



## STAFFORDSHIRE POLICE, FIRE & CRIME COMMISSIONER AND CHIEF CONSTABLE OF STAFFORDSHIRE

### Fleet Utilisation - Follow Up 2020/2021

*Item 5 (ii)*

Internal audit report 6.20/21  
FINAL

4 February 2021

This report is solely for the use of the persons to whom it is addressed.  
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

# 1. EXECUTIVE SUMMARY

With the use of secure portals for the transfer of information, and through electronic communication means, remote working has meant that we have been able to complete our assignment and provide you with the assurances you require. It is these exceptional circumstances which mean that 100% of our audit has been conducted remotely. Based on the information provided by you, we have been able to sample test, or complete full population testing using data analytics tools.

We have undertaken a review to follow up on progress made to implement the previously agreed management actions from the Fleet Utilisation (4.19/20) review. The objective of the original review was to identify whether there was an effective system of fleet management in place to ensure the right resources are available at the right time and that value for money can be demonstrated. The outcome of the review consisted of two 'High', seven 'Medium' and three 'Low' priority management actions.

**Conclusion** - Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Staffordshire Police, Fire & Crime Commissioner and Chief Constable of Staffordshire has demonstrated **reasonable progress** in implementing agreed management actions.

**Progress on actions** - The following table includes details of the status of each management action:

\*Please note in the table below that the 2 original high priority actions were both in progress and have been re-prioritised to 1 medium and 1 low, therefore allowing for a reasonable progress opinion.

Implementation status of review: Fleet Utilisation (4.19/20)	Number of actions agreed	Status of management actions				
		Impl. (1)	Impl. ongoing (2)	Not impl. (3)	Superseded (4)	Confirmation as completed or no longer necessary (1)+(4)
High	2*	0	0	0	0	0
Medium	7	6	2	0	0	6
Low	3	1	2	0	1	2
<b>Total</b>	<b>12</b>	<b>7</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>8</b>

## 2 FINDINGS AND MANAGEMENT ACTIONS

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.
5	The action is not yet due.

### Fleet Utilisation (4.19/20)

<b>Original management action 4a</b>	<b>Training</b> The Force will ensure that all relevant staff are provided with training on how to use the Key2 Fleet Management system in relation to their day to day tasks (including creating and exporting reports for management staff). <b>High</b>			
<b>Audit finding / status</b>	<p>Through discussions with the Strategic Head of Transport for Fire &amp; Police, we were informed that some internal training has taken place regarding the use of Key2, however the training delivered has been informal and the Force have queried with Jamma and confirmed that there are no training modules that can be delivered to staff on how to use the Key2 system for their day to day tasks. As such, it appears that no formal training on how to use Key2 can be delivered by Jaama, however there is also no evidence to show that informal training has been delivered to staff.</p> <p>Where supporting evidence of training is not on file, the risk remains that there is not a consistent approach to operational tasks within JETS, resulting in potential errors and omissions in the completion of key tasks using the Key2 system.</p> <p>Although we have identified that no formal training can be given by Jaama, we have updated the management action to ensure that formal evidence of the on the job training is retained on file to provide assurance that staff have completed any required training on using the system to perform their day to day tasks.</p> <p><i>2 – The action has been partly though not yet fully implemented.</i></p>			
<b>Management Action</b>	<b>Training</b> The JETS team will formalise the on the job training delivered to staff on how to use the Key2 Fleet Management system to ensure that the team can evidence that staff have undertaken the required training to perform their day to day tasks (including creating and exporting reports for management staff).	<b>Responsible Owner:</b> Sarah Wood, Strategic Head of Transport for Fire & Police	<b>Date:</b> 31 May 2021	<b>Priority</b> Medium

## Fleet Utilisation (4.19/20)

<b>Original management action 7</b>	<b>Value for Money – Suppliers and Parts</b> JETS should ensure that evidence of value for money consideration / tender process (eg market testing of the cost for parts) is held on file for each 'Approved Supplier'. <b>Medium</b>			
<b>Audit finding / status</b>	<p>Through discussions with the Strategic Head of Transport for Fire &amp; Police, we identified that the CCS procurement framework is used to procure vehicles and parts, however the Commercial Team are working on an updated approach for batch procurement following the national tender process due to take place in April 2021, which has been pushed back following national decisions. As part of the updated approach, there will be increased focus on demonstrating that value for money has been obtained.</p> <p>We obtained a copy of the workplan used by the Commercial team for fleet and the planning of procurement activity. The workplan includes the procurement tasks for contract renewals, new tenders and new project requests. We were also informed that the Commercial team have a strategic call with JETS on a monthly basis to review the workplan and the Commercial team are also working closely with Blue Light Commercial on the national framework agreements that are being proposed for April 2021.</p> <p>Where value for money considerations are not held on file for approved suppliers, there is a risk that procurement decisions taken at the Fire and Police are not the most effective in terms of realising tangible benefits, which include cash savings. Holding such evidence on file will allow the Fire and Police to clearly demonstrate that value for money have been obtained and that other procurement options have been considered as part of the procurement process.</p> <p>As the national procurement exercise has not yet taken place, we have reiterated this management action.</p> <p><i>2 – The action has been partly though not yet fully implemented. (Given the progress made we have re-prioritised this action to Low)</i></p>			
<b>Management Action</b>	<b>Value for Money – Suppliers and Parts</b> JETS should ensure that evidence of value for money consideration / tender process (eg market testing of the cost for parts) is held on file for each 'Approved Supplier'.	<b>Responsible Owner:</b> Helen Holden, Head of Commercial Services Sarah Wood, Strategic Head of Transport for Fire & Police	<b>Date:</b> 31 July 2021	<b>Priority</b> Medium
<b>Original management action 9</b>	<b>Sample Testing – Vehicle Hire and Value for Money – Vehicle Hire</b> Subsequent to the review of the Hire Procedure, JETS must ensure that they hold the required evidence in all cases where vehicles are hired, including consideration of value for money. Where vehicles relate to any type of agreement, a signed, in date copy of the details of this agreement must be held on file. <b>Low</b>			

