



# THE POLICE, FIRE AND CRIME COMMISSIONER FOR NORTH YORKSHIRE

**Transport: Hire and Pool Vehicles**

**FINAL**

**Internal audit report: 11.18/19**

**27 February 2019**

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**Distribution** Interim Chief Executive Officer  
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Logistics

# 1 EXECUTIVE SUMMARY

## 1.1 Background

An audit of the effective and efficient use of hire and pool vehicles was undertaken as part of the approved internal audit periodic plan for 2018 / 2019.

The use of hire and pool vehicles by staff is governed by the transport decision tree which outlines the options available to staff and officers when considering undertaking journeys. Staff and line managers are required to use the tree and make an appropriate assessment relating to the option to take prior to making each business journey:

- Option 1: audio and visual conferencing;
- Option 2: walking or cycling to meetings;
- Option 3: can the journey be carried out by public transport?;
- Option 4: is there a force pool or operational bank car available for the journey?;
- Option 5: can I then use my private vehicle for the journey?; and
- Option 6: the last option is to hire a vehicle?

To support their transport strategy, there are currently 49 operational departmental bank vehicles and 23 force pool vehicles located at key sites throughout the force that individuals can utilise in order to undertake their duties. The annual cost of these pool cars was £60,000 in 2017 / 2018.

Private mileage claims are made via the payroll system on a monthly basis. The total cost of private mileage claims made in 2017 / 2018 was £282,000.

Vehicle hire is provided within the force by two suppliers. The total cost of hire cars in 2017 / 2018 was £284,000 and for van / minibus it was £10,600.

## 1.2 Conclusion

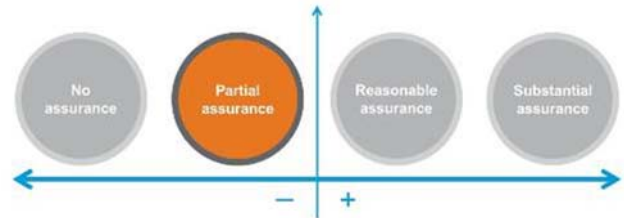
Information relating to the utilisation and efficient management of operational departmental bank vehicles and force pool cars is not being effectively used to assess whether individuals are operating in accordance with the force's approach to transport. Testing of private mileage claims found that they were not always fully completed with destinations and supporting postcodes not detailed on claim forms. There is no oversight of private mileage claims within the force despite this amounting to £284,000 in 2017 / 2018. Testing of a sample of hire car bookings found that they were not always cancelled when they were no longer required.

We have agreed **five medium** and **two low** priority management actions in relation to these findings. Further details of our findings and actions can be found in section two of this report.

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**Internal audit opinion:**

Taking account of the issues identified, the Police, Fire and Crime Commissioner can take **partial assurance** that the controls to manage this area are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified area.



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### 1.3 Key findings

The key findings from this review are as follows:

- We tested a sample of 20 car hire bookings made in September 2018 and in all cases there was a car booking form fully completed by the individual. In all cases fuel cards had been approved by the transport team and their use had been reconciled and in all cases there was a documented reason for the booking taken place.
- We tested all expenditure made with the supplier for minibus / van hire in 2018 / 2019 and confirmed that there had been five bookings made during the year and for all of these bookings there was a fully completed booking form in place and that the booking had been made by business administration. We were able to confirm that fuel cards had been reconciled for the journeys undertaken and that all requests for vehicles were appropriate. Approval for minibus / van hire is detailed on the booking form and in all instances we found that the form had been authorised by the requestor's line manager.
- We obtained the contract currently in place and identified that the contract currently in place was procured through a regional consortium arrangement involving North Yorkshire Police, South Yorkshire Police, West Yorkshire Police and Humberside Police. The contract itself is between South Yorkshire Police and the supplier. This contract has been in place since December 2013 and was initially for a three year period to December 2016 with a one year extension to December 2017. Discussions with the Head of Estates, Transport and Logistics and the Senior Support Officer within the transport department identified that this is currently being taken forward by the regional procurement team as part of a proposed national agreement for the hiring of vehicles. Discussions with the regional procurement team confirmed that it was expected that this would be in place by April 2019 and that the current contract has been extended to cover this period.
- There is not a specific contract in place with the supplier with regards to the minibus and van hire. Instead a mini tender was undertaken in 2017 using a request for tender process and they were awarded the tender. We reviewed the tenders provided and confirmed that the supplier was the cheapest available and that an arrangement via purchase order is in place for 2018 and given the low volume of hires in 2018 / 2019 (five to date) this would appear reasonable.

