



Internal Audit

FINAL

PCC Cumbria & Cumbria Constabulary


Assurance Review of Fleet - Strategy and Management of Fleet

2023/24

November 2023

Executive Summary

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The Constabulary needs to be providing and maintaining a vehicle fleet which is safe, modern, fit for purpose and readily available, to meet the diverse and variable demands across the organisation.



SCOPE

The review considered the strategy for the management and replacement of the fleet of vehicles and effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOT's, responsive repairs and general maintenance.

KEY STRATEGIC FINDINGS

-  **A Fleet Strategy is in place and a detailed Fleet Demand review was undertaken in 2023 by the Director of Corporate Support.**
-  **Processes operating for vehicle servicing and repairs is appropriate but there are no formal procedures for staff to follow.**
-  **Vehicle checks by users are not always being undertaken in the prescribed manner or frequency.**
-  **Additional performance indicators relating to the workshop function would help identify any pinch points in the processes operating.**

GOOD PRACTICE IDENTIFIED

-  **The Constabulary has set service schedules at values lower than the manufacturers' guidelines to add additional assurance that they won't be exceeded.**
-  **The use of external independent MOT test stations provides an additional assurance on the work undertaken by the Constabulary's workshops.**

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	1	1

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	<p>The Fleet team provide the essential support for the availability of vehicles, maintenance and repairs to vehicles, fitting/defitting of vehicles and disposals.</p> <p>Through visits to the Fleet team offices at Penrith and discussions with the staff, it was identified that whilst many of the activities and practices are well organised and have appropriate controls, there is a heavy reliance on staff knowledge of process and policy. An example of this is the servicing schedules of vehicles, which although are set appropriately and also risk based, are not directed by a formal policy.</p>	Policies be documented for the areas that fall under the Fleet team to provide clear direction and to support the delivery of the Fleet Strategy.	2	<p>Specific - Fleet governance, policy and procedures are to be created. Setting guidelines and standard operating procedures for the fleet team for all core functions of fleet services.</p> <p>Measurable - Once established an internal audit plan is to be implemented to regularly test and revise.</p> <p>Achievable – Yes, these documents will contain all current working practices and procedures.</p> <p>Relevant – The fleet team requires guiding documents in policy and procedure. This will aid business continuity and allow best practice development with revisions and audits.</p> <p>Time-bound – Complete by Jun 24 with audit plan to commence Aug 24.</p>	<p>Development Sept 23 – Apr 24</p> <p>Implementation Apr 24 – Jun 24</p> <p>Internal audit Aug annually</p>	Head of fleet

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Furthermore, many activities undertaken have become custom and practice but there are no documented procedures. This provides a potential point of failure should key staff be absent for a prolonged period or leave the employ of the Constabulary.	Procedures be documented for the activities undertaken across the Fleet team.	2	<p>Specific – Fleet activities to be identified and procedure documents created to reflect along side rec 1.</p> <p>Measurable – Will regularly been seen in the application of activities carried out by the fleet team. Alongside the audit plan they will be refined into best practice.</p> <p>Achievable – Yes, these documents will consolidate all working practices.</p> <p>Relevant – This will give the fleet team procedures to follow increasing resilience and preventing single point of failure.</p> <p>Time-bound – along side rec 1, Complete by Jun 24 with audit plan to commence Aug 24.</p>	<p>Development Sept 23 – Apr 24</p> <p>Implementation Apr 24 – Jun 24</p> <p>Internal audit Aug annually</p>	

