



## Report of the Head of Highways and Transportation

Governance and Audit Committee – 14 June 2023

### Fleet Maintenance Audit Report 2022/23

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

#### Internal Audit on Fleet Maintenance – Update June 2023

##### 1. Introduction

- 1.1 As a result of an internal audit on the Fleet Maintenance function carried out in 2023, an assurance level of Moderate was given.
- 1.2 This report addresses the 1 x High Risk (HR) and 2 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 A 2023/24 Action Plan has been 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 over £10,000. Where this is not possible, a CPR20 Waiver should be obtained (HR).

*(Previous audit recommendation made – and accepted – in the 2008/09, 2012/13, 2017/18 and 2019/20 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 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.

Following the 2019/20 Audit, a number of items on the respective Action Plan were completed including

- the approval of 5 waivers for various categories of sub contracted vehicle repair works.
- Investment in Fleet Maintenance for vehicle diagnostic equipment removing future CPR compliance issues for these types of expenditures by completing them in house.
- Discussions with Procurement colleagues had begun in April 2019 to address the remaining CPR issues centring on subcontracted repair expenditures.

The Covid pandemic subsequently disrupted business as usual from March 2020, with the unit having to address a full range of additional demands to ensure it could continue to support the front line fleet.

CTU also secured new premises in November 2019, designing and implementing a brand new workshop and fleet facility during the pandemic. The unit successfully transferred in its entirety in March 2021.

The demand on the unit's resources since 2020 has been significant and no further progress has been made to date with regard to the 2019/20 Action Plan as a result.

The 2023/24 Action Plan is expected to be completed by March 2024, subject to available resource, delivering sustained compliance across these areas of expenditure.

1.5 The following Medium Risk (MR) has been addressed :

- (2.1.1) P-Cards and PINs should not be shared amongst other members of staff. This is a condition of the PCard User Agreement.

This was noted as a one off incident, with no further action required as staff were instructed accordingly and fuel cards obtained to address the initial cause of the one-off incident.

1.6 The following Medium Risk (MR) has also been addressed :

- (2.8.7) Stores issues notes must be signed by the officer receiving the items evidencing receipt of the goods.

This relates to inventory and direct materials items and staff have been instructed accordingly

- 1.7 For the purposes of context, the Fleet section as a whole has a current budgeted expenditure of approximately £9.054 million per annum, of which £350,000 (3.86%) is deemed non-compliant with CPRs in 2022/23.

## **2. Integrated Impact Assessment Implications**

- 2.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, 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 Acts.
- 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.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 2.2 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

- 2.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

- 2.4 An Integrated Impact Assessment Screening Form has been completed with the agreed outcome that a full IIA report was not required:

- The reasons for this outcome were that there were no cumulative impacts or subsequent mitigation necessary as it addresses the non-compliance issues with internal financial and procurement processes. There are no WFG considerations or risks.

- The IIA Screening Form is attached as a background paper (Appendix C).

### **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 2022/23

Appendix B - Fleet Maintenance Action Plan 2023/24

Appendix C - Equality Impact Assessment Screening Form