We have agreed **five medium** priority management actions in relation to the following:

- We reviewed the use of vehicles procedure and confirmed that it detailed the requirements placed on individuals insofar as being able to drive a force vehicle, however there is no information within the procedure that formally documents the process to be followed when deciding with type of vehicle is appropriate for use. We reviewed the transport decision tree which outlines the options available to staff and officers when considering undertaking journeys. Presently, there is no mechanism to hold to account individuals for not following the requirements of the transport decision tree as this is not documented within a policy or procedure.

- There is no specific budget for private mileage claims as this is included within mileage expenses and currently departmental heads have no oversight of this cost.
- We obtained management information from the force's travel system (which records all journeys made by the force fleet) for the month of September and undertook an analysis of the availability of both operational bank vehicles and force pool vehicles. At Fulford Road, whilst the data showed that there were 10 vehicles based at Fulford Road, the fleet list states that there is only one vehicle available therefore there is inconsistent information recorded.

For Scarborough, according to the data, there was one force pool vehicles based at the site and no departmental bank vehicles. However, when we reviewed the fleet list this stated there were six vehicles based at the site available for utilisation. At Harrogate, whilst the data showed that there were 10 vehicles based at Harrogate, the fleet list states that there are 11 vehicles available therefore there is inconsistent information recorded.

- From the 20 car hire bookings we tested, we found that on one occasion an individual had made duplicate bookings for a hire car and that business administration had picked this up and cancelled the second booking. However, there were two occasions where the total mileage undertaken was less than two miles. On both these occasions it appeared that a cancellation should have been made for these car hires, but this was not undertaken by the individual resulting in the force incurring unnecessary expenditure.
- We spot checked all of the 20 claims made to assess whether the correct mileage had been paid and found that there was not enough information to adequately check three claims.

For four claims made, there appeared to be force pool vehicles available according to the system (assuming the data was correct) on the date the journey was made. However, it is not possible to definitively state that force pool vehicles were available as mileage claims do not detail times journeys occurred.

We have agreed **two low** priority management actions and full details of our findings and actions can be found in section two of this report.

## 1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Area	Control design not effective*		Non compliance with controls*	Agreed actions		
	Low	Medium		High		
Hire and pool vehicles	0	(8)	6 * * (8)	2	5	0
<b>Total</b>	<b>2</b>			<b>5</b>		<b>0</b>

\* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area. \* \* Two actions relate to one control.

## 2 DETAILED FINDINGS

### Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management
1	<p>Hire car bookings are made via the business administrative services intranet site. When individuals require a hire car, they must fill out a car hire booking form and confirm that this has been authorised by their line manager.</p> <p>Fuel cards are issued to individuals when they receive the hire car by business administrative services and these are</p>	Yes	No	<p>We tested a sample of 20 car hire bookings made in September 2018 and we noted the following:</p> <ul style="list-style-type: none"> <li>In all cases there was a car booking form fully completed by the individual.</li> <li>In all cases fuel cards had been approved by the transport team and their use had been reconciled.</li> <li>In all cases there was a documented reason for the booking taken place.</li> </ul> <p>Currently, there is no requirement for a car hire booking to be authorised. The individual hiring the car complete the booking form and then inserts their line manager in the approval part of the form. This sends an e-mail to the line manager alerting them that the individual has booked a hire car but this is for information rather than approval.</p>	Low	<p>A reminder will be issued to all business administrative staff that only class B vehicles should be booked unless there are significant operational reasons for other classes of vehicle being hired.</p> <p><b>Responsible Officer:</b></p> <p>Customer Relationship Manager</p>

