



PDNPA Vehicles 2020-21
Peak District National Park Authority
Internal Audit Report 2021/22

Business Unit: All
Responsible Officer: Strategic Leadership Team
Service Manager: Head of Engagement
Date Issued: 23 April 2021
Status: Final
Reference: 69187/003.bf

	P1	P2	P3
Actions	0	0	2
Overall Audit Opinion	Reasonable Assurance		

Summary and Overall Conclusions

Introduction

The Peak District National Park Authority (PDNPA) maintains a fleet of thirty three vehicles, of which fifteen were upgraded in 2020. Vehicles are for use around the park by rangers and pool cars for staff members travelling on PDNPA business. All vehicles are maintained and serviced through Service Level Agreements with Derbyshire County Council and ATS tires, with PDNPA maintaining oversight.

The authority also has a number of heavy duty vehicles for maintenance of the park, trailers and other items of operational equipment. The operational availability of vehicles and equipment should be monitored by the use of vehicle and inventory management systems to ensure appropriate usage. Regular, planned maintenance of this equipment ensures that they are fit for purpose and safe for staff use.

The monitoring of fuel and maintenance expenses ensures that the organisation can judge whether it remains cost effective to retain a vehicle or piece of equipment or if it is no longer fit for purpose and should be disposed of.

A vehicles and equipment audit was carried out in 2018/19 by Veritau. The findings from this audit identified inconsistent vehicle maintenance records and log sheets without manager sign off. A follow up will be carried out as part of this audit.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- Contracts in place for vehicle and equipment maintenance are up to date and monitored.
- Vehicles and equipment are only used for appropriate purposes.
- Fuel costs are effectively managed and monitored.

As we were unable to carry out physical reviews onsite due to home working, the audit did not include a review of the physical security of assets.

Key Findings

Contracts in place for vehicle and equipment maintenance are with Derbyshire County Council (DCC), ATS and All Star. Appropriate key contacts were identified for each supplier to ensure there is a consistent dialogue between The Authority and the external provider. We found the main contract for maintenance with DCC and ATS was agreed in 2009. It is stated in the agreement that it is up to the customer to review the contract. However, the Authority has not initiated a review in 12 years. Furthermore, one contract relating to fuel card purchases via Allstar could not be identified, although this service is set for a review in 2022. Allstar are on the Crown Commercial Services (CCS) Framework RM6000 to March 2022. CCS is the largest public procurement organisation in the UK. They vet and review suppliers regularly to check their reliability and find competitive prices to save UK public sector organisations time. Therefore, the risks related to not identifying the actual contact during the audit are low. Additionally, the Authority are registered online with Allstar so most account information and transaction data is available from the online portal.

There is appropriate oversight to ensure the MOT and services of vehicles and equipment are carried out in a timely manner. Overarching oversight lies with the Finance Team who receive monthly maintenance reports from DCC stating when MOTs, services and maintenance checks are due for vehicles

and for equipment. Day to day responsibilities remain with different managers across the Peak District who must ensure vehicles and equipment are taken in. They are also responsible for repairs and other circumstances which require a reactive approach. In the previous audit we found there was no central record stating each vehicle or equipment's maintenance schedule, this is now being incorporated into the Master Vehicle and Equipment list.

There are multiple policies and procedures in place to ensure officers understand how to book a vehicle and how to use the vehicle. There is also information available if in the event of an unfortunate circumstance, including a breakdown or accident. Policies and procedures explicitly outline when vehicles can and cannot be used, and reiterates they must not be used for personal use. This information is provided throughout a staff induction; available online and is re-sent when a problem is identified.

To ensure vehicles and equipment are used by authorised personnel only, keys are stored in the main office or bases across the PDNPA in pin secured lockers. Only members of the Authority have access to these areas, and there is CCTV and security on site to ensure only authorised personnel have access. However, the pins for the lockers should be regularly changed to reduce the risk that vehicles and equipment can be used by officers without prior authorisation or for personal use. For authorisation of vehicle use there is a record on the Outlook calendar and in vehicle mileage logs. For equipment there is a full inventory list that states who the responsible officer is for each piece of equipment. Although there is no central log to identify who is using what equipment when, the responsible officer listed in the full inventory has this information.

