

ABERDEEN CITY COUNCIL

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COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	22 June 2017
TITLE OF REPORT	Internal Audit Report AC1720 - Vehicles
REPORT NUMBER	IA/AC1720
DIRECTOR	N/A
AUTHOR	David Hughes

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**1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present the planned Internal Audit report on Vehicles.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

**3. BACKGROUND / MAIN ISSUES**

- 3.1 Internal Audit has completed the attached report which relates to an audit of Vehicles.

**4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.

**6. MANAGEMENT OF RISK**

- 6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the attached appendix.

## **7. IMPACT SECTION**

7.1 **Economy** – The proposals in this report have no direct impact on the local economy.

7.2 **People** – There will be no differential impact, as a result of the proposals in this report, on people with protected characteristics. An equality impact assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. The proposals in this report will have no impact on improving the staff experience.

7.3 **Place** – The proposals in this report have no direct impact on the environment or how people friendly the place is.

7.4 **Technology** – The proposals in this report do not further advance technology for the improvement of public services and / or the City as a whole.

## **8. APPENDICES**

8.1 Internal Audit report AC1720 – Vehicles.

## **9. REPORT AUTHOR DETAILS**

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# ABERDEEN CITY COUNCIL

## Internal Audit Report

### Communities, Housing and Infrastructure

### Vehicles

**Issued to:**

Bernadette Marjoram, Interim Director of Communities, Housing and Infrastructure  
Richard Ellis, Interim Depute Chief Executive (Director of Corporate Governance)  
Mark Reilly, Head of Public Infrastructure & Environment  
Steven Whyte, Head of Finance  
William Whyte, Fleet Services Manager  
External Audit

**Date of Issue: March 2017**

**Report No. AC1720**

## **EXECUTIVE SUMMARY**

Under the Goods Vehicles (Licensing of Operators) Act 1995, the Council requires a goods vehicle operator's licence ('O' Licence) in order to operate goods vehicles in excess of defined weights. Retaining the licence is conditional on appropriate fleet management practice. Compliance with the Act and terms of the licence are monitored by the Driver and Vehicle Standards Agency (DVSA). Non-compliance can result in the Traffic Commissioner imposing restrictions on, or withdrawing the licence which could severely restrict the ability of the Council to deliver many of its services.

Following a review by the DVSA on 14 January 2014 and subsequent review by the Traffic Commissioner, a public enquiry was held on 18 November 2014. The main concerns raised by the Traffic Commissioner were that Council vehicles and drivers had been issued with a number of defect notices and penalties in the previous five years. The Traffic Commissioner drew particular attention to concerns regarding vehicle maintenance, records of such maintenance and prompt recording by employees of such faults.

Management identified steps to improve the Service and a new Fleet Manager and Fleet Compliance Manager are now in place.

The objective of this audit was to determine whether or not the actions put in place to remedy the concerns which were raised by the Traffic Commissioner are working as intended.

There have been some improvements, and additional fleet management and compliance data is being used to further promote and improve compliance. However, Fleet cannot make changes in isolation – it is reliant upon Services and their drivers to operate their vehicles in adherence with corporate policy. New procedures have been implemented, the frequency of compliance audits will be increased, and an escalation process implemented in order to identify and address any further issues promptly.

# 1. INTRODUCTION

- 1.1 Under the Goods Vehicles (Licensing of Operators) Act 1995, the Council requires a goods vehicle operator's licence ('O' Licence) in order to operate goods vehicles in excess of defined weights. Retaining the licence is conditional on appropriate fleet management practice. A Licence is held on the Council's behalf by named officers: the Head of Public Infrastructure & Environment, the Fleet Manager and the Fleet Compliance Manager.
- 1.2 Compliance with the Act and terms of the licence are monitored by the Driver and Vehicle Standards Agency (DVSA). Non-compliance can result in the Traffic Commissioner imposing restrictions on, or withdrawing the licence which could severely restrict the ability of the Council to deliver many of its services.
- 1.3 Following a review by the DVSA on 14 January 2014 and subsequent review by the Traffic Commissioner, a public enquiry was held on 18 November 2014. The main concerns raised by the Traffic Commissioner were that Council vehicles and Drivers had been issued with a number of defect notices and penalties in the previous five years. The Traffic Commissioner drew particular attention to concerns regarding vehicle maintenance, records of such maintenance and prompt recording by employees of such faults.
- 1.4 Appendix 6 of the Act specifically states that the Operator must fulfil maintenance requirements to ensure vehicles are in a road worthy condition and are safety checked. This includes the necessity for a first use daily check by Drivers of their vehicles, prompt reporting of any faults noted, and the retention of records for a period of 15 months following any repair or servicing of a vehicle.
- 1.5 Following notification of the enquiry, the Chief Executive requested a root and branch review of the Service. Management have identified steps to improve the Service and a new Fleet Manager and Fleet Compliance Manager are now in place with plans for a further two Fleet Compliance Assistants, Workshop Manager and Workshop Supervisor to be recruited in the near future.
- 1.6 The objective of this audit was to determine whether or not the actions put in place to remedy the concerns which were raised by the Traffic Commissioner are working as intended. This involved discussions with key individuals within the Service, examining vehicle and driver records, and random spot checks of vehicles and associated Driver first use check sheets.
- 1.7 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Mark Reilly, Head of Public Infrastructure and Environment, and William Whyte, Fleet Manager.