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management																								
	<p>returned upon completion of the hire. As part of the booking form, the requestor is required to select the type of vehicle they require, with the default being a small car (category B) as this is the lowest priced vehicle. Should a hire car cancellation be required then the individual fills in another booking form to notify business administrative services that they wish to cancel the booking.</p>			<p>Under the agreement with the supplier, there are four classes of vehicle available Class A-D and these go up in accordance with size. The standard vehicle agreed for the Force is a class B vehicle. Of the 20 car hire booking forms, we found that the appropriate class of vehicle had been hired on 16 occasions. However, for four bookings it appeared that a class C vehicle had been hired when a class B hire could have been utilised.</p> <p>Where hire cars are no longer required then a cancellation should be made via the business administrative services intranet site.</p> <p>From the 20 car hire bookings we tested, we found that on one occasion an individual had made duplicate bookings for a hire car and that business administration services had picked this up and cancelled the second booking.</p> <p>However, there were two occasions where the total mileage undertaken was less than two miles. On both these occasions it appeared that a cancellation should have been made for these car hires, but this was not undertaken by the individual resulting in the force incurring unnecessary expenditure totalling £51.94.</p> <table border="1"> <thead> <tr> <th colspan="3">Risk Exposure</th> <th colspan="3">Root causes</th> </tr> </thead> <tbody> <tr> <td colspan="3">There is a risk that individuals are not booking hire cars appropriately.</td> <td colspan="3">Incorrect selection of class of vehicle and failure to cancel hires when no longer required.</td> </tr> <tr> <th>Probability</th> <th>Financial</th> <th>Reputational</th> <th>Operational</th> <th>Legal</th> <th>Rating</th> </tr> <tr> <td>Unlikely</td> <td>Negligible</td> <td>Minor</td> <td>Minor</td> <td>Minor</td> <td>6:5</td> </tr> </tbody> </table>	Risk Exposure			Root causes			There is a risk that individuals are not booking hire cars appropriately.			Incorrect selection of class of vehicle and failure to cancel hires when no longer required.			Probability	Financial	Reputational	Operational	Legal	Rating	Unlikely	Negligible	Minor	Minor	Minor	6:5	Medium	<p><b>Implementation Date:</b></p> <p>February 2019</p> <p>Where staff appear to fail to cancel car hires this will be followed up with them and their line manager to identify reasons why. Appropriate action will be taken with the individual.</p> <p><b>Responsible Officer:</b></p> <p>Transport Manager</p> <p><b>Implementation Date:</b></p> <p>March 2019</p>
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2	Employees in the first instance are required to use a car from the force pool or operational bank as an	Yes	No	We obtained the force's current fleet list and confirmed that there are currently 49 operational departmental bank vehicles and 23 force pool vehicles; 21 (the other two vehicles are mark police vehicles) of which are bookable via the system. However, the availability of vehicles varies across	Medium	Regular reports of vehicle use will be prepared and reviewed																								

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	<p>alternative to using their own vehicle.</p> <p>Operational bank vehicles are those that did belong to departments but have now been pooled for greater efficiency.</p> <p>Force pool vehicles are booked via a system available on the force intranet. Any member of staff can access this and book a pool vehicle if free for a specified period.</p> <p>There is no limit on the booking of pool cars and there is no time limit to which pool cars can be booked. Operational bank vehicles are vehicles allocated to departments and / or stations for use.</p> <p>There is no overall system for accessing these vehicles as they are first come first served and generally available via keys being available on boards in departments.</p>			<p>sites. Discussions with the Head of Estates, Transport and Logistics and the Customer Relationship Manager confirmed that currently there is no active monitoring of the availability of operational bank and force pool vehicles.</p> <p>We obtained management information from the force's transport system (which records all journeys made by the force fleet) for the month of September and undertook an analysis of the availability of both operational bank and force pool vehicles and noted the following:</p> <ul style="list-style-type: none"> <li>• At Alverton Court, there was always an excess of available force pool vehicles, however there were occasions where all departmental vehicles were being utilised. At no point where there no vehicles available to use.</li> <li>• At Fulford Road, at various points there were no available force pool vehicles for use. However there were always available departmental vehicles but there utilisation varied by department. Whilst the data showed that there were 10 vehicles based at Fulford Road the fleet list states that there is only one vehicle available, therefore there is inconsistent information recorded.</li> <li>• For Scarborough, according to the data there was one force pool vehicle based at the site and no departmental bank vehicles. However, when we reviewed the fleet list this stated there were six vehicles based at the site available for utilisation. Transport data identified that at various points there were no available force pool vehicles available for use based on there being only one car based there.</li> <li>• At Harrogate, at various points there were no available force pool vehicles available for use. However there were always available departmental vehicles but there utilisation varied by department. Whilst the data showed that there were 10 vehicles based at Harrogate the fleet list states that there is eleven vehicles available, therefore there is inconsistent information recorded.</li> </ul>		<p>to understand the demand for vehicles.</p> <p>The fleet list and transport data will be reconciled to ensure that the information is consistent and that the utilisation reports are being used correctly.</p> <p><b>Responsible Officer:</b></p> <p>Transport Manager</p> <p><b>Implementation Date:</b></p> <p>March 2019</p>	
				<b>Risk Exposure</b>	<b>Root causes</b>		



