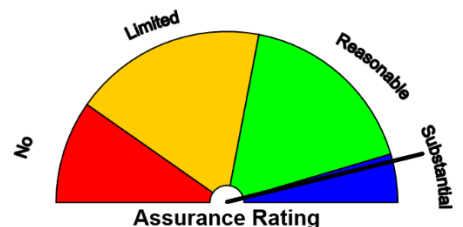




# Derbyshire Fire & Rescue - Fleet Management 2022-23 Final Audit Report



## Our Vision

To bring about improvements in the control, governance and risk management arrangements of our Partners by providing cost effective, high quality internal audit services.

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# 1 Executive Summary

## 1.1 Scope of Audit

- 1.1.1 This audit focused on the data migration from the old Fleet Management system, Trace, to the new Fleet Management system, Jaama, which went live in October 2020. The audit also considered the checking processes for maintaining and updating data in the new system by examining documentation relating to vehicles and drivers and sample testing for entries into the system.

## 1.2 Summary of Audit Findings

Control Objectives Examined	No of Controls Evaluated	No of Adequate Controls	No of Partial Controls	No of Weak Controls
Documentation and training are updated for the new system with the data migration checked and tested.	6	4	1	1
Comprehensive records on all vehicles and drivers are maintained.	4	2	2	0
Updates to vehicles are recorded on the system in a timely manner with the relevant documentation available.	8	6	2	0
<b>TOTALS</b>	<b>18</b>	<b>12</b>	<b>5</b>	<b>1</b>

- 1.2.1 The following issues were considered to be the key control weaknesses:

Rec Number	Risk Rating	Summary of Weakness	Agreed Action Date
1	Low Risk	Data entry by the Transport Officers into the Fleet Management system and Finance system was not subject to secondary, independent checking.	Risk Accepted
2	Low Risk	The checks undertaken on the accuracy of the data migrated from the old Fleet Management system to the new were not documented or subject to a secondary check.	Implemented
3	Low Risk	Regular reconciliations were not being undertaken between the Fleet Management system and the Asset Register.	01/03/2023
4	Low Risk	There was no document retention schedule in place for fleet management records. The data held in the fleet management system archive or on the network shared drive was not reviewed on a periodic basis to ensure it was still relevant and needed.	Risk Accepted

- 1.2.2 This report focuses on the weaknesses in the Organisation's systems of control that were highlighted by this audit and recommends what Audit considers to be appropriate control improvements. This report contains four recommendations and all four are considered a low risk. One minor risk issue has been highlighted for management's consideration.

## 1.3 Summary of Control Assurance Provided

- 1.3.1 **Substantial** - 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.

## 1.4 Distribution & Communication

- 1.4.1 The draft report was issued to Kevin Page, Group Manager and David White, Transport Manager for comment.

This final version has been issued to Gavin Tomlinson, Chief Fire Officer/Chief Executive with copies to:

- Mark Nash, Treasurer/S151 Officer
- Kevin Page, Group Manager
- David White, Transport Manager
- Helen Tideswell, Transport Admin Manager

This report was produced by Kelly Gunn, Auditor and reviewed by Hannah McDonald, Group Auditor and Mandy Marples, Audit Manager. Any enquiry concerning the content of this report or associated issues may be made to Kelly Gunn, Auditor on 01332 643978.

## 2 Positive Assurance

2.1.1 We attempted to establish whether the Organisation's system of control for the following areas contained all the key controls expected of a sound and robust process. Through a combination of control evaluation and testing we confirmed that the following adequate controls were in operation:

### 2.1 New System & Data Migration

- There were process notes available for how to use the new Fleet Management system, Jaama, that had been created by the System Provider, and procedures created by the Transport team. The documents created by the Transport team were tailored to the needs of the Service and the use of Jaama. The documents were confirmed to be comprehensive and were up to date.
- The Transport team were involved in the initial discussions regarding the Fleet Management system and what was needed; this helped to ensure that the system capabilities met their requirements. Training was provided once the system was in place and before it went live, with the training guides and presentation slides shared with the Transport team to refer to when needed. There were also training days still available for the system, which were planned to be used when a new officer started in the team in January 2023. This would also be an opportunity to refresh the Transport team's knowledge of the system.
- It was determined that the old Fleet Management system was no longer used and had been shut down. All data had been taken off of the system and either migrated to Jaama or saved within the Transport team folder on the Service's network. The information saved on the Service's network was not often used or referred to, with any current records being saved on Jaama.
- Officers had identified issues with the data migration, with data being incorrect or missing. As a result, an issues log was maintained that detailed the issue, when it was referred to the System Provider, what action would be taken and what the latest position of the issue was. Due to the number of issues, a weekly meeting was set between the Service and the System Provider. A list of outstanding issues was sent before the weekly meeting with an updated list being sent afterwards from the System Provider to the relevant officers in the Transport team. This was confirmed to have reduced the number of issues and also ensured the remaining issues were still flagged to be addressed. The weekly meetings were still taking place.

### 2.2 Vehicle Records

- A list of drivers in the Service was kept on Jaama, with the Transport team being notified via a notification of change when officers left or started with the Service. All employees were required to complete a declaration giving their driving licence details, which was checked by an external company. This process was documented within the Driving Licence Checks procedure available to officers. A database external to Jaama was held of all drivers and their details with flags raised for any licences that were due to expire. The Health and Safety team monitored driving licences independently of the Transport team.
- It was determined that fire appliances procured in the last few years had tracking devices installed and maintained by an external company. If there were any issues with the devices, the Service was informed, and the devices repaired by the company. The details of the tracking devices were not held within Jaama.

### 2.3 Updates to Vehicles

- For procuring new vehicles, it was identified that the Transport team raised a purchase order in Agresso, the Finance system, and then entered the relevant information in Jaama. The Transport team were responsible for updating the status of the vehicle in Jaama, to reflect how far along in the procurement process it was and did so in a timely manner, which was confirmed through sample testing.
- For services or MOTs undertaken by the Service's third-party maintenance provider, the dates for the jobs were updated automatically in Jaama when the maintenance jobs were imported by the Transport Team. The service or MOT date was then updated automatically in the system and this was checked by officers to ensure the date had been changed correctly.

For those where the date had been added manually, a pop-up box would appear when invoice details were added into the system. The date would then be entered by one of the Transport team in a timely manner.

- Documentation relating to vehicle changes such as services or MOTs was scanned and saved into Jaama. For any where the job was not undertaken by the third-party provider, the invoice was scanned into the system and saved onto the vehicles record.
- Once the vehicles to be disposed of were decided, they were marked as off road on Jaama and no longer used. Then, when the vehicle was disposed of, the sales invoice would be scanned into Jaama and it would be marked as disposed by the Transport team. This would archive the vehicles record, including any documents that had been scanned in.
- It was confirmed that the Finance team was informed when a vehicle was going to be procured and they were asked to confirm the relevant accounting codes. The Transport team would then send a checklist and accounting spreadsheet to the Finance team for their records. For a sample of five vehicles, it was confirmed that the Finance team had been informed of each one.

### 3 Minor Risk Issues

- 3.1.1 During the course of this audit, we have identified control issues which are considered to pose only a minor risk to the Organisation. As such, we have not raised formal recommendations for management to respond to and we do not intend to formally follow up any of these issues. Management is at liberty to take whatever action it deems necessary to mitigate the following minor risks:

#### 3.1 Updates to Vehicles

- It was identified that for new vehicles, there was a checklist used to ensure all documentation and details were available. This was saved to the vehicle's record in Jaama. There was also an accounting spreadsheet used to calculate the cost of the vehicle which was shared with the Finance team.

Through discussions with Officers, it was determined that the documents relating to new vehicles could only be added to the vehicle record once specific information had been entered into Jaama. It was not possible to save the documents to the record before this point.

A sample of five new vehicles were examined, all of the five were identified to have all the relevant details and documents available. However, for three of the five it was found that the accounting spreadsheet shared with the Finance team was not on the vehicle's record within Jaama but was available on the network shared drive.