## 2. FINDINGS AND RECOMMENDATIONS

### 2.1 Management Information

- 2.1.1 Key performance indicators are reported to the Health and Safety Committee on a quarterly basis and provide a reflection of how the Service is performing. These can provide useful information in measuring how effective changes have been and can provide useful comparative statistics in how the Service is currently performing against historical results. The results discussed below all relate to the first two quarters of 2016/17 as reported in November 2016 (CHI/16/291).
- 2.1.2 There have been 115 accidents / incidents to date in 2016/17 compared with 378 for 2015/16. This represents an overall decrease, however late reporting of such occurrences to Fleet has increased from 8% for 2015/16 to 78% in 2016/17 to date. Fleet has reminded Services of the requirement for prompt notification, however this has not resulted in significant improvement to date.

#### **Recommendation**

Fleet should consider what options are available in a bid to increase timely reporting of accidents and incidents from Services.

#### **Service Response / Action**

Agreed. Timescales for reminder for services to report back will be changed to 2 weeks initially, then 1 week reminder, then escalated to Head of Service if no response.

#### **Implementation Date**

April 2017

#### **Responsible Officer**

Fleet Compliance  
Manager

#### **Grading**

Important within audited  
area

- 2.1.3 Roadside inspections can be performed by either Police or DVSA Officers. To date there has only been one roadside inspection in 2016/17, which resulted in a prohibition for overloading a vehicle. In response, the Service has fitted some new vehicles in Building Services with on-board weighing systems, and random weighing inspections are being carried out.
- 2.1.4 MOT pass rates for 'O' Licence vehicles are 88.7% for 2016/17 to date (7 failures from 55 vehicles put for test) against the national average of 85.3%. 4 of the 7 failures were for minor defects which were rectified at the MOT station. This compares with a pass rate of 97.1% against a national average of 84.7% in 2015/16.
- 2.1.5 In order to raise the level of first time passes the Fleet Manager has recently employed a contractor to carry out pre MOT checks on vehicles prior to them being presented at the test station. A vehicle report is then produced which details any work which has had to be done in order to ensure that the vehicle passed the MOT first time. The cost of this service is varied depending on vehicle presentation to the contractor and vehicle age profile, and additional costs may be incurred if additional work has to be undertaken.
- 2.1.6 The Fleet Manager has noted that these checks have identified faults which should have been identified and corrected by Fleet workshops at an earlier stage. While this adds costs to MOTs, first time pass rates should improve and the need for this service should decrease as faults are highlighted to and discussed with Workshop staff.
- 2.1.7 Operators are given a Compliance Risk Score which is used by the DVSA to calculate the likelihood of an operator being non-compliant, and guides their selection of operators to review. This comprises two elements: The first gives a general indication as to a roadworthiness of vehicles, derived from vehicle test results. A second score is then given

for 'Traffic' which takes into account tachograph offences and the results of roadside inspections and weighing checks. Each is assigned a Red, Amber or Green level. Currently the Council's banding is Green for both elements, suggesting the DVSA does not consider the Council's fleet operations to present a significant risk.