## Fleet Utilisation (4.19/20)

**Audit finding / status** The Hire Procedure – External and Internal document has been reviewed and updated to reflect the Fire and Police’s current practices. However, as the procedure is in the process of being formally approved, evidence showing that in all cases, value for money has been considered when vehicles have been hired is not yet held.

As a result, we have updated this management action.

*2 – The action has been partly though not yet fully implemented.*

Management Action	Sample Testing – Vehicle Hire and Value for Money – Vehicle Hire	Responsible Owner:	Date:	Priority:
	JETS must ensure that they hold the required evidence in all cases where vehicles are hired, including consideration of value for money.	<i>Sarah Wood, Strategic Head of Transport</i>	30 April 2021	Low
	Where vehicles relate to any type of agreement, a signed, in date copy of the details of this agreement must be held on file.	<i>Wendy Slater / Alison Severn, Support Workshop Managers</i>		

Original management action 11b	Governance and Performance Monitoring
	A suite of Key Performance Indicators should be considered by JETS’ Management Team, agreed and monitored on a periodic basis through the internal governance framework. JETS could consider KPIs to monitor the following (this list is not exhaustive): <ul style="list-style-type: none"> <li>• Vehicle utilisation (mileage comparisons, month on month);</li> <li>• Repairs cost per unit type / category;</li> <li>• Turnaround time on Services/MOTs; and</li> <li>• Fuel economy per asset type.</li> </ul>
	<b>High</b>

Audit finding / status	Review of the July 2020 Performance Monitoring Report presented to the SSOMG confirmed that key measures for JETS had been agreed and were included in appendix 6 of the report. The KPIs included as part of the Key Measures include: <ul style="list-style-type: none"> <li>• Vehicle percentage availability;</li> <li>• Average turn-around time per vehicle type for Service &amp; Maintenance; and</li> <li>• Planned Service Work completed on time;</li> </ul> <p>In addition, expenditure against budget is included as part of the key measures, with this being monitored through an annual report. We were informed by the Strategic Head of Transport for Fire &amp; Police however that these cannot yet be produced as the team does not yet have IT support to be able to analyse and present the data in the required format to produce the KPIs.</p> <p>Where KPIs are not reported to those charged with governance, there is a risk that there is not sufficient oversight of JETS and its performance and as a result, key decisions to improve performance cannot be made in a timely manner.</p> <p>We also confirmed through review of the November 2020 SSOMG minutes that an update on JETS was included as part of the Performance Monitoring Report.</p>
------------------------	---

#### Fleet Utilisation (4.19/20)

As a result of the KPIs not being presented to SSOMG at the time of review, we have updated this management action to ensure that the KPIs included as part of the July 2020 Performance Monitoring Report are reported to the SSOMG.

*2 –The action has been partly though not yet fully implemented. (Given the progress made we have re-prioritised this action to Low)*

Management Action	Governance and Performance Monitoring	Responsible Owner:	Date:	Priority:
	The suite of Key Performance Indicators presented to the Shared Services Operational Management Group in July 2020 will continue to be reported to the SSOMG on a regular basis and any other meetings considered necessary to ensure that there is standard performance reporting through the internal governance framework.	Justine Kenny, Director of People and Resources Sarah Wood, Strategic Head of Transport	31 March 2021	Low

## APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment.

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high priority actions	Consideration of medium priority actions	Consideration of low priority actions
Good	75% +	None outstanding.	None outstanding.	All low actions outstanding are in the process of being implemented.
Reasonable	51 – 75%	None outstanding.	75% of medium actions made are in the process of being implemented.	75% of low actions made are in the process of being implemented.
Little	30 – 50%	All high actions outstanding are in the process of being implemented.	50% of medium actions made are in the process of being implemented.	50% of low actions made are in the process of being implemented.
Poor	< 30%	Unsatisfactory progress has been made to implement high priority actions.	Unsatisfactory progress has been made to implement medium actions.	Unsatisfactory progress has been made to implement low actions.

## APPENDIX B: ACTIONS COMPLETED OR SUPERSEDED

From the testing conducted during this review we have found the following actions to have been fully implemented and superseded.

