

## OPERATOR COMPLIANCE AUDITS – APPROACH TO CONDUCTING AUDITS REMOTELY DURING COVID-19 PANDEMIC

Traffic commissioners have agreed to accept operator compliance audits conducted remotely that adopt the approach in this document. This is a temporary concession aimed at improving operator safety whilst operating in compliance with public health advice.

Audits must be based on evidence. The standard audit framework has been updated with the **minimum** necessary evidence required. In accessing evidence, the following principles apply:

1. You may scan or photograph documents to send to the auditor. Each document must be complete and easy to read. (You might want to use something like a Sharepoint or Dropbox site to help with image quality)
2. You should make use of publicly available information, for example, on vehicle taxation status and MOT history.
3. As an operator, you **must not** share VOL login details with auditors. These are personal and not transferable.
4. You should aim to use software such as Skype or Microsoft Teams to share screens so that the auditor can check remotely, for example, tachograph and maintenance records stored electronically.
5. As an operator, you may, at your own risk and at your own discretion, provide auditors with remote access to any online compliance systems (such as for maintenance or drivers hours).
6. You (operators and transport managers) should carry out interviews and debrief meetings using software so that all the parties can see each other.
7. As an auditor, you must confirm the identity of operator representatives before any interview or debrief commences. The debrief should be with a director, partner or the sole trader AND with the Transport Manager for standard licences.
8. Where no evidence is available, this should be said. Verbal assurances from the operator carry little weight.

When checking driver and vehicle records, the following sample sizes are appropriate:

| Total vehicles and trailers in possession | Vehicle/trailer records | Drivers records |
|---|-------------------------|-----------------|
| 1-5                                       | All                     | All             |
| 6-50                                      | 5                       | 5               |
| >50                                       | 10%                     | 10%             |

These are minima. Maintenance samples may need to be larger to ensure that they cover all maintenance providers and types of equipment (vehicles/trailers). Maintenance records should be sampled for a period that covers not less than 4 scheduled PMIs.

The driver record sample must cover all types of operation, for example, tramper drivers, local day drivers, those on EU and domestic hours etc. Driver records should cover not less than the previous 3 months.



## STANDARD AUDIT FRAMEWORK

Name and CV of auditor and controls under which he works, relevant qualifications and training.

The auditor should describe how the audit was undertaken including how evidence was viewed and who was involved.

| <b>Part 1 – basic company profile</b>   |   |
|---|---|
| 1   | <p>Description of operator's business</p> <ul style="list-style-type: none"> <li>• Type and age of licence</li> <li>• Number of vehicles</li> <li>• Number of drivers &amp; number of overall company employees who rely on transport operation</li> <li>• Main contracts or types of work</li> </ul>   |
| 2   | <p>Management structure &amp; maturity</p> <ul style="list-style-type: none"> <li>• Brief overview – organogram if appropriate</li> <li>• How decisions are made</li> <li>• Does the operator make use of OCRS reports</li> <li>• Are drivers employed on a PAYE basis</li> <li>• Do they have a contract</li> <li>• Is it of a good standard eg based on RHA, ACAS etc</li> </ul>  |
| 3   | <p>Company repute</p> <ul style="list-style-type: none"> <li>• Any convictions eg from HSE, Environment Agency or other</li> <li>• Any other action from an enforcement body</li> <li>• Anything pending</li> </ul>   |
| 4   | <p>Driver management</p> <ul style="list-style-type: none"> <li>• Recruitment practices and selection process</li> <li>• Induction</li> <li>• Driver handbook/log book and its contents</li> <li>• Driver turnover</li> <li>• Part time vs full time</li> <li>• CPC days per driver completed, how this is managed, who takes responsibility, who pays</li> <li>• Evidence of support and discipline when issues arise</li> <li>• Licence checks, how frequent, are they signed up to an online service, and what consequent action is taken</li> </ul> |
| 5   | <p>Vehicle specification</p> <ul style="list-style-type: none"> <li>• Are vehicles specified and allocated per contract or is the fleet standard with varying types of work</li> <li>• Are the appropriate vehicles being used on the appropriate jobs</li> <li>• What is the vehicle replacement policy</li> <li>• What is the average fleet age</li> <li>• What is the average mileage</li> <li>• Is there appropriate insurance</li> </ul>   |
| <p><b>Minimum evidence to be viewed by the auditor</b></p> <ol style="list-style-type: none"> <li>1. The operator's licence</li> <li>2. Driver employment contract</li> <li>3. Written declaration from director in relation to convictions</li> <li>4. Basic internet search of operator for convictions</li> <li>5. Drivers handbook and associated policies</li> <li>6. Driver CPC training log</li> <li>7. Sample disciplinary letters</li> <li>8. Copies of licence checks</li> <li>9. Fleet insurance policy</li> <li>10. Check VED and MOT online</li> </ol> |   |



