



Dacorum Borough Council

Compliance Review of Fleet Management Strategy

September 2024

Final



Executive Summary

OVERALL ASSESSMENT





ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

There is no strategic risk relating to fleet management or fuel management.



SCOPE

Controls and processes in place for managing Council owned fleet of vehicles and monitoring of fuel usage.

KEY STRATEGIC FINDINGS

-  This audit reviewed fleet management control processes and identified several areas that require improvement, specifically in governance, risk management, and performance monitoring.
-  The council has not defined the use of KPI's within the operational transport policy, despite the policy outlining several areas of informal measurement.
-  The Council's Operational Transport Policy and related procedures 2021/2022 does not specify a review date or frequency.

GOOD PRACTICE IDENTIFIED

-  The Council has good document retention surrounding MOTS and other fleet management documents.
-  Access to the Tranman vehicle management system aligns with expected job rolls.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	3	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Council have an Operational Transport Policy and related procedures 2021/2022 document. The document outlines the driving and vehicle expectations and procedures for council staff, including driving hours, vehicle inspections, conduct and training. It should be noted that this policy is dated 2021 and does not specify a review date or frequency within the document and as such, regular review cannot be evidenced. Regular review of policies is important to ensure they remain current, effective, and compliant with any changes in law or best practice.	Implement a review and revision schedule for the Operational Transport Policy and related procedures 2021/2022.	3	<i>The Operational Transport Policy will be reviewed and updated by end of Dec 2024.</i>	<i>Dec 2024</i>	<i>Transport Manager</i>
2	Directed	The department maintains an operational risk register. This risk register contains four operational risks, these relate to: workshops, fuel access, fleet availability, and refuse HGV fleet retrofit. All the risks were being managed to either, in line with, or below their target risk score apart from risk 1- Workshops - Failure to recruit and retain staff to business-critical posts that has an inherent score of 15, target of 5 and current score 15. Despite there being mitigating actions in place the risk score has not decreased.	Review the controls in place to ascertain where strategies in place are not mitigating tasks. This review of the risks register involves reassessing the risk, reviewing the effectiveness of controls, and making necessary changes.	3	<i>Operational risk register reviewed; this will be continually reviewed.</i>	<i>Last reviewed 4/9/24 Continually reviewed going forward</i>	<i>Transport Manager</i>

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	<p>The current policy does not comprehensively mandate the use of KPI's for managing overall performance. Although certain metrics are being tracked, they are limited in scope, which could lead to difficulties in objectively assessing all areas of performance and identifying potential improvements. For fleet management, key metrics such as vehicle servicing, driving licenses, and insurance compliance are being tracked, with all of these areas currently meeting or exceeding their targets. Suggested KPI's for Fleet Management are:</p> <p>Total Cost of Ownership (TCO): Provides a detailed overview of fleet cost-effectiveness, factoring in vehicle purchase prices, fuel, maintenance, and insurance costs.</p> <p>Fleet Utilisation: Measures the usage frequency of fleet vehicles. High utilisation indicates efficient resource allocation, while low utilisation may suggest underuse of certain vehicles.</p> <p>License Compliance: Ensures that all fleet drivers have valid licenses, undergo regular reviews, and receive necessary training.</p>	Expand the Operational Transport Policy and procedures for 2021/2022 to include a broader set of KPI's and formalize a process for monitoring and taking corrective action. Introduce additional KPI's that align with the Council's needs for comprehensive fleet management. This structured approach will facilitate more accurate tracking, reporting, and the ability to address areas where performance may fall below target.	3	<i>KPI for Waste services deployment is being developed and will be put into place and will be monitored.</i>	Oct 2024	Transport Manager

PRIORITY GRADINGS

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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No OEMs were raised in this review.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Partially in place	2	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings



The Operational Transport Policy and related procedures 2021/2022 align with the Councils' Financial Regulations and is endorsed by the Chief Executive.



The Policy and related procedures 2021/2022 provide for segregation of duties within its specification where the transport manager has responsibility for strategic activities and the workshop supervisor has responsibility for operational tasks. The Policy dictates segregation of duties within itself and segregates roles as follows:

Procurement and Disposal Process -The Transport Manager oversees the procurement and disposal of all vehicles and plant items, adhering to the Council's Financial Regulations. This includes procurement of replacement vehicles, additional vehicles, externally hired vehicles, specification, purchase orders, modifications, finish and logo, and planned life.

Vehicle Utilisation Process -The user department is responsible for the utilisation of vehicles under its control. This includes cross hire/loan, vehicle loans and hire, private use of vehicles, unauthorised passengers, and carriage of animals.

User Department Management Responsibilities Process: Managers and Supervisors oversee vehicle operations and driver conduct. This includes driving hours regulations, training driver and operator training, vehicle documents documentation, new employee driving assessments, and driver CPC.

Driver Responsibilities - individual drivers are responsible for ensuring they abide with the Highway Code and the Council issued drivers' handbook. This includes fitness to drive, smoking in vehicles, mobile phones and radios, in cab technology, other distractions, drivers' daily inspection, and load security.

Other Findings

Fleet Safety: Only authorised employees can use diesel, petrol and LPG fuel for Council vehicles and plant. This includes fuel spillages, fuel pump failure, towing of trailers, use of vehicle warning lights and beacons.

Health and Safety - All transport users must comply with Dacorum Borough Council's corporate Health and Safety Policy. This includes safety equipment, noise, cupid green depot, personal protective equipment (PPE), and modifications.

Vehicle and Plant Maintenance - Users are responsible for the identification of defects and daily user checks while the workshop supervisor is responsible for correction of identified issues, maintaining roadworthy vehicles.

