



**Comhairle nan Eilean Siar
Internal Audit Follow Up Review
Garage and Fleet TO
Final Report – FU09-23/24**

6 January 2025

**COMHAIRLE NAN EILEAN SIAR
INTERNAL AUDIT FOLLOW UP REPORT
GARAGE & FLEET TO**

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SECTION 1: EXECUTIVE SUMMARY

Introduction

1.1 The Report has been prepared for the Comhairle's Audit and Scrutiny Committee. The original report advised of 11 recommendations made in the Garage & Fleet TO report which was issued on 3 October 2023. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24.

Internal Audit Objective

1.2 Following up internal audit reports and assessing the level of compliance with recommendations made is an important part of the internal audit function.

1.3 In accordance with the remit detailed in the operational annual internal audit plan for 2023/24, our internal audit work was designed to obtain assurance that the original recommendations have been implemented. We obtained this assurance through internal audit testing and undertaking discussions with key personnel.

1.4 The main recommendations in the original report were:




- Assess how best to implement a Corporate Fleet Replacement policy in order to promote best value and ensure a consistent approach across all departments;
- Implement improvements to stocktake processes to assist new system implementation; and
- Address resilience issues across the section.






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Detailed Findings







1.5 The current status of progress against the original recommendations can be summarised as follows:

Key to Status

-  Fully implemented;
-  Partly implemented, although further work is required to meet the objective of the recommendation; or
-  Insufficient progress to date

Recommendations	Action to Date	Status
Good practice would be for the Comhairle to have Corporate Fleet Replacement policy in order to promote best value and ensure a consistent approach across all departments. In order to be put in place as soon as is practicably possible consideration should be given to a consultancy review into best practices for Fleet Management and Replacement to identify and quantify the level of efficiencies that could be made.	Partly implemented	
Manual stocktakes must take place to identify any errors and to ensure an accurate position prior to the implementation of the new fleet management system. Consideration should also be given to undertaking regular sectional stocktakes during the year to ensure a higher level of accuracy in stock recording.	Insufficient progress	
Consideration should be given to the setting up of a Vehicle Framework for hired-in vehicles so as a consistent approach is adopted for costly long-term hires, as well as ensuring best value practices.	Partly implemented	
Resilience and succession planning of the service is to be looked at as a priority to ensure continued good practice and continued operation of the section through busy periods.	Fully implemented	
A control page should be in place at the start of the document to serve as a reminder to update policies as they come due to be updated. Health and Safety risk assessments should also be checked to ensure the most up to date version are being completed.	Fully implemented	

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Recommendations	Action to Date	Status
Staff training of the new system and use of tablets prior to the system being implemented as well as how to use the tablets for allocating stock, job cards and other digitised processes.	Partly implemented	
An off-site location for storing the fleet management system backups should be considered as part of business continuity processes.	Fully implemented	
A reminder to be issued to all staff in the section of the importance of all parts being removed from the stores for allocation to be recorded in full at the time of removal going forward.	Fully implemented	
The SDA process is vital to ensure employees understand their value, have an opportunity to discuss their career needs and goals and to plan for the year ahead as well as continued compliance with driver qualifications. Focus should be made to ensure that the Self-Assessment Performance Appraisal process is undertaken by all managers and employees in the section.	Fully implemented	
SLAs should be signed, returned and kept on file to indicate agreement with the information and terms and to ensure best practice.	Partly implemented	
Consideration be given to an improved online version of the Client Satisfaction survey in order to improve completion rate and assist with performance management.	Fully implemented	

Concluding Remarks

1.6 From our follow up testing, we note that out of the 11 follow up recommendations made in the original 6 appear to have been fully implemented, and management have confirmed that the remaining recommendations will be implemented as soon as is feasible.

1.7 For Comhairle Nan Eilean Siar Internal Audit Section

Internal Audit
Comhairle Nan Eilean Siar
Sandwick Road
Stornoway
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HS1 2BW

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SECTION 2 - DETAILED FINDINGS AND RECOMMENDATIONS

Action Recommended	Action By	Progress to Date	Action Outstanding
2.1			
<p>Good practice would be for the Comhairle to have Corporate Fleet Replacement policy in order to promote best value and ensure a consistent approach across all departments. In order to be put in place as soon as is practicably possible consideration should be given to a consultancy review into best practices for Fleet Management and Replacement to identify and quantify the level of efficiencies that could be made.</p>	<p>CMT/Head of Municipal Services</p>	<p>A number of sections within the Comhairle have an agreed fleet replacement programme (e.g. Cleansing Services, Roads). However, there is no overall fleet policy. An external consultancy review has been suggested by Municipal Services.</p>	<p>A Corporate Fleet Replacement Policy and Strategy should be progressed.</p>

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.2			
Manual stocktakes must take place to identify any errors and to ensure an accurate position prior to the implementation of the new fleet management system. Consideration should also be given to undertaking regular sectional stocktakes during the year to ensure a higher level of accuracy in stock recording.	Garage & Fleet Services Manager	Fleet Management Systems were lost following cyber-attack. Work is ongoing to reinstate data. When this task is completed, it is the intention to carry out numerous mini stock check during the year. An apprentice has also started in 2025, which will help speed up the data entry allowing an effective stocktake.	A full stocktake should be undertaken asap, and therein completed annually prior to the end of the financial year, with mini stock takes throughout the year to supplement. In addition, consideration should be given to the installation of CCTV in the stockroom.