## 2.2 Workshop Records

- 2.2.1 The main repairs and servicing depot is based at Kittybrewster. In order to improve overall efficiency, Fleet has recently introduced a number of new practices which are discussed below.
- 2.2.2 In order to ensure that vehicles do not spend excessive time in the workshop the Service has developed a vehicle out of service sheet to track the length of time that vehicles are spending in the workshop or are away for repair with an external contractor. The latest figures show, in general, a reasonable turnaround period for servicing and repair, and an improvement since the previous year. The current fleet software now has a Dash Board in place highlighting vehicles in the workshop over 3 days for servicing and repairs.
- 2.2.3 Six vehicles were however identified as having been out of service for over five weeks and in one instance for 127 days. The majority of these were with outside contractors for repair. Where vehicles are off the road for extended periods of time additional costs may potentially be incurred for hire of replacement vehicles, or services may be affected. It is therefore incumbent on the Service to ensure that outside contractors return vehicles promptly.

### **Recommendation**

The Service should ensure that external contractors are encouraged to complete repairs in the shortest possible time.

### **Service Response / Action**

Agreed. Fleet will, on each occasion, agree repair times and costs with all main suppliers of vehicle maintenance prior to any work being carried out.

### **Implementation Date**

Implemented

### **Responsible Officer**

Fleet Manager

### **Grading**

Important within audited area

- 2.2.4 Where a vehicle has been brought in for servicing and repairs, a Vehicle Inspection sheet should be fully completed to indicate that all applicable actions have been undertaken. The Compliance Manager has recently started to audit an average of 30 records per week to ensure compliance. In addition an average of 11 vehicle files per month are being audited to ensure that all paperwork is present. It is anticipated that additional checks will be undertaken when 2 further Assistant Compliance Managers are recruited.
- 2.2.5 Between October and December 2016, 197 records had been examined and in 122 cases there were errors or omissions in the paperwork indicating an error rate of over 60%. The two most recent audits, comprising 39 records, inspected on 9 November and 19 December 2016 showed 13 errors or omissions (33%). Therefore, although this represents an improvement, records are still incomplete.
- 2.2.6 A number of Mechanics have recently received IRTEC training and in addition some employees have received performance counselling sessions to highlight specific areas where improvement is required. The Service should however continue to monitor these statistics and unless significant improvements are seen, further action will be required.

**Recommendation**

The Service should consider what management action is appropriate in order to realise significant improvement in the completion of vehicle maintenance records.

**Service Response / Action**

Agreed. Fleet will increase the frequency of vehicle maintenance records audits once the compliance assistants are in place. Currently audits carried out that highlight deficiencies are fed back to the Supervisor, Foreman and then the mechanics. Training and a template of the inspection sheet were made up and issued to the mechanics in September 2016, also A5 notices are displayed at three areas within the workshop again to remind the mechanics on how to complete the documents.

**Implementation Date**

May 2017

**Responsible Officer**

Fleet Compliance  
Manager

**Grading**

Significant within audited  
area

- 2.2.7 A random sample of 24 vehicles was chosen to ensure that they had been serviced on time, had been safety checked on time, and had a current MOT. In all instances this was shown to be the case, indicating that the current system of booking vehicles in for safety checks, servicing and MOTs is working adequately.
- 2.2.8 A Vehicle Maintenance Systems Compliance Audit was undertaken by the Freight Transport Association in August 2016. Key observations from their report included that the current system of walk round checks by Drivers (Driver's Daily Checks) is sufficient, with the checks being performed in line with current DVSA regulations. The report also noted that defects were reported in a timely fashion and that subsequent repair records were maintained in excess of the minimum required period of 15 months. Observation of vehicle records when on site during this Internal Audit also confirmed this.
- 2.2.9 A recommendation was made in the report with respect to ensuring that Vehicle inspection sheets were fully completed. This is being addressed as per the actions discussed in paragraphs 2.2.4 to 2.2.6 above. Additionally it was noted that where faults were noted that the person that these were reported to should be noted on the Drivers Check Sheet. Drivers have been reminded of this, and this information is recorded in TRANMAN (the vehicle repairs and maintenance management system).
- 2.2.10 A further recommendation was made that new vehicles should undergo a first use inspection prior to being put into service. Records of this are now maintained with the new vehicle as well as on TRANMAN. The final recommendation in the report was that while the number of brake tests being undertaken was compliant with DVSA regulations, the Service's own regulations stated that brake tests should be performed during every safety check. The inspection sheets have been amended to comply with current DVSA regulations.