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				<p>There is a risk that pool cars and departmental bank vehicles are not being utilised effectively.</p> <p>Inaccurate information held on the transport system and the fleet list.</p> <table border="1"> <thead> <tr> <th>Probability</th> <th>Financial</th> <th>Reputational</th> <th>Operational</th> <th>Legal</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>Unlikely</td> <td>Negligible</td> <td>Minor</td> <td>Minor</td> <td>Minor</td> <td>6:5</td> </tr> </tbody> </table>	Probability	Financial	Reputational	Operational	Legal	Rating	Unlikely	Negligible	Minor	Minor	Minor	6:5		
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3	<p>If force pool or operational bank cars are not available then employees are entitled to use their own private vehicle for mileage.</p> <p>However, the use of own vehicle to undertake a journey is restricted to over 70 miles (round trip) then the mileage over 70 will attract a reduced mileage rate (based on current HMRC rates for fuel only).</p> <p>In these circumstances the Maximum journey that can be undertaken in your own vehicle will be extended to 200 miles (round trip).</p> <p>Individuals must also have the following in place and checked by line manager: a valid driving licence, full business insurance, and up-</p>	Yes	No	<p>We reviewed the top 20 mileage claims made in September and paid via the payroll in October 2018, to identify those individuals claiming the highest private mileage.</p> <p>We found that in all cases the correct mileage rate had been applied and that the individual had been paid their claim correctly.</p> <p>We also found that in all cases the claim form was signed by an authorised individual.</p> <p>We spot checked all of the 20 claims made to assess whether the correct mileage had been paid and found the following:</p> <ul style="list-style-type: none"> <li>For seventeen cases, the correct mileage had been paid. For the remaining three claims: <ul style="list-style-type: none"> <li>In one instance we were not able to make out the destination from the claim, no postcode had been recorded.</li> <li>In one instance the base postcode had been recorded but the individual's home postcode had not been recorded.</li> <li>In one instance no destinations had been recorded for three lines of the claim but claim reason recorded.</li> </ul> </li> </ul> <p>From our testing of mileage claims, we identified that for four claims made, that there appeared to be force pool vehicles available according to the transport system on the date the journey was made. However, it is not</p>	Medium	<p>A reminder to all staff will be issued that all mileage claims should be fully completed to include destinations travelled to and from including postcodes.</p> <p><b>Responsible Officer:</b></p> <p>Head of Payroll and Pensions</p> <p><b>Implementation Date:</b></p> <p>December 2018</p>												