Action Recommended	Action By	Progress to Date	Action Outstanding
2.3			
Consideration should be given to the setting up of a Vehicle Framework for hired-in vehicles so as a consistent approach is adopted for costly long-term hires, as well as ensuring best value practices.	Senior Procurement Officer	Framework still due to be implemented, progress was halted following the cyber-attack but is expected to be in place in early 2025.	Still to be implemented but progress is being made.

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.4			
Resilience and succession planning of the service is to be looked at as a priority to ensure continued good practice and continued operation of the section through busy periods.	Garage & Fleet Services Manager	In the process of getting approval to advertise for an apprentice mechanic for Market Stance to ensure adequate staff available at all times. Staff from Marybank Depot can attend for assistance should this be required in Urgha, Likewise Urgha mechanic can assist in Marybank should the requirement arise.	None.

Action Recommended	Action By	Progress to Date	Action Outstanding
2.5			
A control page should be in place at the start of the document to serve as a reminder to update policies as they come due to be updated. Health and Safety risk assessments should also be checked to ensure the most up to date version are being completed.	Garage & Fleet Services Manager	The Garage Service Health & Safety Policy now has the year it was compiled on the front cover and a reminder set to review this accordingly. All Risk Assessments are on the current version.	None.

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.6			
Staff training of the new system and use of tablets prior to the system being implemented as well as how to use the tablets for allocating stock, job cards and other digitised processes.	Garage & Fleet Services Manager	Implementation of new system (Distinctive Systems) delayed due to cyber-attack. Access to system only recently achieved but all information entered has been lost. A new member of staff has just been employed to assist with entering relevant data and get the system to a position to go live, this is likely to take up to 12 months to achieve.	New system training to be undertaken prior to system going fully live.

Action Recommended	Action By	Progress to Date	Action Outstanding
2.7			
An off-site location for storing the fleet management system backups should be considered as part of business continuity processes.	Garage & Fleet Services Manager	Since the cyber-attack Distinctive Systems is now accessible via a cloud provider (Barracuda CloudGen)	None.

Action Recommended	Action By	Progress to Date	Action Outstanding
2.8			
A reminder to be issued to all staff in the section of the importance of all parts being removed from the stores for allocation to be recorded in full at the time of removal going forward.	Garage & Fleet Services Manager	Procedures have been put in place where any mechanic requiring a part, reports to the Storeperson, or in his absence see another office member of staff to ensure any parts removed are recorded accurately.	None.

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.9			
The SDA process is vital to ensure employees understand their value, have an opportunity to discuss their career needs and goals and to plan for the year ahead as well as continued compliance with driver qualifications. Focus should be made to ensure that the Self-Assessment Performance Appraisal process is undertaken by all managers and employees in the section.	Garage & Fleet Services Manager	Staff were invited to either complete a self-assessment or attend a face-to-face SDA with their Line Manager on 21/05/24	None.

Action Recommended	Action By	Progress to Date	Action Outstanding
2.10			
SLAs should be signed, returned and kept on file to indicate agreement with the information and terms and to ensure best practice.	Garage & Fleet Services Manager	SLA's issues in 2024 were requested to be signed and returned.	These should be returned and filed, with a process in place to review regularly.

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.11			
Consideration be given to an improved online version of the Client Satisfaction survey in order to improve completion rate and assist with performance management.	Garage & Fleet Services Manager	A new online survey has been created and implemented.	None.

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT

Responsibility in Relation to Internal Controls

It is the responsibility of the Comhairle's management to maintain adequate and effective financial systems and to arrange for a system of internal controls. Our responsibility as internal auditors is to evaluate the financial systems and associated internal controls. In practice, we cannot examine every financial implication and accounting procedure within an activity, and we cannot substitute for management's responsibility to maintain adequate systems of internal controls over financial systems. We therefore may not identify all weaknesses that exist in this regard.

Responsibilities in Relation to Fraud and Corruption

The prime responsibility for the prevention and detection of fraud and irregularities rests with management. They also have a duty to take reasonable steps to limit the opportunity for corrupt practices. It is our responsibility to review the adequacy of these arrangements, but our work does not remove the possibility that fraud, corruption or irregularity may have occurred and remained undetected.

We nevertheless endeavour to plan our internal audit work so that we have reasonable expectation of detecting material fraud, but our examination should not be relied upon to disclose all such material frauds that may exist.