**2.3 Staffing**

- 2.3.1 Staffing levels are still not at the anticipated level: two Compliance Assistants, anticipated to have been in post by Summer 2016, are still to be recruited. In addition, there are vacancies for a Workshop Manager, Supervisor and Administrator. Further planned recruitment includes an additional 4 Mechanics and 2 Shunters for the workshop. A review of current procedures is also planned to streamline processes in order to make the whole service more efficient. A recommendation is made here to track progress.

**Recommendation**

The Service should set deadlines for the recruitment of staff and the review of procedures in order to drive the processes forward.

**Service Response / Action**

Agreed. Fleet are working with HR on the recruitment and subsequent interviews to fill these positions.

**Implementation Date**

July 2017

**Responsible Officer**

Fleet Manager

**Grading**

Important within audited area

**2.4 Driver and Vehicle Checks**

- 2.4.1 Each day, prior to using a vehicle, Drivers must ensure that a first use daily check sheet is completed. This details all safety and mechanical checks which must be undertaken by the Driver, and provides a record of the checks carried out and any faults identified. These checks must be completed prior to using the vehicle, as faults could pose a hazard if not identified and addressed promptly.
- 2.4.2 Internal Audit performed checks on a total of 25 vehicles arriving at or leaving depots in the mornings of 1 and 2 February 2017. First use check sheets had not been completed on 3 occasions. The Service has stated that these were reported and actioned through the Incident procedures.
- 2.4.3 Books of check sheets have a carbon copy of the check sheets for each day, and these are retained in the vehicle. It was confirmed that check sheets for all days for the previous week were present for each vehicle. However, it is not possible to determine whether or not these would have been completed prior to first use each day.
- 2.4.4 In addition, Internal Audit re-performed the checks on the vehicles. Two faults which had not been recorded were identified: a reversing light was not working on one vehicle, and on another ladders were protruding from the rear with no marking on them to alert other road users. The Service has stated that on investigation the light thought not to be working was not faulty as this type of vehicle (Dennis) only has one reverse light, and the ladder fault was rectified prior to the vehicle going back into service.
- 2.4.5 All Services are now performing a minimum 10% random checks in which the condition of vehicles is noted along with whether or not the Driver has noted any fault on their daily check sheet. Statistics for November and December 2016 showed that 17 out of 218 and 22 out of 176 random checks identified faults which had not been noted by Drivers. Further random checks are being completed by the Fleet Compliance Manager, with 1 out of 31 checks identifying an unrecorded fault between December 2016 and January 2017. On average therefore around one in ten faults are not being noted and acted upon promptly.
- 2.4.6 In addition to the internal checks, the Freight Transport Association has also been contracted to perform random vehicle checks. From May to December 2016, 50 'O' Licence vehicles were checked, with faults being noted in 20. Only three of these faults had been noted by the Driver.
- 2.4.7 Although in two instances vehicles have been temporarily removed from service as a result, Fleet typically pass on their findings to client Services to take appropriate management action. Corporate options may need to be considered in order to raise the profile of these requirements, and ensure consistency of their application.

**Recommendation**

The Service should review options to raise the profile of vehicle check requirements, and ensure consistent management action in response to compliance issues.

**Service Response / Action**

Agreed. Fleet carry out spot checks on a weekly basis to monitor the standards of the "First Use Checks" and to see if they are actually being carried out. User services are also tasked with carrying out checks on at least 10% of their fleet size on a monthly basis. The Freight Transport Association also carry out monthly spot checks and also carry out return to depot checks in the afternoon. All the results of these checks are collated and fed back to the service departments and if required an investigation will be carried out on any failed "First Use Check". If any service continually falls below the standard the results are escalated to the Head of Service and actions identified to rectify.

**Implementation Date**

May 2017

**Responsible Officer**

Fleet Compliance  
Manager

**Grading**

Significant within audited  
area

- 2.4.8 Various employees from the Health, Safety and Well Being Team have recently received training from the Freight Transport Association in the completion of first use check sheets and vehicle checks. It is intended that these Teams, when onsite performing health and safety checks, can additionally perform random vehicle checks.

**Recommendation**

Fleet should discuss with the Health, Safety and Well Being Team the best way for them to provide meaningful data to Fleet.

**Service Response / Action**

Agreed. Fleet to discuss with the Health, Safety and Well Being Team the potential and ability to carry out independent random vehicle first use checks during onsite health and safety checks.