Assignment title	Management actions
Fleet Utilisation (4.19/20)	<b>Implemented</b> <b>JETS Policy and Procedures and Vehicle Replacement Policy</b> The JETS Vehicle / Equipment Service & Maintenance Policy and Procedures (and any other policy/procedures) will be provided to all relevant staff in a computer-based format and include a version control which details the following: <ul style="list-style-type: none"><li>• Responsible Officer;</li><li>• Previous review date; and</li><li>• Date next due for review.</li></ul> <b>Medium</b>
	<b>Implemented</b> <b>Vehicle utilisation / Periodic reconciliations and Vehicle MOT and Servicing</b> The Force should introduce a periodic reconciliation of all vehicles in Key2 and their mileages, that can be used by management to identify, escalate and investigate issues (for example, but not limited to, potential overdue services), taking into consideration, the following examples (this list is not comprehensive): <ul style="list-style-type: none"><li>• Vehicles travelling low mileages (underutilised);</li><li>• Vehicles 'off road' for over 14 days; and</li><li>• Vehicle locations.</li></ul> Jaama should be involved in this review, to ensure that the system can be used to output the specific details required. <b>Medium</b>
	<b>Implemented</b> <b>Management Information</b> The Key2 Dashboard will be reviewed by JETS, in conjunction with Jaama and Boeing, to ensure that the management information on display is current, relevant and fit for purpose. <b>Medium</b>



---

**Implemented****Contract Management – Jaama:**

The Force will consider formalising the Jaama contract management group that meet periodically to provide a structure for any Key2 issues to be escalated, monitored and resolved in a timely manner. These meetings should be minuted, and attended by relevant parties from Jaama, Boeing and JETS.

**Medium**

---

**Implemented****Vehicle Defects**

All types of vehicle will be given a priority reference, which must be documented (if possible, in Key2), to ensure that each category of vehicle is treated consistently and in line with the Procedures.

**Low**

---

**Superseded****Policies and Procedures – Vehicle Hire**

The Force must consider options available within Key2 to ensure all hire vehicles' details are recorded on the system (including pool).

**Low**

---

**Implemented****Policies and Procedures – Vehicle Hire**

The Hire Procedure – External and Internal procedure document will be reviewed and updated (where necessary) to ensure it reflects current practices and includes the following:

- A step in the process ensuring the use of fleet and other vehicles is considered, prior to accepting the hire booking; and
- A version control as agreed in Management Action 1 of this report.

**Medium**

---

**Implemented****Governance and Performance Monitoring**

The internal governance framework for the escalation of information and analysis relating to JETS performance must be reviewed and documented, to ensure consistent communication and efficient escalation and resolution of issues, where necessary.

**Medium**

---

## APPENDIX C: SCOPE

The scope below is a copy of the original document issued.

### Scope of the review

The internal audit assignment has been scoped to provide assurance on how Staffordshire Police, Fire & Crime Commissioner and Chief Constable of Staffordshire manages the following area:

#### Objective of the risk under review

That there is an effective system of fleet management in place to ensure the right resources are available at the right time and that value for money can be demonstrated.

When planning the audit, the following areas for consideration and limitations were agreed:

#### Areas for consideration:

- The audit will consider the control environment for those areas of control where a management action was included in our Fleet Utilisation audit report from 2019/20.
- The audit will provide assurance that the management action raised has been appropriately implemented and ensuring that the identified control remains effectively designed and provides for the appropriate operational governance for all parties (OPFCC, Force and FRS).
- Where necessary, our work will incorporate the use of Computer Assisted Audit Techniques (CAATs) using the IDEA software package.

#### Limitations to the scope of the audit assignment:

- We will be only considering the control framework associated with those areas where a management action has previously been raised.
- We will not review the disciplinary process for occurrences of non-compliance with established policies and procedures.
- We will not review the suitability of the system, just that the system is being utilised
- We will not consider the processing of private mileage claims.
- We will not consider the suitability of the pool or operational bank vehicles
- We will not provide assurance that all legislative requirements have been met.
- We will not review the maintenance of fleet, pool or operational bank vehicles and if they are suitable for road use.
- Our testing will be undertaken on a sample basis, so all transactions will not be reviewed or verified.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.
- The results of our work are reliant on the quality and completeness of the information provided to us.

<b>Draft report issued</b>	20 January 2021
<b>Responses received</b>	4 February 2021
<b>Final report issued</b>	4 February 2021

<b>Internal audit Contacts</b>	Daniel Harris – Head of Internal Audit <a href="mailto:daniel.harris@rsmuk.com">daniel.harris@rsmuk.com</a> / 07792 948767 Angela Ward – Senior Manager <a href="mailto:angela.ward@rsmuk.com">angela.ward@rsmuk.com</a> / 07966 091471
--------------------------------	--

<b>Client sponsor</b>	John Bloomer - Chief Finance Officer (Force) David Greensmith - Chief Finance Officer (OPFC)
<b>Distribution</b>	John Bloomer - Chief Finance Officer (Force) David Greensmith - Chief Finance Officer (OPFC)

## **rsmuk.com**

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Staffordshire Police, Fire & Crime Commissioner and Chief Constable of Staffordshire, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.