

**Fuel Management: Progress Report
Report by Gerald Tait, Risk and Audit Manager****1. Introduction**

This report presents progress with the recommendations on fuel management endorsed by the Audit Committee at its meeting on 30 October 2012.

2. BackgroundProgressing recommendations

The Internal Audit recommendations (23 in number) have been inserted into covalent, the Council's performance management system and allocated to responsible managers.

The 23 recommendations were listed as follows, in terms of priority:-

High - 8

Medium - 15

Across the recommendations:-

High – 2 have deadlines of 31 December and 6 have deadlines of 31 March 2013

Medium – 1 is completed, 3 have deadlines of 31 December, 8 have deadlines of 31 March 2013 while 3 have deadlines of 30 June 2013.

The Audit Committee of the 30 October recommended that management consider bringing forward some of the recommendations and to provide a progress report to the next meeting.

Covalent

Responsible officers have been updating covalent with progress reports in the past few weeks, in an attempt to speed up implementation of the recommendations. Covalent is reporting a 56% implementation rate across the 23 recommendations.

A copy of the covalent report as at 3 December 2012 is attached and if there is further progress before the Audit Committee on 11 December, officials will provide a verbal update.

Police Investigation

I will present a verbal progress report at the Audit committee

3. Report Implications

3.1 Resource

There are no direct resource implications in this report.

3.2 Risk

In delivering services, fuel is a valuable and essential asset of the Council and in a typical financial year up to £1m is spent on diesel, gas oil and petrol. There is always a potential for theft of fuel and for vehicles to use high volumes of fuel if controls fail to spot issues.

The 23 recommendations in the Internal Audit report, once fully implemented by management, should reduce risk appreciably in the future.

3.3 Policy

Strategy – This report directly relates to the Council's Counter Fraud and Corruption Policy and Risk Management Policy which seeks to protect the Council's assets.

Consultation – Internal Audit has been in consultation with service managers responsible for the recommendations and will continue to do so.

Equalities – there are no equalities issues arising from this report.

Sustainability – Internal Audit provides an independent assurance function which assists the sustainability of the Council's internal control system, governance and management of risk.

4. Recommendations

The Audit Committee is invited to:-

- (1) Scrutinise and approve the progress report; and
- (2) Note that a further progress report will be presented to the January 2013 Audit Committee.

30 November 2012

Report Author: Gerald Tait, Risk and Audit Manager
Tel: 0131-271-3284
E-Mail: Gerald.tait@midlothian.gov.uk