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>All vehicles are required to have a weekly check undertaken by a user to confirm key elements of the vehicle are in place and to identify any issues with tyres or damage. A review of the dashboard data for Cumberland BCU during the audit fieldwork identified 61% of vehicles compliant. Of the 30 vehicles overdue, there were 21 that were still recorded as available and therefore in use.</p> <p>Further investigation identified that some vehicle checks were being completed and submitted for vehicles that were unavailable and off the road. This activity suggests that users may either not understand the reason for the checks or that they are potentially submitting checks that may not have actually been done.</p>	The completion of weekly vehicle checks be reviewed to ensure that all users understand the process and requirements for the checks being required.	2	<p>Specific - Agenda item added to next TVG meeting 16 Oct 23 to review this process and implement stronger control measures. Guidance on vehicle check completion is to be reviewed with Driving school for relevance and currency, then published on force intranet "Need to know".</p> <p>Measurable – effective communication and completions will see vehicle check compliance rise.</p> <p>Achievable – Yes.</p> <p>Relevant - Vehicle safety checks are an important part of ensuring vehicles are fit for service and operational use.</p> <p>Time-bound – Complete by 31 Oct 23.</p>	<p>Next TVG 16 Oct 23</p> <p>Reviewed and actions allocated to complete by 31 Oct 23.</p>	Head of fleet
4	Delivery	<p>The Fleet Strategy identifies the key performance indicators, the majority of which are reported through the PowerBi dashboard.</p> <p>It was identified that there are no performance indicators available to monitor the elements of the processes undertaken by the maintenance and service provision. Testing noted that, when looking at the time a vehicle spent off the road, there was no indication if this was due to in-house delays or external factors. Additional performance indicators would help to identify any internal pinch points.</p>	Performance indicators for the repairs and maintenance function be developed to help identify where and when issues may be arising.	3	<p>Specific - Once governance, policy and procedures and fleet strategy revised and implemented, a KPI package is to be developed.</p> <p>Measurable – Yes, the nature of KPI is to give measurable data for action.</p> <p>Achievable – Yes, this will allow the fleet team to fine tune delivery of service.</p> <p>Relevant – Will allow transparency of service delivery to the force identifying issues and pinch points for action.</p> <p>Time-bound – Complete by April 24.</p>	April 24	Head of fleet

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	<p>As referenced elsewhere in this report, the Constabulary are currently operating two of three depots, which impacts on the volume of work that can be undertaken as well as the turnaround time for vehicles in for service or repair. During the testing undertaken, it was also noted that vehicles booked in don't always get started as expected and are therefore unavailable for longer or they remain in operation longer before work is carried out.</p> <p>It was noted, during discussions, that the Technicians are responsible for the ordering and receipting of all materials required. With the difficult recruitment of further technicians, it is suggested that a review of the technician duties is undertaken to determine how much time is spent on administration duties that could be made available for vehicle related work if there was administration support available.</p>	<p>Consideration be given to a review of technician duties to identify if administrative support would provide additional time for technicians to undertake vehicle work rather than administration of parts orders and booking of vehicles to external providers.</p>	<p><i>Cumbria constabulary is currently partaking in an enabling services review. Head of fleet has requested that this be considered during the review.</i></p> <p><i>Head of fleet has engaged with head of business development to arrange analytical breakdown of the technician's admin functions and time to highlight any changes that can be implemented to drive efficiencies.</i></p>

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926
David Robinson	Audit Manager	David.Robinson@tiaa.co.uk	07766553339

Constabulary Staff	Title
Stephen Kirkpatrick	Director of Corporate Support
Ian Shaw	Interim Fleet Manager
Dianne Hill	Fleet Management Information Officer

Exit Meeting Date	18 th August 2023
Attendees	Stephen Kirkpatrick, Director of Corporate Support

Director/Commander Comment	<p>I am content that the reasonable assurance provided within this audit of Fleet Services represents an accurate and balanced view of the function.</p> <p>I am very pleased to observe that the audit has recognised the good practices in regarding service scheduling and MOT testing QA.</p> <p>The four actions, and one further observation are all accepted and will be action by the Fleet services team as per the management responses detailed.</p> <p>Whilst the audit identifies governance improvements being required (predominantly policies and procedures), I am very pleased to observe that no issues with the maintenance and servicing approach were identified which is a testament to the high standards of work that is achieved across all aspects of Fleet Services.</p>
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Deputy Chief Constable's Comment	<p>I have read this report and the comments from Stephen above, and I am encouraged to see that the actions raised are being addressed. A review of our fleet arrangements had already been commissioned and completed, the recommendations of which are currently being refined and will be addressed and tracked through the Strategic Change Board. Equally the independent enabling services review has provided further opportunity to address some of the issues the audit highlights around governance, and its recommendations are currently being considered by Chief Officers.</p> <p>T/DCC Martland</p>
Considered for Risk Escalation	<p>Nothing to escalate.</p>

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, 2, & 3	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	-	-

Other Findings

- A Fleet Strategy that covers the period 2022 to 2025 has been developed that provides a link between the Constabulary's strategic objectives and priorities for the vehicle fleet. The Strategy is also aligned to the delivery of Vision 25.
- The Strategy is clearly set out with a simple overview of the Vision, Fleet Objectives and Fleet Strategy Actions. The four objectives are: Continually evolving to meet current and emerging operational needs; Excellent Maintenance arrangements to ensure safe a highly available provision; Affordability, provide an asset portfolio which is financially sustainable; and Reduce the carbon impact of operating a Police fleet - Plan Zero.
- An Action Plan has been developed that sets out the key actions along with the timescale, key decisions and resource. An example of this is the introduction of telematics, which will improve vehicle utilisation and measure/capture benefits and align to the efficiency plan. This was originally expected to be rolled out in April 2023, however, a slight delay in the procurement and provision of the system has delayed this to late summer of 2023.

