within the database, there were additional vehicles no longer in use also recorded.

- 3.6 The Facilities Team is responsible for ensuring that servicing and maintenance of vehicles is undertaken in a timely manner. This is managed through the use of a vehicle master spreadsheet. From a review of the spreadsheet, we found that the actual dates that the last vehicle MOT and service took place was not recorded. We also found that there is no record kept of pre-use checks of vehicles.
- 3.7 There are agreed prices for costs of services and MOTs as well as hourly labour rates, but not parts and repairs. Therefore, only some items within invoices are able to be checked to confirm that the correct prices are being charged.
- 3.8 Carbon reduction priorities have been identified through the Climate Change Action Plan and Mission Zero Route Map which were both approved by the Park Authority's Board in March 2018 and December 2020 respectively. These documents include references to maximising the use of and investment in electric vehicles, however does not provide specific timescales. The Driving and Vehicle Policy stipulates that there is no set policy for the replacement of vehicles, therefore decisions are taken based on factors such as costs of repairs and mileage. However, it was found that no records have been kept detailing which vehicles have been selected for disposal and the reason for the decision.
- 3.9 An action plan is provided at section four outlining our observations, risks and recommendations. We have made six recommendations. The priority of each recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	5
Low	Lower level controls absent, not being operated as designed or could be improved.	1
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.10 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.11 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.12 It is recommended that the Chief Internal Auditor submits a further report to Audit and Risk Committee on the implementation of the actions contained in the attached Action Plan.

4. Action Plan

Title of the Audit: Loch Lomond & the Trossachs National Park Authority – Fleet Management

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: There is an adequate contract in place with the provider of the leased fleet vehicles.				
1	<p>The Park Authority confirmed that contract documentation is held for all leased vehicles, however at the time of the audit the relevant documentation could not be provided for three vehicles. We were advised that this was due to the current remote working arrangements at the Park Authority due to the ongoing COVID-19 pandemic.</p> <p>Although the auditor was advised that vehicles are to be inspected for damage and any required repairs at the end of the lease period, there was no reference to this in the contract documentation provided.</p> <p>Furthermore, there is no agreed process as to what actions should be taken for replacing or renewing vehicles when they reach the end of the three year lease periods.</p> <p>Current contractual arrangements and a lack of agreed processes means that there is an increased risk that each party involved may be unaware of their</p>	<p>The Finance & Procurement Manager and Facilities Manager should seek clarity from the supplier in regard to the arrangements for damages/ repairs to vehicles throughout and at the end of the lease period. The planned actions to be taken when a vehicle is coming to the end of its three year lease period should also be confirmed. These processes should be documented and made available to relevant staff.</p> <p>Senior Management should ensure that all contract documentation in relation to leased vehicles is held electronically to ensure the documents are readily available.</p>	Medium	<p>Response:</p> <p>i) Fleet Management Strategy to be developed in 2021/22 which will specify the provisions around how new vehicles are identified, procured and disposed of.</p> <p>ii) A process will be written to confirm the actions required when a vehicle is coming to the end of its lease period including provisions for damages/repairs.</p> <p>iii) In addition the new digital Estates Database will provide a mechanism to record the audit trail for leased vehicle approvals.</p> <p>Officer Responsible for Implementation:</p> <p>Facilities Manager</p> <p>Timescale for Implementation:</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	responsibilities and the correct process to follow when leasing vehicles.			i) 31 October 2021 ii) 30 November 2021 iii) 31 March 2022
Key Control: There are adequate procedures in place to assist staff with their responsibilities in relation to management of the fleet.				
2	<p>The Driving and Vehicle Policy was last reviewed in 2020 and is available to staff through the Park Authority's Intranet. There are also process maps that provide operational guidance for the use of vehicles, including servicing and defects, however these have yet to be agreed and formally signed off.</p> <p>There is therefore a risk that staff may not be fully aware of the correct processes to follow when undertaking fleet management tasks.</p>	Management should arrange for the process maps to be formally agreed and signed off as soon as possible. The documents should then be made available to all relevant staff and reviewed on a regular basis.	Low	<p>Response:</p> <p>The process maps will be reviewed and amended as required and then formally signed off. The processes will eventually also be linked to the digital Estates Database which is currently in implementation phase.</p> <p>Officer Responsible for Implementation:</p> <p>Facilities Manager to review process maps and amend as necessary, and Estates Manager to sign off thereafter.</p> <p>Timescale for Implementation:</p> <p>30 November 2021</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: There are adequate checking and monitoring controls in place.				
