

Glasgow City Council Internal Audit Section

Committee Summary

Neighbourhoods, Regeneration and Sustainability Services – Fleet Management Arrangements

1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of the Councils' Fleet Management arrangements. Based within Neighbourhoods, Regeneration and Sustainability, Fleet Services manage the councils' fleet of vehicles in order to directly support front line and associated operations by providing a comprehensive vehicle fleet for all aspects of Council services.
- 1.2 Maintenance of the fleet is undertaken both internally and with support from external providers. The fleet of vehicles used by the council is essential in delivering frontline services to the residents of Glasgow. There are currently over 1,300 vehicles in the council fleet across the council family. The direct revenue costs for leasing, servicing and maintaining the fleet are in the region of £24m per annum.
- 1.3 The purpose of the audit was to gain assurance that there are adequate controls in place for Fleet Management and that these are operating effectively.
- 1.4 The scope of the audit included:
- Documented policies, procedures and guidelines in place to support staff.
 - Arrangements for the administration and maintenance of the fleet.
 - Record keeping.
 - Staff training and communication arrangements.
 - Roles and responsibilities for the current Fleet Management arrangements.
 - Review of the Fleet Management Strategy.

Item 6 (i)

18th September 2024

2 Audit Opinion

- 2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and two recommendations which management should address.

3 Main Findings

- 3.1 We found that some key controls are in place and generally operating effectively. A long-term Fleet Management Strategy with clear desired outcomes and actions is in place. Progress made against the Strategy is reported quarterly to the Fleet Management Strategy Executive Board who are responsible for strategic decision making. There is a clear and understood process for updating actions which affect the delivery of the Strategy.
- 3.2 Responsibility for the purchase, leasing, repairs, damages, and insurance of fleet vehicles is clearly understood and we verified that contractual arrangements are in place. Requests for the leasing of vehicles must be requested by Senior staff within Services and authorised by Senior staff within Fleet Services. We reviewed the monitoring arrangements in place to ensure the expiry of vehicle leases is tracked and found them to be adequate.
- 3.3 A process is in place to ensure that new vehicles are added to the vehicle management system. We observed that the storage arrangements for both fleet vehicles and fleet vehicle keys at the operational base for Fleet Services were secure.
- 3.4 We confirmed that the costs for accidental damage repairs which are undertaken by third parties are subject to verification from independent inspectors to ensure charges are verified.
- 3.5 We reviewed a sample of ten vehicles from the Fleet Vehicle Asset Register and verified that they had been serviced in line with the expected timescales for each vehicle type and the expected documentation had been completed.
- 3.6 We also reviewed a sample of ten vehicles obtained on long term leases in order to verify that the acquisition was subject to appropriate approval. Through the audit trails in place we were able to verify that all ten leases were appropriately authorised.
- 3.7 However, we noted that there are some areas where controls could be strengthened. A Fleet Services Risk Register is in place, however, on review we identified one risk where no controlling / mitigating actions were listed.
- 3.8 Procedures are in place and available to assist staff with their responsibilities in relation to Fleet Management tasks,

however the procedures indicate they were last reviewed in 2022, while they should be reviewed on an annual basis.

- 3.9 An action plan is provided at section four outlining our observations, risks and recommendations. We have made two recommendations for improvement. The priority of each recommendation is:

| Priority | Definition | Total |
|----------------------------|--|-------|
| High | Key controls absent, not being operated as designed or could be improved. Urgent attention required. | 0 |
| Medium | Less critically important controls absent, not being operated as designed or could be improved. | 1 |
| Low | Lower level controls absent, not being operated as designed or could be improved. | 1 |
| Service Improvement | Opportunities for business improvement and/or efficiencies have been identified. | 0 |

- 3.10 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.11 We would like to thank officers involved in this audit for their cooperation and assistance.

- 3.12 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the actions contained in the attached Action Plan.

4 Action Plan

| No. | Observation and Risk | Recommendation | Priority | Management Response |
|--|--|--|----------|---|
| Key Control: A fully completed Risk Register is in place. | | | | |
| 1 | <p>A Fleet Services Risk Register is in place, however, on review, we identified one risk where no mitigating actions were listed.</p> <p>A fully completed risk register with clear and verifiable mitigating actions provides assurance that risks are adequately managed and allows the consequences of the risk to be minimised or better managed.</p> <p>An incomplete risk register increases the potential impact if a risk occurs.</p> | Management should ensure that the Fleet Services Risk Register is reviewed and clear and verifiable mitigating actions are listed against risk where applicable. | Medium | <p>Response:</p> <p>The risk register will be updated, as there has been constant dialogue between all stakeholders.</p> <p>Officer Responsible for Implementation:</p> <p>Asst. Group Manager, Fleet Services</p> <p>Timescales for Implementation:</p> <p>31 August 2024</p> |

| No. | Observation and Risk | Recommendation | Priority | Management Response |
|--|---|---|----------|---|
| Key Control: Accurate and up to date procedures have been provided to relevant staff members. | | | | |
| 2 | <p>Procedures are in place and available to assist staff with their responsibilities in relation to Fleet Management tasks, however the procedures indicate they were last reviewed in 2022, while they should be reviewed on an annual basis.</p> <p>Without up to date and accurate procedures in place to direct staff, there is an increased risk that staff do not follow the current processes.</p> | Management should ensure that procedural documentation is reviewed and updated where required on an annual basis. | Low | <p>Response:</p> <p>A review of documented procedures will now be undertaken, and thereafter as identified in the recommendation this will be scheduled annually.</p> <p>Officer Responsible for Implementation:</p> <p>Asst. Group Manager, Fleet Services</p> <p>Timescales for Implementation:</p> <p>30 September 2024</p> |