Other Findings

-  Appendices in the Strategy clearly set out the activities of the Fleet team as well as vehicle replacement criteria (Time/Mileage) and the use of a PowerBi dashboard to monitor performance.
-  In 2023, a Fleet Demand Review was undertaken by the Director of Corporate Support, which benchmarked the Constabulary's fleet against National benchmarking data, undertook an analysis of demand and growth requests, as well as setting out proposals for plain and marked vehicles, and the structure of the Fleet team.
 The review also considered benchmarking of vehicle costs by type with a similar constabulary, availability of vehicles, sustainability and capital replacement costs over a 5 year rolling programme.
-  Four vehicles classified as unavailable were reviewed to ascertain the reason and confirm the status. In each instance, records were held to show the position of each vehicle with two relating to main dealer delays due to potential warranty claims, one booked for MOT but not yet done and one that had been off the road awaiting a new clutch for three weeks.
-  The Constabulary has three service and maintenance depots although one is currently closed due to reduced numbers of staff. There are nine Technician posts with two vacancies at the time of the audit fieldwork. It was advised that, although a recruiting exercise has been underway for some time, there is a lack of applicants across Cumbria for such roles.
-  Testing was undertaken on a variety of selected samples to review the processes undertaken by the Constabulary for vehicle servicing, vehicle MOTs, end of life disposal and vehicles scrapped.
-  A sample of 15 vehicles of varying types was selected to review the servicing records. All data was readily available and all but two vehicles were serviced in accordance with the schedules provided by the Fleet team. The two vehicles not serviced at the expected time were confirmed as being off the road due to damage at the time and were subsequently serviced once they were returned.
 The service schedules have been set by the Fleet Manager and are less than the manufacturer's guidelines, although this is not formally documented in any policy, as referenced in the finding in Recommendation 1 of this report.
-  Police vehicles are exempt from requiring an MOT providing that it is provided for police purposes and maintained in an approved workshop. The Constabulary, however, put all vehicles through an annual MOT, which are undertaken by an independent third-party provider and is seen as an additional assurance on the work undertaken by the in-house service and repair depots. A sample of ten vehicles was selected for review. Two vehicles were identified as having an MOT more than one month in advance of the existing expiry date; this was confirmed as being coordinated with the vehicle service to reduce the unavailability of the two vehicles.
 A third vehicle was found to have no MOT test records, however, it was established that this vehicle had been transferred in from another Force, which didn't MOT their vehicles, and that a date had been booked for the MOT to take place.
-  A sample of five vehicles that were sold at reaching their end of life with the Constabulary and three vehicles that were scrapped was selected for review.
 For the vehicles that were scrapped, an independent third-party report was evidenced to confirm the need to scrap, with each vehicle disposal being authorised by the Fleet Manager.
 For the five vehicles that were sold, a Condition Report was provided for each vehicle, along with the CAP value and suggested reserve. All vehicles in this sample were authorised for sale by the Fleet Manager. A review of the income noted that each vehicle sold in excess of its suggested reserve and income was received that equated to 86% of the CAP value.



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 KPIs 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	4	-
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	-	1

Other Findings



The Fleet Demand review confirms that the national approach to sustainability is classed as in the start-up phase with limited coordination of plans across the sector. The review identifies that Cumbria Constabulary (at 3.6%) compares favourably with the national police fleet figure of 1.7% and UK wide figure of 4.5% for all electric vehicles (EV).
There are currently eight EVs on the Cumbria fleet, which will rise to 11, and a further 13 hybrid vehicles. The report acknowledges that infrastructure and vehicle range are significant factors in the roll out of EV vehicles going forward.

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:	19 th June 2023	19 th June 2023
Draft Report:	6 th September 2023	13 th November 2023
Final Report:	13 th November 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Fleet - Strategy and Management of Fleet		
Type of Review:	Assurance	Audit Lead:	Andrew McCulloch

Outline scope (per Annual Plan):	The review will consider the strategy for the management and replacement of the fleet of vehicles and effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOT's, responsive repairs and general maintenance.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	19/06/2023	Exit Meeting Date:	18/08/2023	Exit Meeting to be held with:	Stephen Kirkpatrick
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

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