



Report of the Head of Highways and Transportation

Special Audit Committee – 10 March 2020

Fleet Maintenance Audit Report 2019/20

Purpose:	To provide an update on the Fleet Maintenance audit report for the above period
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For Information	

Internal Audit on Fleet Maintenance – Update March 2020

1. Introduction

- 1.1 As a result of an internal audit on the Fleet Maintenance function carried out in 2019, an assurance level of Moderate was given.
- 1.2 This report addresses the 1 x High Risk (HR) and 1 x Medium Risk (MR) within the Final Internal Audit Report (Appendix A). All other reported risks were either Low Risk (LR) or Good Practice (GP)
- 1.3 An action plan was developed in response to the High Risk (Appendix B).
- 1.4 The action plan sought to address the following High Risk (HR) :
 - (2.4.4) The Councils CPRs must be complied with. All eligible single or aggregated expenditure should be subject to competitive tender or quotations. Where this is not possible, a CPR20 Waiver should be obtained (HR).

(Previous audit recommendation made – and accepted – in the 2008/09, 2012/13 and 2017/18 Audits)

Progress to Date : It is acknowledged that previous Audit reports recommendations regarding this risk had been recognised and accepted by the Fleet Manager. The Fleet section was however unable to address the issues during this period due to the ; constant competing operational fleet priorities, a lack of a 'purchasing' section within the unit, reduced practical support from Procurement since 2016, and the reliance on the Fleet Manager to specify all Fleet procurement requirements.

Some progress was made in areas of CPR compliance prior to the 2019/20 audit, in particular the adoption of the National Procurement Service for Wales' Framework for Vehicle Parts in 2018. Discussions with Procurement colleagues had also begun in April 2019 to address the remaining CPR issues centering on subcontracted repair expenditures. For the purposes of context, the Fleet section as a whole has a current budgeted expenditure exceeding £10,350,000 per annum, of which 94.4% complies with CPRs in 2019/20.

Following the 2019/20 Audit, numerous actions have now been completed including

- the approval of 5 waivers for various categories of sub contracted vehicle repair works. These interim arrangements will be subsequently replaced by formalised tenders, future cyclical waiver applications or removal of their requirement to be subject to CPRs.
- two planned collaborative procurement exercises with Neath Port Talbot Council during 2020, to aggregate spends under Dynamic Purchasing System frameworks for sub contracted body panel repairs and subcontracted vehicle repairs.
- Investment in Fleet Maintenance for vehicle diagnostic equipment and light vehicle MOT testing by July 2020, removing future CPR compliance issues for these types of expenditures by completing them in house.
- Refining current high level single general ledger cost code for the sub contracted vehicle repairs, with the support of Finance colleagues, to clearly reflect unique repair types and subsequently clarify future expenditure levels to ensure respective CPR compliance.

The Action Plan is expected to be completed by March 2021, subject to available resource, delivering sustained compliance across these areas of expenditure.

1.5 The following Medium Risk (MR) has not been addressed :

- (2.2.6) System of independent review or spot checks should be introduced to confirm parts/oil requisitioned from the stores have been fitted to the relevant vehicle (MR)

(Previous audit recommendation that was rejected after 2017/18 audit by Fleet Manager due to lack of staff resource)

Progress to Date : This risk was originally identified in the 2008/09 Audit, and was initially accepted by the Fleet Manager. A pilot trial was undertaken as a result, which highlighted issues with the timing of checks and the availability of parts/oil used to conduct these checks. The two Vehicle Inspector posts were deleted in the section between 2010 and 2014, roles that would have been expected to fulfil this recommendation alongside other duties. The recommendation was subsequently rejected in the 2017/18 and 2019/20 Audits due to this reduction in available resource. It was advised that the risk could not therefore be addressed with an expectation that it would no longer form part of the Fleet maintenance audit after October 2018. However, it was subsequently included in the 2019/20 Audit, with an acknowledgement that the risk had not been accepted previously and why.

No progress has been made on this issue as the Fleet Manager considers that the only solution available within the current resource levels would require the diverting of fleet maintenance staff from vehicle repairs to check each other's work. This would result in delays in vehicle availability, additional costs to users, potentially be counterproductive within the team and disrupt service delivery.

2. Equality and Engagement Implications

2.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to :

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

AN EIA screening (Appendix C) has been undertaken which confirms there are no equality and engagement implications associated with this report as it addresses internal process non-compliance and has no impact on the relevant protected groups.

3. Financial Implications

3.1 There are no financial implications other than those set out in the body of the report.

4. Legal Implications

4.1 There are no legal implications other than those set out in the body of the report.

Background Papers: None.

Appendices:

Appendix A - Final Internal Audit Report – Fleet Maintenance 2019/20

Appendix B - Fleet Maintenance Action Plan

Appendix C - Equality Impact Assessment Screening Form