3	<p>We identified opportunities to enhance the current processes for the checking and monitoring of the fleet, based on the following observations:</p> <ul style="list-style-type: none"> • There is no record held of the checks undertaken to confirm the number and accuracy of vehicles within the fleet; • No formal paperwork is used for the transfer of vehicles and only the movement of vehicles within the Rangers Service is recorded; • A requirement of the Policy is that drivers should provide their licence details each year to confirm their eligibility to drive, however, we found that there is no process in place to ensure that vehicles are only allocated to officers who have provided valid licence details; • A sample of five vehicles from the fleet was selected to verify that all required paperwork had been completed for the use of the vehicle. In one case we were unable to confirm that all required paperwork had been completed as no paperwork was provided by the responsible officer; • Vehicles are normally all classed as pool vehicles and not allocated to a specific officer. However the COVID-19 	<p>Senior management should take the necessary action to address the issues noted within the observation to enhance the arrangements in place for the checking and monitoring of the fleet. This should include:</p> <ul style="list-style-type: none"> - establishing a full record of checks on the numbers held and transfers of vehicles; - identifying drivers' eligibility prior to allocation of a vehicle; - establishing arrangements for any vehicles allocated to specific employees in the event of their absence; - ensuring appropriate file protection for fleet records held; and - ensuring the accuracy of vehicle details held on the insurance database. 	Medium	<p>Response:</p> <p>i) In regards to the recommendation around drivers' eligibility, a tick box will be added to the sign-out sheet which all staff are required to fill in when taking a vehicle to confirm that they have a valid driving license for the vehicle that they are signing out.</p> <p>ii) For all other points, increased provisions for checks and controls will be considered as part of the implementation of the digital Estates Database along with the review of process maps which will be linked to that. This may include the development of additional process maps to cover specific checks and controls. Officer training will be carried out as part of this to ensure that the right processes and recording of information is being carried out.</p> <p>Officer Responsible for Implementation:</p> <p>Facilities Manager</p> <p>Timescale for Implementation:</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>pandemic has meant that a few vehicles were allocated to specific officers. There are no agreed arrangements for the return of a vehicle if one of these officers is on annual leave or off on long-term sick;</p> <ul style="list-style-type: none"> • Fleet details are held on a shared drive which any member of staff can access and protection from amendment only applies to part of the file; and • Vehicles are insured under the Park Authority's Group Insurance, based on a price per vehicle. The number of vehicles included in the motor insurance database was overstated at the time of the audit. However, we noted that all 36 vehicles currently within the fleet were included within the database. <p>This increases the risk that the fleet is not being managed effectively and required checks are not being undertaken as expected.</p>			<p>i) 30 November 2021 or the date we revert to using the pre-COVID procedures for staff to physically sign out vehicles if later than this;</p> <p>ii) 30 November 2021</p>
Key Control: Vehicles are maintained to an appropriate and safe standard.				