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4	<p>The transport decision tree specifies that pool cars must be utilised before hire cars are booked for individuals.</p> <p>The current process is that when a hire car booking form is completed and sent to business administrative services, business administrative services will undertake a manual intervention and review whether there is availability of operational pool cars.</p>	Yes	No	<p>Discussions with the Customer Relationship Manager and testing of hire car bookings confirmed that when business administrative services receives a hire car booking then they will manually look on to the system to identify if there is a suitable pool vehicle available in order to minimise expenditure on hire cars.</p> <p>We reviewed the system and found that there appears to be no limit with regards to the time period that pool cars can be booked resulting in 'block booking' of pool cars taking place.</p> <p>Discussions with the Head of Estates, Transport and Logistics identified that this had been previously identified and that it had been requested that bookings be restricted up until one month in advance. However, when we reviewed the system we identified bookings for up to eight weeks in advance.</p>	Low	<p>The system will be updated to only allow bookings of pool cars one month in advance</p> <p><b>Responsible Officer:</b> Transport Manager</p> <p><b>Implementation Date:</b> March 2019</p>																								
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5	<p>Hire car expenditure is monitored by the transport team who are provided with monthly reports from the supplier identifying the amount that has been spent in the previous month and also year to date.</p> <p>Minibus and van hire expenditure is also monitored by the transport team.</p> <p>There is no specific individual or team responsible for the monitoring of expenditure relating to private mileage claims as these are included in staff costs for individual departments.</p> <p>The Head of Transport and Logistics reports this information to the Executive Team on a six monthly basis in order to give them oversight of the current</p>	Yes	No	<p>We confirmed through discussions with the Head of Estates, Transport and Logistics that expenditure relating to hire cars is received by the Transport team and that they are responsible for managing this budget.</p> <p>We reviewed the management information provided by the supplier relating to hire cars and confirmed that this details the financial cost of the car hires including any extra costs incurred such as fuel. This management information is utilised by the Head of Estates, Transport and Logistics as part of a six monthly presentation he gives to the Executive Team. A copy of which we obtained and confirmed it provides detailed information relating to the main costs of operating the transport / fleet infrastructure at the force.</p> <p>Discussions with the Head of Estates, Transport and Logistics highlighted that expenditure in relating to private mileage claims is only scrutinised as part of this six monthly presentation and is not widely available (a specific request has to be made to the payroll team).</p> <p>We reviewed the cost of private mileage in 2017 / 2018 and confirmed that this was £282,000 which is comparable to the cost of hire cars in 2017 / 2018 of £284,000. There is no specific budget for private mileage claims as this is included within mileage expenses and currently departmental heads have no oversight of this cost.</p>	Medium	<p>Costs relating to employee mileage claims will be provided to departmental heads.</p> <p><b>Responsible Officer:</b></p> <p>Head of Estates, Transport and Logistics to discuss with Finance team</p> <p><b>Implementation Date:</b></p> <p>May 2019</p>									
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	spend in relation to transport.			Unlikely	Negligible	Minor	Minor	Minor	6:5																		
6	<p>North Yorkshire Police (NYP) have in place a documented procedure in relation to use of vehicles. The procedure covers the use of all marked and unmarked vehicles owned, hired, leased or sponsored by NYP. It also covers the use of private vehicles or any other vehicle that is used by an NYP employee or volunteer in connection with any NYP business.</p> <p>The procedure is supported by the transport decision tree which outlines the options available to staff and officers when considering undertaking journeys.</p> <p>Staff and line managers are required to use the tree and make appropriate assessment relating to the appropriate option to take prior to making each business journey.</p>	Yes	No	<p>We reviewed the use of vehicles procedure and confirmed that it details the requirements placed on individuals insofar as being able to drive a force vehicle, however there is no information within the procedure that formally documents the process to be followed when deciding which type of vehicle is appropriate for use.</p> <p>We reviewed the transport decision tree which outlines the options available to staff and officers when considering undertaking journeys. Staff and line managers are required to use the tree and make appropriate assessment relating to the appropriate option to take prior to making each business journey. This clearly documents the force's approach to utilisation of vehicles in order to maximise efficiency and minimise expenditure.</p> <p>Presently there is no mechanism to hold to account individuals for not following the requirements of the transport decision tree as this is not documented within a policy or procedure.</p>	Medium	<p>Include the transport decision tree as part of an enhanced Use of Vehicles Procedure.</p> <p><b>Responsible Officer:</b></p> <p>Head of Estates, Transport and Logistics and Transport Manager</p> <p><b>Implementation Date:</b></p> <p>March 2019</p>																					
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# APPENDIX A: SCOPE

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

## Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following area:

### Objectives of the area under review

To ensure hire and pool vehicles are used in an effective and efficient manner to ensure expenditure is minimised.

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

#### Areas for consideration:

Our review will consider the following:

#### Hire and pool vehicles

- Policies and procedures are in place and available to staff governing the use of pool and hire cars.
- We will perform substantive testing on hire car bookings to confirm:
  - Car hire booking form is in place, has been authorised (challenged) and raised in a timely manner.
  - Fuel cards used are approved and reconciled to the related journey.
  - The class of vehicle is appropriate based on the need of transportation requirement.
  - Mini bus / van hire.
  - Cancellations.
- Review of the booking, approval and use of pool / operational bank vehicles. We will consider how employees using their own vehicle is considered as part of this process.
- Review of hire car mileage occurred and whether the use of another form of travel was more appropriate.
- Review of how the use of hire cars and pool cars are triangulate to minimise expenditure.
- Contracts in place with the hire car provider is in place and reviewed at regular intervals.
- The use of hire car expenditure is monitored and reported through the Force's governance structure.

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

### **Hire and pool vehicles**

- 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.
- 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 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.

## APPENDIX B: FURTHER INFORMATION

### **Persons interviewed during the audit:**

- Head of Transport, Estates and Logistics
- Head of Pay and Pensions
- Transport Manager
- Customer Relationship Manager
- Business Administration Manager
- Senior Support Officer

### **Documentation reviewed during the audit:**

- Top 20 mileage claims, September 2018 paid in October 2018
- Hire car expenditure, 2018 / 2019
- Transport decision tree
- Use of vehicles procedure

## FOR FURTHER INFORMATION CONTACT

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