If all documents for procuring a new vehicle are not available on the vehicle's record on the Fleet Management system, there is a risk that documents may be misplaced. This could lead to officers not being able to locate documents when needed and not realising documents may be missing or unavailable. Due to the extra time required by the officers to locate documents, this could lead to financial loss for the Service.

We suggest that all documents relevant to the procurement of a new vehicle are available on the vehicle's record on Jaama. This is to ensure documents are all in a central location and easily available to any officer that needs them.



## 4 Control Weaknesses & Recommendations

### 4.1 New System & Data Migration

- 4.1.1 We expected that the new Fleet Management system would be integrated with other relevant systems and that adequate processes would be in place to ensure the accuracy of data at the point of data entry.

We found that the new Fleet Management system, Jaama, was not integrated with any other system within the Service including Agresso, the Finance system. Instead, information was input manually into Jaama and then copied and input manually again into the next system. This was usually completed by the same Officer at the time the information was being raised in Jaama.

We also found that there was no secondary check by an independent officer for the information that was input into each system or on the information input solely in Jaama. This included adding vehicle details, entering new drivers or amending other details such as MOT and servicing dates and vehicle allocations. The officer that input the information would check their data entry at the time, but no other checks were undertaken, such as generating system reports to reconcile to supporting records, for example documentation of vehicles to be disposed of or highlighting any amendments or data input to the system.

If there is no secondary independent check of data entered into the systems, there is a risk that data held within the Jaama system, Agresso system or other key records in relation to purchases, costs and vehicle maintenance may be inaccurate: this could impact on management decision making.

Recommendation 1	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> Data entry by the Transport Officers into the Fleet Management system and Finance system was not subject to secondary, independent checking.</p> <p><b>Suggested Actions:</b> We recommend that management determine the key data entered into the Jaama and Agresso systems and introduce a process which ensures secondary checking of this data entry. The secondary checking should be undertaken by an officer independent of the data entry process, should be facilitated by supporting records, and should be evidenced to ensure data accuracy in the two systems.</p>	<p><b>Responsible Officer:</b> David White</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Whilst the suggested action is noted. The Transport Admin Team do not have the capacity to carryout independent checks on data entry.</p> <p><b>Implementation Date:</b> Risk Accepted</p>

- 4.1.2 We expected that the data migrated to the new fleet management system would be checked for accuracy and completeness.

It was identified through discussions with the Transport team that there were some issues with the data migration. The Transport team's Technical Officer ran reports to identify if the information on the new Fleet Management System, Jaama, matched the information on the old Fleet Management System, Trace. It was identified that there were mismatches and so the information was checked on Jaama for accuracy and completeness.

However, we found that the checks on the migrated data were not documented, and instead it was verbally communicated to the Transport Team and to Senior Officers what had been checked. It was also found that there was no secondary check in place on the data migration work undertaken to ensure the data in Jaama was accurate.

If there is no documentation of the checks undertaken to ensure accuracy of the data migrated, management cannot place reliance that adequate checks have been undertaken. If there is also no secondary check in place of the data migration work, there is a risk that data inaccuracies may be missed. This could lead to the data within the new Fleet Management system being inaccurate and cause functions within the system to not work properly, such as service dates or MOT requirements.

This could impact on service delivery and cause financial loss for the Service as additional costs may be incurred to rectify the issue.

Recommendation 2	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> The checks undertaken on the accuracy of the data migrated from the old Fleet Management system to the new were not documented or subject to a secondary check.</p> <p><b>Suggested Actions:</b> We recommend that for future new systems that require data migration, checks of data to ensure accuracy after the data has been migrated are documented, with a secondary check evidenced by signature of the relevant officer. This is to ensure it is clearly communicated and documented what checks have been undertaken and who by.</p>	<p><b>Responsible Officer:</b> David White</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> This suggested action is noted for further projects.</p> <p><b>Implementation Date:</b> Implemented</p>

## 4.2 Vehicle Records

4.2.1 We expected that all vehicles in the Service's fleet would be recorded on a database or similar to clearly identify inspection dates, servicing, MOT's, reported defects etc. and that processes would be in place to ensure the vehicle data would be reflected in the Service's asset register.