**Implementation Date**

May 2017

**Responsible Officer**

Fleet Compliance  
Manager

**Grading**

Important within audited  
area

**2.5 Tyres**

- 2.5.1 Tyre replacements are currently carried out by an external company. As part of the service the company carries out random inspections on vehicles and replaces tyres where they are found to be worn or damaged. Paperwork for repair or replacement is sent to the depot at Kittybrewster.
- 2.5.2 A check on the previous three inspections which took place over October and November 2016 revealed that 83 vehicles had been subjected to random inspections and 7 vehicles had a tyre replaced due to excessive wear, equating to approximately 1 in 12 vehicles. This compares with 1 in 7 vehicles requiring replacement tyres when records were examined in the previous audit AC1618 (April 2016).
- 2.5.3 A sample of over 300 records of repair / safety checks for 24 vehicles between January and December 2016 additionally noted that in 28 cases tyres had to be replaced, without a Driver's check sheet identifying the issue. This compares to 31 instances over 300 records for January to December 2015.

- 2.5.4 While this is an improvement it indicates that Drivers may not be checking tyres sufficiently when performing their daily checks. The consequences of a serious accident occurring and it being subsequently discovered that a vehicle has worn tyres could result in financial and / or reputational damage to the Council.

**Recommendation**

Fleet should ensure that Services are made aware of the current statistics relating to tyre replacements with a view to ensuring that Drivers are more diligent in checking the condition of tyres when performing their daily checks.

**Service Response / Action**

Agreed. Fleet are currently procuring a new provider to supply replacement tyres and tyre management reports. Increased fleet / tyre checks will identify re-occurring tyre defects which will be highlighting specific vehicles, routes or drivers relating to any damage found resulting in additional training or route changes. The reports would also highlight the standard of the "First Use Check" carried out by drivers and any tyres found to be defective and not picked up by the driver would trigger an investigation.

**Implementation Date**

April 2017

**Responsible Officer**

Fleet Manager

**Grading**

Important within audited area

- 2.5.5 Fleet in conjunction with Commercial and Procurement Services intends to invite tenders in April 2017 for a tyre replacement and inspection service. Part of the requirement of the new tender will be for the successful company to produce electronic reports detailing the number of vehicles which they have inspected along with details of tyres that have had to be replaced, as this would provide efficiencies over the existing manual process.

**2.6 Tachographs**

- 2.6.1 Drivers operating specific categories of Large Goods Vehicles (LGV) or Passenger Carrying Vehicles are required to use a tachograph to demonstrate compliance with Driver Vehicle Standards Agency Regulations for vehicles of these types. The majority of vehicles to which this requirement applies are equipped with digital tachograph recording systems. Older vehicles may have an analogue waxed disc system.

- 2.6.2 The information from the systems is downloaded and analysed by an external company and Services can analyse the data online. The data highlights primary infringements such as driving in excess of daily hours limits, as well as minor infringements such as power supply interruptions, insertion of a card while driving and time overlaps where a driver is recorded as driving one vehicle at the same time as another due to clocks being incorrect.

- 2.6.3 Records for Waste and Roads were analysed for October and November 2016. These are summarised below along with a comparison of records for the same departments from 2015/16.

Month	No. of Drivers	No. of Drivers with Infringements (%)	No. of Drivers with Minor Infringements (%)	Failing to note completion of Safety Check (SC)	Minor Infringement (discounting SC) (%)
Nov 16	106	11 (10%)	33 (31%)	27	6 (6%)
Oct 16	86	5 (6%)	20 (23%)	19	1 (1%)
Oct 15	94	10 (11%)	6 (6%)	n/a	6 (6%)
Sep 15	95	15 (16%)	5 (5%)	n/a	5 (5%)

2.6.4 The infringement listed as 'Safety Checks not Recorded', is a result of not switching the mode on the tachograph to 'Other Work' at the point at which the first use checks are carried out. It does not necessarily reflect Drivers not performing the required checks. This infringement was not previously recorded, hence the high level of minor infringements. With this discounted, the Service has shown a slight decrease in the level of infringements, however this is something which will continue to have to be monitored to increase compliance.

2.6.5 In addition to the information provided, Driver Infringement Letters are produced which list individual infringements for each Driver every month. These should be discussed and signed by both Driver and Supervisor to indicate the issues have been brought to the Driver's attention. A sample of 6 of these forms from November 2016 was reviewed. In 3 instances the Driver and Supervisor had signed the document on different dates. While Services have stated that Drivers are spoken with promptly, the evidence does not confirm this. In order to ensure that Drivers are being made aware of infringements promptly to prevent recurrence it may be appropriate for Fleet to consider examining a random selection on a periodic basis.