Accident Reporting: Drivers are responsible for the initial reporting of accidents; User line managers are responsible for signing the accident report before admitting any liability and insurance are responsible for handling of the claim.



Tranman is a fleet management system designed to manage and streamline fleet operations, including vehicle maintenance, parts inventory, and fuel usage. The council operates the system with limited user access. The audit has identified that users have been assigned access to the Tranman system in the following roles:

1. Fleet Workshop Supervisor
2. Transport Manager
3. Interim Fleet Service Advisor
4. Operations Manager
5. Fleet Service Coordinator
6. Admin

In addition, audit examined the individuals who have access to the Tranman vehicle monitoring system and assessed whether this access aligns with their respective job roles. It was found that there are eight access points in total. One of these is an administrative access, another is designated as a system access, and the remaining six are assigned to specific individuals. The audit did not reveal any roles with access that would not typically be expected to have it.



The procedure outlines that "The Transport Manager will provide estimates for annual fleet expenditure ensuring that adequate revenue provision has been approved by the operating service. This will include all costs associated with vehicle operations, including fuel, and maintenance." Within the fuel safety section of the policy, it also provides guidance in obtaining fuel.



The Fleet management team produce a fuel usage report. The report provides a detailed breakdown of vehicle usage across various departments, including waste, housing clean, CSG, clinical waste, trees, pest control, play areas, and enforcement. The report includes key metrics such as litres of fuel consumed, cost, previous and current odometer readings, miles per gallon (MPG), and distance travelled. The report also highlights discrepancies such as where the previous odometer reading is higher than the current reading.



When reviewing the strategic risk register it was noted that there is no risk relating to fleet management directly; however, there is a risk relating to the achievement of the Climate and Ecological Emergency (CEE) Statement that prioritises the decarbonisation on the council's fleet.



This audit assessed compliance with MOT requirements as part of both policy and legal obligations. Ten fleet vehicles were tested, all of which met MOT laws and regulations. Nine vehicles had current, in-date MOTs, with the previous MOT conducted within the past year. One vehicle, a 2024 model, was exempt from MOT requirements for three years. The council has maintained all documentation and evidence related to MOTs, demonstrating adequate document retention.

Other Findings



This audit evaluated the compliance of first user checks completed by drivers each morning when they booked out their vehicles. We sampled ten vehicles and tested a week's worth of first user checks.

It is important to note that:

- One of the ten checks was missing a driver's signature.
- One used a separate sheet for the same week instead of continuing on the weekly sheet.
- Two out of ten used dashes instead of ticks or crosses to indicate pass or fail.
- Five out of ten reported defects, four of which were forwarded to the workshop. The remaining one was signed off by the supervisor as not needing workshop attention.
- All ten vehicle checks were signed off by a supervisor at the end of the week.



This audit evaluated the vehicle defect process. It was observed that out of ten vehicles, nine had reported defects. Among the nine vehicles with reported defects, six required maintenances. The time taken for maintenance varied across the vehicles. The vehicle with the longest wait time was off the road for nine days before maintenance was completed. Conversely, the vehicle with the shortest wait time had its maintenance completed within the same day. On average, the time for maintenance completion was 2.66 days.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPI's for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	3	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



The Council policy outlines its intended monitoring activities within the Operational Transport Policy 2021-22:

Compliance: The council aims to ensure compliance with current legislation, safety guidelines, and best practices. This includes the intention to monitor and control vehicle documentation, drivers' hours and records, safety and awareness of loads, driver daily/weekly maintenance, and driver licence checks.

Fleet Administration: The Council's fleet administration staff aim to prioritise, coordinate, and monitor the preventative maintenance programme, unscheduled repairs, breakdowns, and additional hire to vehicles and plant. They also aim to arrange annual inspections for all plant, light/medium goods vehicles and large goods vehicles (LGV).

Driving Licence Checks: The Council's Fleet/HR aims to be responsible for monitoring compliance and raising any concerns directly with the Service Manager.

Accident Prevention: Managers within the council aim to actively encourage accident prevention within their department. They aim to monitor accident statistics and consider initiatives to reduce accidents and resulting insurance claims and promote road safety.

Vehicle Documents: The Council aims to inspect required documents for vehicles daily. Both drivers and managers aim to undertake regular monitoring checks to ensure the correct documentation is displayed. Any lost items, discrepancies, or missing documents should be reported to the Transport Manager immediately.

Document Storage: The Council aims to store vehicle registration documents and Ministry of Transport test certificates (MoT's) in Fleet Services. Certificates of insurance can be obtained from the insurance section if needed. All maintenance records are aimed to be retained in Fleet Services and available for inspection.

Utilisation: The council aims to use all transport resources economically. Users are required to periodically monitor vehicle use to ensure vehicle types, routes, and workloads are optimised. This policy is in place to ensure the efficient and safe operation of all vehicles under their management.



During the audit, the use of a software called "Continuum" was evidenced for licence verification and tracking. The manager checks the licences and the licence details are input into Continuum where this is tracked and can be reported on.

Other Findings



The Council has prepared a detailed report for the Senior Leadership Team (SLT) addressing the potential transition to electric vehicles (EVs) as part of its sustainability strategy. This report highlights the environmental and financial benefits of moving towards an electric fleet, aligning with the council's commitment to reducing carbon emissions and promoting sustainable practices.



There are several individuals with access to the 'tranman' system with different access levels, which is beneficial for segregation of duties and continuation of service in the absence of key individuals."

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed, and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed, and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed, and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	20 th June 2024	20 th June 2024
Draft Report:	2 nd September 2024	4 th September 2024
Final Report:	10 th September 2024	