



VEHICLES

PEAK DISTRICT NATIONAL PARK AUTHORITY

INTERNAL AUDIT REPORT

Status: Final

Date issued: 5th June 2024

Responsible officer: Finance Officer

	Critical	Significant	Moderate	Opportunity
Findings	0	0	2	0
Overall audit opinion	Reasonable assurance			

INTRODUCTION

The Peak District National Park Authority (PDNPA) maintains a fleet of approximately thirty vehicles, of which four are office pool cars and the remaining are a mixture of cars, vans and heavy-duty vehicles for park maintenance. Of these vehicles, two are fully electric cars and five are electric vans. 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 regularly through a Service Level Agreement (SLA) with Derbyshire County Council (DCC), with PDNPA maintaining oversight. This ensures the vehicles are fit for purpose and safe for staff use. All vehicles are required to be fully taxed and insured and the Finance Officer is responsible for monitoring these areas.

Vehicles (and equipment) audits have been carried out by Veritau in 2017, 2019 and 2021. This audit has included a follow-up of previously identified issues, such as vehicle maintenance and completion of log sheets.

OBJECTIVES AND SCOPE

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

- ▲ Vehicles are maintained to an acceptable standard and their associated servicing costs and contracts are effectively managed and monitored.
- ▲ Submitted log sheets are complete, accurate and authorised appropriately.
- ▲ Vehicle related tax and insurance is up-to-date, accurate and monitored.

KEY FINDINGS

Testing confirmed that the controls the authority has in place in relation to MOT, tax, insurance and regular safety inspections are working correctly and we are able to provide assurance that these key functions are being managed effectively.

The authority has contracts with Derbyshire County Council (DCC) to provide the maintenance for their vehicles. The maintenance Service Level Agreement (SLA) has not been reviewed since it was initially signed in 2009. During testing the

Finance Officer confirmed they were satisfied with the level of service provided and that they did not believe they were being over-charged. However, given the agreements have not been reviewed for 15 years, it would be advisable for these to be reviewed and benchmarked to ensure the authority is receiving best value for money.

At the authority, every vehicle or trailer is recalled every six months for a safety inspection, annual service or MOT, regardless of the age of the vehicle. All ten of the vehicles we sampled had undergone some form of maintenance in the past six months. One invoice did not contain the registration number of the vehicle; however as it is the only authority vehicle of its type (a Warslow Moors agricultural tractor), it could be identified without this information. All vehicles which required a MOT have current MOTs.

The authority's Travel and Subsistence Scheme requires that "*all vehicle log sheets will be reviewed and checked for correctness.*" However the Scheme does not state who should undertake this activity and the Scheme could make this clearer or provide a list of those authorised to do these checks. For most authority-owned vehicles, a standard log sheet form is provided. This is manually completed by the driver, signed by a manager and scanned onto the network directory. No further checks are undertaken after the form has been authorised. For pool cars, logbooks located in vehicles are manually completed, collected quarterly and mileage is re-charged to services. Each car has an Outlook calendar for bookings, so there is an audit trail to evidence vehicle usage. Logbooks are not authorised, however the Finance Officer explained that reasonableness checks are undertaken as part of the quarterly re-charge process.

The three logbooks and two of the seven log sheets tested had not been signed to confirm they had been checked. Due to the manual processes in place, and illegibility of some entries, we could not accurately verify whether mileage was correct in all cases. However, the miles claimed matched the odometer readings provided. From five mileage claims reviewed, two were accurate, but three had overstated mileage for journeys, for an additional 72 miles in total.

The authority's insurance policy is with Zurich which is managed through DCC. The Finance Officer informs DCC of any vehicle changes. The authority maintains a master list of vehicles which is compared annually to the list held by the insurance company to ensure accuracy. All ten vehicles we reviewed were on the master list and the insurance company's list and their road tax was current. Some details were missing from the master list for some vehicles, such as MOT and road tax dates. Five out of six vehicles which had been disposed of had been removed from the insurance company's list. A trailer, which had been marked as stolen on the authority's list, was not listed under any categories on the insurance company's list.

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 Review of vehicle maintenance contract

Moderate

Control weakness

The Service level Agreement (SLA) with Derbyshire County Council (DCC) has not been reviewed since May 2009.

What is the risk?

The authority may not be receiving the best value for money or service standards for the maintenance of its vehicles.

Findings

Derbyshire County Council (DCC) undertakes the maintenance of PDNPA vehicles, and a comprehensive Service Level Agreement (SLA) is in place to govern the arrangement. However, the initial agreement and its terms have not been reviewed since May 2009. Furthermore, no tendering processes for vehicle maintenance have been undertaken during this time.

It was explained to us the contracts had not been reviewed as there had been no indication the authority was being over-charged and there had been no issues with the service received. It was also preferable for the authority to use local suppliers and so they were satisfied with DCC as their supplier for vehicle maintenance. Furthermore, the authority no longer has a dedicated fleet manager, with this responsibility delegated to service line managers, and this has led to a control weakness of where responsibility for the contract lies.

However, by not reviewing this agreement, the authority may not be receiving value for money or the best standard of service. Undertaking a review of the contract, some bench-marking activity or a full procurement/tendering exercise would help to provide assurance that the authority is receiving good value.

Agreed action

We will liaise with DCC in regard to the out-of-date maintenance contract and take necessary steps to put a new contract in place.

Responsible officer: Finance Officer

Timescale: 30 September 2024

2 Completion of log sheets and logbooks

Moderate**Control weakness**

The process to complete log sheets and logbooks is reliant upon manual input, and there is a lack of oversight.

What is the risk?

Mileage fraud could occur. Vehicles could be used for purposes not sanctioned by the authority.

Findings

The authority's Travel and Subsistence Scheme requires that log sheets be completed and checked for every journey undertaken. The Scheme does not however state who should undertake this activity so it would be advisable if this were made clearer in the Scheme or a list of people with the authority to undertake these checks were provided. However, no further checks are undertaken following approval to ensure that log sheets are fully completed and appropriately checked. Although testing was made more difficult due to illegible records or multiple destinations included, we confirmed that mileage had been overclaimed for listed journeys in three out of five cases, for an additional 72 miles in total (26, 5 and 41 miles). However the total miles claimed matched the start and end odometer readings recorded on the log sheets. Most of the approval signatures were not legible and two signatures were missing completely.

One log sheet had not been sent for weekly scanning in line with the process followed for all other vehicles and there was no evidence that mileage had been checked. The standard template was not used in two cases, including this one.

Logbooks are not authorised, however the Finance Officer explained that reasonableness checks are undertaken as part of the quarterly re-charge process. It is sometimes difficult to perform these checks due to vehicles being used for multiple visits in one day and illegibility of the records.

The completion, review and authorisation of log sheets and logbooks is a manual process and developing a more automated procedure could improve efficiency and reduce the risks that reliance on manual processes creates, such as loss of records, lack of authorisation and a risk of fraud occurring. This could also help to reconcile mileage, as in a number of cases during our testing, destinations and journeys were not legible.

Agreed action

1. The Travel & Subsistence scheme will be updated to identify those who check and sign log sheets.
2. A reminder will be issued to staff and drivers concerning the importance of correctly and legibly completing fleet log sheets and mileage log books and submitting them for approval.
3. The Finance Officer will explore a systems-based approach for the automatic collation of vehicle mileage data – i.e. Tracking Solutions or other App based solutions.

Responsible officer: Finance Officer**Timescale:** 31 March 2025

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

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