**Recommendation**

The Service should continue to monitor tachograph infringements with a view to increasing compliance with the Regulations.

Fleet should highlight to Services the high level of 'Safety Checks not Recorded' to ensure Drivers are reminded to change the mode switch to 'Other Work' when performing first use checks.

Fleet should consider randomly inspecting Tachograph Infringement Letters to ensure that Services can evidence that management are taking appropriate action to highlight infringements to Drivers.

**Service Response / Action**

Agreed. The reports are monitored and letters signed by drivers currently, and KPI's are produced monthly on "First Use Checks". A Service level audit on driver's letters will be developed and implemented by the Services and Fleet.

**Implementation Date**

June 2017

**Responsible Officer**

Fleet Compliance  
Manager

**Grading**

Important within audited  
area

2.6.6 Where Drivers are noted as having regular infringements the Service has set up training for them to improve compliance. This consists of showing employees how to operate the equipment properly via a mobile unit which contains all the functionality which would be present in the vehicle. A list of employees is maintained who have received training and they are additionally asked to provide feedback on the training received with a view to improving the training as necessary.

**2.7 Licence Checks**

2.7.1 'O' Licence Drivers have their licences checked on a quarterly basis, or in the event of points being incurred or a restriction to driving being imposed this is notified to Management immediately. One of the Key Performance Indicators is for 'licence issues as a percentage of licences checked'. The statistics show that for the first two quarters of 2016/17 this is currently at 8%, compared with 0.73% for 2015/16.

2.7.2 The currently reported statistics appear to indicate excessive licence issues. Part of the reason for this increase is the inclusion in the statistics of Drivers who require eyesight

correction (glasses or contact lenses) to drive. It would be useful were these statistics to be reported separately in order to more accurately identify cases of either excess points or other restrictions on a Driver's ability to drive.

<b><u>Recommendation</u></b>		
The Service should separate out the statistics of Drivers who require eyesight correction when driving from those with points on their licences to clarify statistics.		
<b><u>Service Response / Action</u></b>		
Agreed. The Service has now put in place a reporting system that identifies drivers with eye correction issues and subsequently notifies the service department.		
<b><u>Implementation Date</u></b>	<b><u>Responsible Officer</u></b>	<b><u>Grading</u></b>
Implemented	Fleet Compliance Manager	Important within audited area

- 2.7.3 Drivers of LGV's require to have completed the Certificate of Professional Competence (CPC), which comprises 35 hours of training every 5 years. The Compliance Manager confirmed that Services should be maintaining databases of which Drivers have completed this training and which are due for training. Centralising these records would provide Fleet (as the Licence holder) with more assurance that Drivers' training is up to date.

<b><u>Recommendation</u></b>		
The Service should centralise CPC training records to ensure all Drivers are up to date.		
<b><u>Service Response / Action</u></b>		
Agreed. Fleet now have a centralised database for all Driver CPC courses attended which is shared with the relevant services.		
<b><u>Implementation Date</u></b>	<b><u>Responsible Officer</u></b>	<b><u>Grading</u></b>
Implemented	Fleet Compliance Manager	Important within audited area

- 2.7.4 The new system for annual checks to Driver's licences for non 'O' licence vehicles was due to have been operational in 2016. However delays to the implementation of the system along with a desire to add additional functionality such as identification of casual and essential car usage allowances has meant that the projected 'go live' date for the system is now April 2017. The recommendation relating to the implementation of this new system and annual checks of licences therefore still remains live under the previous audit report AC1618.

- 2.7.5 In conjunction with HR, the Service has identified all posts for which driving is a requirement. In addition, employment contracts have been amended for employees with driving duties which require them to inform their Manager should they have any medical condition which may affect their ability to drive.

## 2.8 Insurance

- 2.8.1 The Council has a responsibility to ensure that all employees driving Council owned or rented vehicles are adequately covered when performing duties commensurate with the requirements of their post. The current insurance document was examined and found to provide this cover.

**AUDITORS:** D Hughes, C Harvey and D Henderson

## Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
<b>Major at a Corporate Level</b>	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
<b>Major at a Service Level</b>	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
<b>Significant within audited area</b>	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
<b>Important within audited area</b>	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.