Vehicle mileage logs are maintained by the drivers and journeys are to be authorised by managers on a monthly basis. We found all vehicle mileage logs included the odometer figures for the start and end of each journey, and were signed by each driver for all journeys. However, we found an inconsistency across the types of vehicle mileage logs maintained. 2 of 5 in our sample did not have the space for an authoriser signature. Of the 20 months tested across 5 vehicles, 2 months were not authorised by a manager and 9 months had vehicle mileage logs that did not have space for manager authorisation. This was also a finding in the previous audit carried out in 2019 which has not been addressed.

Fuel costs are effectively managed and monitored. All fuel cards have corresponding vehicles and a list of all details is available to Finance Team. Fuel costs are monitored per vehicle. Large discrepancies are easily identifiable on reports, no discrepancies were found in the sample of fuel cards reviewed.

Overall Conclusions

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

1 Contracts

Issue/Control Weakness

Contracts in place for MOT, services and maintenance have not been reviewed for 12 years.

Risk

Agreed terms and conditions may no longer be fit for purpose. The Authority are not receiving best value or service for money.

Findings

Best practice states contracts should be reviewed on a regular basis to ensure terms and conditions still apply to current circumstances.

The Authority have an agreement with Derbyshire County Council for the MOT, servicing and maintenance of vehicles and equipment. The agreement was made in 2009 and signed by The Head of Finance and the Deputy Area Team Manager from PDNPA and the Operations Manager and Office Manager at Derbyshire County Council. The contracts stated the following: 'This agreement will commence on the 9th May 2009 and will continue under terminated by the customer by notice'.

It is also stated in the contract that 'inflation indexing is subject to the agreement and will be applied 1st April each year'. However the process for increasing prices in line with inflation remains unclear within the Authority.

The Derbyshire County Council contract has not been reviewed for 12 years. Therefore, there is a risk that they are not obtaining the best value for money or best service from this supplier. Contracts should be reviewed regularly to ensure they are adapted to changing business needs and responsibilities are clearly understood by both parties.

Agreed Action 1.1

The DCC contact will become part of a review cycle and legal will be consulted throughout the contract review.

Priority

3

Responsible Officer

Head of Finance

Timescale

31 March 2022

2 Vehicle mileage logs

Issue/Control Weakness

Vehicle mileage logs are not signed to confirm they have been checked by a manager and journeys made have been authorised as appropriate.

Risk

Vehicles could be misused or used and not accounted for by managers, resulting in incorrect recharges to departments.

Findings

Vehicle mileage logs should be completed by each driver to record all journeys undertaken on behalf of the Authority. This should include the date, details of the journey and the start and end mileage. The log sheets should be signed by a manager and returned to the Finance Team for filing and to administer recharge costs to the correct department.

A sample of vehicle mileage logs for 5 vehicles in 2020/21 were reviewed. For each journey, the correct details were inputted by the driver in all instances, including start and end odometer readings which showed no gaps in mileage. However, of the 20 months tested across the 5 vehicles, only 9 included managers sign off. We also found the layout of vehicle mileage logs was inconsistent. For two vehicles, the mileage log did not have space for a managers' signature to approve the appropriateness of the journeys.

Managers not signing the vehicle mileage logs could result in inappropriate use of vehicles not being identified and appropriately resolved, causing recharges to departments to be inaccurate. This was also a finding in the previous audit carried out in 2019. The agreed action was to issue reminders to ensure managers signed completed log sheets to approve travel. Although this action was agreed for completion in July 2019, we continue to identify issues around this control.

Agreed Action 2.1

Vehicle mileage logs will be reviewed and updated to include manager signature section and previous week's mileage information. Managers will be reminded to sign the logs consistently. The CBS team have started to scan and upload all mileage logs to create an online filing system.

Priority

3

Responsible Officer

Head of Engagement

Timescale

March 2022

Audit Opinions and Priorities for Actions

Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below.

Opinion Assessment of internal control

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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