4	<p>The Facilities team is responsible for ensuring that servicing and maintenance of vehicles is undertaken in a timely manner. This is managed through the use of a vehicle master spreadsheet. From a review of the spreadsheet, we found that although the dates that MOTs and services were booked in for were</p>	<p>The Facilities Manager should update the vehicle master spreadsheet to include the actual dates that MOTs and services are completed. The dates should be monitored regularly to ensure that required MOTs and services are arranged in a timely manner.</p> <p>The Facilities Manager, in conjunction with HR,</p>	Medium	<p>Response:</p> <p>i) Recording of actual dates of services and MOT's to be added to the current spreadsheet and once these processes are transferred to the digital Estates Database, we will ensure that this information is also</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>recorded for each of the vehicles, the actual dates the MOTs and services were completed was not included.</p> <p>Pre-use checklists are kept in vehicles and required to be completed by each staff member prior to use, however we found that there is no record held of checklists completed, therefore we were unable to confirm that these are being completed as expected. We were advised that HR, working with the Facilities Team, are looking to introduce a record of pre-use checks on vehicles.</p> <p>The current arrangements increase the risk that MOTs and services may not be completed within the required timeframe and that pre-use checks are not being completed as expected. This could result in vehicles within the fleet not being adequately maintained and/or be safe to drive.</p>	<p>should ensure that the introduction of a record of pre-use checks on vehicles is implemented as soon as is practically possible.</p>		<p>recorded in that going forward.</p> <p>ii) A record of the pre-use checks will be implemented once the pre-COVID process returns and when we have the respective module implemented in the new digital Estates Database.</p> <p>Officer Responsible for Implementation:</p> <p>Facilities Manager</p> <p>Timescale for Implementation:</p> <p>i) 30 June 2021 for recording the actual service and MOT dates</p> <p>ii) 31 March 2022 for the pre-use checks being recorded in the digital database.</p>
<p>Key Control: The Park Authority is charged correctly in relation to its fleet.</p>				
5	<p>We were advised of the checks that are undertaken on invoices, which includes checking invoices received against purchase orders raised, checking charges where applicable to the tender price list and checking that the work charged has been carried out. However, for a sample</p>	<p>Senior management should take the necessary steps to ensure that the common repairs and service charges incurred by the Park Authority are accurate and consistent.</p> <p>An audit trail of the checks undertaken in relation to invoices should be maintained for future</p>	Medium	<p>Response:</p> <p>i) A standard pricing list will be requested from the garage on an annual basis and used as reference when checking charges for common repairs and services.</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>of five repair payments made in 2020, it was found that most of the charges did not appear on the tender price list, therefore it was not possible to confirm that the agreed prices had been charged. It is acknowledged that it may not be possible to obtain a list of prices for all charges, however improvements are required to ensure that common repairs and service charges incurred are accurate and consistent.</p> <p>The current arrangements increase the risk that the Park Authority may be charged incorrectly or inconsistently for some parts and repairs.</p>	reference, this should include any queries raised and action taken.		<p>ii) Improvements to the record keeping of the checks made of invoices against PO's and the approved charges will be made when the relevant part of the new digital Estates Database comes into use.</p> <p>Officer Responsible for Implementation:</p> <p>Facilities Manager</p> <p>Timescale for Implementation:</p> <p>i) 31 August 2021</p> <p>ii) 31 March 2022</p>
Key Control: The transition to electric vehicles is being managed effectively.				
6	Carbon reduction priorities have been identified through the Climate Change Action Plan and Mission Zero Route Map which were both approved by the Park Authority's Board in March 2018 and December 2020 respectively. These documents include references to maximising the use of and investment in electric vehicles, however does not provide specific timescales. We were advised that the strategy for moving towards a full electric fleet will be outlined	<p>Senior management should ensure that a Fleet Management Strategy is developed and approved accordingly. The document should include timescales in relation to the transition to a full electric fleet. Progress against these timescales should be regularly monitored and reported.</p> <p>Management should ensure that a record is held of all vehicles selected for disposal, this should include the reason for disposal and any approvals including any replacement options for the</p>	Medium	<p>Response:</p> <p>i) The strategy for moving towards a more/fully electric fleet will be outlined in the Fleet Management Strategy which will be drafted following a review of organisational fleet requirements and in line with the limiting factors associated with providing the associated charging infrastructure. The strategy will include timelines and progress</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>in the Fleet Management Strategy when drafted.</p> <p>The Driving and Vehicle Policy stipulates that there is no set policy for replacement of vehicles. Decisions are based on factors such as costs of repairs and mileage. However, it was found that no records have been kept detailing which vehicles have been selected for disposal, the reason for the decision and what any replacement vehicle will be.</p> <p>The absence of agreed timescales means that progress is more difficult to monitor and measure.</p>	vehicles.		<p>against it will be reported to both the wider Mission Zero Project Team and the Executive</p> <p>ii) The newly developed digital Estates Database (currently in implementation phase) will enable a record of all assets, including vehicles, identified for disposal to be recorded, along with reasons and other associated data.</p> <p>Officer Responsible for Implementation:</p> <p>Facilities Manager</p> <p>Timescale for Implementation:</p> <p>i) & ii) 31 October 2021</p>