We found that there was a database on Jaama that contained details for all vehicles owned and leased by the Service. The vehicle database was checked for accuracy and completeness when the data was migrated from the old Fleet Management system to the new system, although as per our findings at 4.1.2 of this report, this check was not evidenced. The vehicle database recorded information such as inspection dates, servicing, MOTs and maintenance records, which was also able to flag when a service or MOT was due on the vehicle.

It was found that for disposals or acquisition of vehicles, the Accountant who managed the asset register was informed, to be able to update the register. This was either by email or a verbal conversation between the Accountant and the Transport team. It was unknown when the last reconciliation between the Fleet Management system (Jaama, or its predecessor, Trace) and the asset register last took place.

If a reconciliation between the Fleet Management system and the asset register is not undertaken on a periodic basis, there is a risk that the asset register may be inaccurate. This could lead to inaccuracies in the Service's financial records and decision making based on incomplete data which may cause reputational damage and financial loss for the Service.

Recommendation 3	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> Regular reconciliations were not being undertaken between the Fleet Management system and the Asset Register.</p> <p><b>Suggested Actions:</b> We recommend that a reconciliation between the Fleet Management system and the Asset Register is undertaken on an annual basis. Any issues identified from the reconciliation should then be addressed accordingly in a timely manner, to ensure the Asset Register and Fleet Management system are accurate and can be relied upon for any decision making.</p>	<p><b>Responsible Officer:</b> David White</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> Transport Manager to liaise with Corporate Financial Services – Accountant, to ensure that Jaama (Key2) and the financial system match – annually</p> <p><b>Implementation Date:</b> 01/03/2023</p>

- 4.2.2 We expected that fleet management documentation would be safely and securely stored and retained in line with the Service's document retention requirements.

We found that information and documents for the vehicles were stored on the vehicle's record on Jaama. When the vehicle was disposed of, the entry on the system was archived which included the documents attached to the record.

However, it was identified that some data was not migrated to Jaama and instead had been saved on the network shared drive in the Transport teams folder. This consisted of the maintenance records, purchase order details, fuel histories, and previous mileage history from before the new system went live. These records were retained in spreadsheets for the team to access, if required.

We noted through discussion with officers that the vehicle data was retained to assist with insurance claims. The Limitation Act (1980) section 2 requires claims to be within 6 years, and so data needed to be retained for at least that length of time.

We found that there was no document retention schedule in place for fleet management documentation. The data held in the archive or on the network shared drive was not reviewed on a periodic basis to ensure it was still relevant and needed.

Without a clearly defined document retention schedule, and without periodic reviews of fleet management records, there is a risk that unnecessary information may be kept. This could impact on storage capacity limits and could increase staff time in identifying and locating documents.

Recommendation 4	Summary Response
<p><b>Risk Rating:</b> Low Risk</p> <p><b>Summary of Weakness:</b> There was no document retention schedule in place for fleet management records. The data held in the fleet management system archive or on the network shared drive was not reviewed on a periodic basis to ensure it was still relevant and needed.</p> <p><b>Suggested Actions:</b> We recommend that the document retention requirements for fleet management records are defined and that processes are put in place to review and remove data held in the system archive or on the network shared drive once it reaches the limit for retention.</p>	<p><b>Responsible Officer:</b> David White</p> <p><b>Issue Accepted</b></p> <p><b>Agreed Actions:</b> All fleet documents need to be kept for the life of the vehicle + 6 years for insurance purpose. The way the fleet management system is designed to keep all asset data on the system. When the vehicle is sold their records are archived on the system.</p> <p>The records from the old fleet management system (Trace) will need to be kept until at least 2046 (last record a+6 years). The way the data was downloaded it would be extremely complicated to remove individual asset records.</p> <p><b>Implementation Date:</b> Risk Accepted</p>

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