



Tranman and AMS Systems

North Yorkshire Fire and Rescue Service

Internal Audit Report 2020/21

Business Unit: Assets
Responsible Officer: Head of Assets
Service Manager: Logistics Manager
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Status: Final
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	P1	P2	P3
Actions	0	3	1
Overall Audit Opinion	Reasonable Assurance		

Summary and Overall Conclusions

Introduction

In April 2019 the North Yorkshire Fire and Rescue Service started using the Tranman system. Tranman was initially used to manage the service's fleet and also the ordering, receipting and issuing of stock and supplies through its in-built stock module. Tranman replaced the Fleetplan system which had previously been used for fleet management.

We reviewed the Tranman system in 2019/20 and identified 6 areas for improvement. Weaknesses were identified in the processes for ordering stock, stock management, and the implementation of Tranman. A final audit report was issued in March 2020 with a limited assurance opinion.

In September 2020 the service introduced the AMS system replacing originally STARR, then temporarily Tranman, as the tool for management of stock, supplies and operational equipment. The initial set up and implementation of AMS system was managed by the Response and Resilience service area. Once introductory training had been completed, the management of the AMS system was transferred to the Logistics service area.

When introducing new systems and working practices, it is crucial progress is monitored against pre-defined activities and timescales to support successful and timely implementation. The implementation process should also include appropriate testing of the system and training for all users of the system to ensure that once in place, the system will operate as intended.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- Areas for improvement in the Tranman system identified in the 2019/20 internal audit report have been addressed
- Appropriate project management arrangements were used to implement the AMS system

Key Findings

A decision was made in May 2020 by the Head of Assets that Tranman would no longer be used for stock, supplies and operational equipment. This decision was made to eliminate some weaknesses identified in the Tranman system in 2019/20, such as weaknesses in stock ordering and management, stock adjustments not being review or authorised, and the manual input of information. The AMS system replaced Tranman for stock and supplies related functions from September 2020. Tranman remains the system for managing and recording transport maintenance.

The areas for improvement identified in 2019/20 have been addressed. Stock ordering and management is being performed through the AMS system using an in-built automated stock management module. The process for ordering stock has been updated and contains sufficient separation of duties. Stock checks are also performed on a weekly basis.

The implementation of the AMS system included an appropriate testing process and training for all end users. Live testing took place at Selby Fire Station and there was an open feedback process with Creative Software Solution (the providers of the AMS system). Specific training was delivered to end users for the section of the AMS system they will use. Both the testing process and training of end users were managed through the project plan overseen by the Project Officer.

There was no collaborative working or project management arrangements involved in the introduction of the Tranman and AMS systems. Both systems have been introduced in isolation. The systems offer similar primary functionality as stock management systems. However, issues identified in the 2019/20 audit relating to how Tranman operates were intended to be addressed by the functionality within the AMS system. Longer term, strategic and collaborative management for the implementation of these systems would help ensure the systems meet the requirements of the service.

Elements of the services Business Management Framework such as identifying the new AMS system as a major project, the business change process and action planning were not followed when implementing the new system as they were deemed not applicable. This was due to the implementation not being classed as a corporate project as the decision to procure AMS was a direct result of the requirement to replace STARR. So a business case was also not created for this procurement. Following the principles and key elements that are outlined in the Business Management Framework would have helped considerations such as the financial implications, business continuity, and the timeframe of the project would have all been formally documented.

The AMS system went live on 30 September 2020 and was transferred from the Response & Resilience service area to Logistics. As part of the transfer of ownership of the system a client brief should be in place. The client brief states the responsibilities of all service areas involved in operating and maintaining the AMS system. In the case of the AMS system handover the client brief was a draft document with insufficient detail. Responsibilities for operating the AMS system by end users, managing the ordering and distribution of stock, and maintaining the system software were not formally stated.

The SLA between Response & Resilience and Logistics service areas outlining the requirements for the stock management of operational equipment is incomplete. This may lead to inefficient stock management taking place, resulting in insufficient levels and quality of operational equipment being available.

Overall Conclusions

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

1 Tranman and AMS system implementation

Issue/Control Weakness

There was no collaborative working arrangements involved in the introduction of the Tranman and AMS systems.

Risk

Tranman and AMS systems do not fully meet the requirements of the service and may not operate efficiently.

Findings

Tranman was introduced in April 2019 replacing the Fleetplan system. Tranman was intended to manage the service's fleet and also the ordering, receipting and issuing of stock and supplies through its in-built stock module.

The AMS system was introduced as a consequence of the STAAR Database becoming obsolete. A decision to replace STAAR was actioned by the risk management group in 2016. The system was procured by the Head of Assets on behalf of the Service and owned by Response and Resilience. However the implementation of the new system was not assigned to individual officer or service area. A project board was created in late 2018 to implement the AMS system with a full-time Project Officer. The AMS system went live in September 2020.

The systems offer similar primary functionality as stock management systems. Yet there was no collaborative working arrangements during the introduction of these two systems. Both systems have been introduced in isolation. Issues identified relating to how Tranman operates were intended to be addressed by the functionality within the AMS system. The two projects and systems should have been managed more closely together. Longer term, strategic and collaborative management for the implementation of these systems would also help ensure the systems meet the future requirements of the service.

Agreed Action 1.1

The Service is addressing the need for better project implementation processes at a corporate level rather than specifically within the Assets area of business, however it is important to note that many of the systems and assets managed within these teams are done so at a corporate level, reinforcing the need for the Service to put effective project and programme support processes and Capacity in place.

Priority

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Responsible Officer

Head of Assets

Timescale

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The Tranman and AMS system could have benefitted from cross working, although also important is the separate work the two system do for very different departments within Assets. Notwithstanding this, there are future opportunities for cross over between those areas and this may lead to efficiencies in working practices and system use in the future.

This area will be kept under review as part of normal business. Changes will follow the relevant corporate systems for change in the future.

2 Business Management Framework

Issue/Control Weakness

Elements of the services Business Management Framework such as being identified as a major project, the business change process and action planning were not followed when implementing the AMS system.

Risk

The AMS system is not implemented in the most effective manner.

Findings

The Service has a Business Management Framework to help ensure major policy decisions, change projects and work associated with higher levels of corporate risk are managed appropriately.

Some key elements of the Business Change Framework were not followed as they were deemed inapplicable. This was due to the implementation of AMS not being classed as a corporate project, as the decision to procure AMS was as a direct result to replace STARR. These elements included the business change process, action planning and being identified as a major project / programme. A business case was also not created.

Following the principles and key elements that are outlined in the Business Management Framework would have helped considerations such as the financial implications, business continuity, and the timeframe of the project would have all been formally documented.

Agreed Action 2.1

The Service did not recognise the changes as at a corporate level at the time, although did recognise the risks associated with the old STAAR database system. The Service was unable to field project expertise when these systems were implemented either from within the (then) Technical Services Function, or within the Risk Management Function. The recognition of projects in the correct place would have led to better use of the Business Management Framework.

The mentioned recognition of a need to address corporate project delivery in the future is key to avoidance of these issues in the future.

Priority

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3 AMS client brief

Issue/Control Weakness

A client brief was not completed and agreed prior to the AMS system handover from Response & Resilience to Logistics when the system went 'live'.

Risk

Service areas do not carry out their responsibilities appropriately in maintaining and operating the AMS system.

Findings

The AMS system was 'owned' by the Response & Resilience service area from the initiation of project to when the system went 'live'. The AMS system went 'live' after all testing and training for end users had been completed and system ownership was transferred to the Logistics service area on 30 September 2020.

As part of the transfer of ownership of the system a client brief should be in place. The client brief states the responsibilities of all service areas involved in operating and maintaining the AMS system. In the case of the AMS system handover the client brief was a draft document with insufficient detail. Responsibilities for operating the AMS system by end users, managing the ordering and distribution of stock, and maintaining the system software were not formally stated.

Agreed Action 3.1

The delivery of a detailed client brief has been requested by the Assets Function and a working group consisting of Response and Resilience, ICT and Assets is currently trying to jointly develop a suitable brief.

This is the first example of a system being used across operational and support areas since the introduction of the enableNY commissioning model and so the development of this area is not only being dealt with as a joint approach, but is also pioneering a new way of working.

The Function Heads are jointly progressing this work to ensure an outcome focused end result. This builds on some previous work undertaken by the teams on the SLA for operational equipment provision.

SLAs and client briefs need to be owned by the client to ensure that the provisions set out within meet the client requirement. enableNY (in this case Assets) will fully support the client in developing them

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4 Operational equipment SLA

Issue/Control Weakness

The SLA outlining the requirements for the stock management of operational equipment is incomplete.

Risk

Insufficient levels and quality of operational equipment are available.

Findings

An SLA is in place between Response & Resilience and Logistics service areas outlining the requirements for the stock management of operational equipment. The SLA was introduced when AMS went 'live' in September 2020 and system ownership was transferred to the Logistics service area.

The SLA contains key information, such as: description of equipment; preferred supplier; price of one unit; current, maximum and minimum stock level; RAG rated importance of the equipment; and lead in time for purchase and delivery to stations. There are approximately 280 lines of operational equipment stated on the SLA

The SLA is not fully complete and is still being developed. The following information was not stated on the SLA:

- 192 lines did not state the price of one unit
- 190 lines did not state the lead in time for purchase and delivery to stations
- 25 lines did not state the current stock level
- 25 lines did not state the preferred supplier

Agreed Action 4.1

As noted above, the SLA approach was pioneered in 2020 and launched at the start of the Covid-19 pandemic, meaning the expected period of steady state operation never took place.

That said, the ongoing development of this approach continues between the Response and Resilience and Assets Functions. The client owns the SLA and is ultimately responsible for ensuring it is fit for their purpose, but full support to development is provided by the Logistics Team within enableNY.

This links across to the AMS system and work to complete the data within the system (lifecycles, costs, servicing information etc.) is on-going as the system, at handover did not

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contain any of this information. It is expected that this will take approximately one year to complete and links directly to the work being done to update the SLA.

Audit Opinions and Priorities for Actions

Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial Assurance	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.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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