| <b>Part 2: Drivers hours, working time, recording systems including tachographs</b>   |   |  |
|---|---|--|
| <p>Note the control systems need to be legally compliant and focussed on the likely risk. For example, if the operator uses a truck to deliver from a shop unit that is open 9 – 5, Monday to Friday only, then major risk areas are around daily rest and 4.5 hrs driving and control mechanisms can be quite basic. On the other hand, if it's a sub-contracted chilled-food distribution business delivering in to high penalty RDCs and with international connections, with drivers away from base all week, control systems need to be significant, possibly including telematics</p> |   |  |
| <p><b>Likely Risks – think about issues like these:</b></p> <ul style="list-style-type: none"> <li>• Is work regular or unpredictable?</li> <li>• Who makes decisions about whether to do a job – driver or TM, or other?</li> <li>• Can drivers earn bonuses – what for?</li> <li>• What is the company culture – customer service or compliance?</li> </ul>   | <p><b>Control approach – to include</b></p> <ul style="list-style-type: none"> <li>• Process for return of charts or download of cards</li> <li>• VU download</li> <li>• How VU and DC is compared</li> <li>• IT system used to analyse digital data</li> <li>• Contracts and relationships with driver agencies</li> <li>• Manual record analysis</li> </ul> | <p><b>Control deployment</b></p> <ul style="list-style-type: none"> <li>• Are processes working?</li> <li>• Time between downloads</li> <li>• Missing mileage</li> <li>• Charts returned</li> <li>• VU and DC comparison – evidence that occurring and action taken</li> <li>• Driver retraining linked to infringement reports</li> </ul> |
| <p><b>Minimum evidence to be viewed by the auditor</b></p> <ol style="list-style-type: none"> <li>1. Tachograph calibration certificates</li> <li>2. The suite of tachograph analysis reports in use by the operator which should include infringement reports (at fleet level), vehicles driver without a card, time since last VU and DC downloads, WTD, workforce agreement, opt-outs</li> <li>3. Individual driver infringement reports and action taken</li> </ol>   |   |  |

| <b>Part 3: Maintenance</b>  |  |  |
|---|--|--|
| <b>Likely Risks – think about issues like these:</b>  | <b>Control approach – to include</b>   | <b>Control deployment</b>  |
| <ul style="list-style-type: none"> <li>• Age of fleet</li> <li>• Vehicle mileage</li> <li>• Differing applications of the fleet</li> <li>• Offroad use?</li> <li>• Multi-manning?</li> <li>• Vehicles job-specific, or basic vehicle types used across a range of operations?</li> <li>• Maintenance in house or outsourced?</li> <li>• Daily pre-use checks</li> </ul> | <ul style="list-style-type: none"> <li>• Intelligent specification of PMI frequency based on use, usage, vehicle age, feedback from PMIs conducted? (vs 6 weeks for all)</li> <li>• Inspection standards based on vehicle usage – ie at standards designed to get vehicle to next PMI defect free?</li> <li>• Maintenance facilities – access to pit, RBT etc, cf IRTE workshop accreditation guide</li> <li>• Maintainer aware of first time pass rates?</li> <li>• Driver training and competence in walkround checks</li> <li>• PG9s analysed and proactive improvement plan implemented</li> </ul> | <ul style="list-style-type: none"> <li>• PMIs on time</li> <li>• Condition of vehicles at PMIs – is frequency correct?</li> <li>• Driver defects on PMIs</li> <li>• PMIs fully and properly completed, and signed off</li> <li>• Annual test fails – why?</li> <li>• Retest or PG9 clearance failures – why?</li> <li>• Recurring PG9s</li> <li>• First time pass rate</li> <li>• Breakdowns – downtime</li> </ul> |

| <b>Minimum evidence to be viewed by the auditor</b>   |
|---|
| <ol style="list-style-type: none"> <li>1. First use inspections at start of hire period or at purchase</li> <li>2. Technical staff qualifications (unless franchised dealer)</li> <li>3. Photographic evidence of <b>all</b> maintenance facilities showing degree of compliance with GTMR Section 5.1</li> <li>4. Copies of maintenance contracts and comparison with stated maintainers on VOL</li> <li>5. Forward planner</li> <li>6. Last 4 PMIs including detailed roller or decelerometer brake test reports</li> <li>7. Tachograph lead-in reports to confirm walkaround checks</li> <li>8. All defect reports within sample period that show a live defect (where no defect report is provided, the auditor will assume NIL defects)</li> <li>9. Any audit logs such as gate checks</li> <li>10. If third party trailers used, how PMI frequency respected</li> </ol> |

**Part 4: Role of Transport Manager (standard licences) or Responsible Person (restricted)**

Standard licence holders are required to have a CPC-qualified transport manager who exerts continuous and effective management over the transport operation. Regulation 1071/2009 sets out the **minimum** role of a transport manager as the following:

- vehicle maintenance management,
- verification of transport contracts and documents,
- basic accounting,
- the assignment of loads or services to drivers and vehicles,
- and the verification of safety procedures;

The amount of time a transport manager needs to spend on transport manager duties (that is, not including any other responsibilities, for example, as a director of the business) varies depending on the nature of the operation. Starting points are set out in the STC Statutory Guidance and Statutory Directions No.3.

Restricted licence holders do not require a qualified person. However, they do need to have suitable arrangements such that the transport activities are appropriately managed and controlled and this will mean designating someone in the business as the person responsible for transport management duties

In the table below, reference to TM includes Transport Managers and Responsible Persons in own-account operators

| <b>Likely Risks – think about issues like these:</b>   | <b>Control approach – to include</b>  | <b>Control deployment</b>   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Size of fleet (vehicles and trailers).</li> <li>• Number of operating centres and geographic dispersal</li> <li>• Work unpredictable, customers very demanding</li> <li>• High proportion of agency drivers</li> <li>• Vehicles and drivers out all week</li> <li>• TM lacks authority</li> <li>• Remoteness of TM from day-to-day operation</li> <li>• TM has many other demands on his time</li> <li>• TM out-of-date</li> <li>• TM resigned and not notified.</li> <li>• New/additional TM(s) and not notified.</li> </ul> | <ul style="list-style-type: none"> <li>• TMs as specified on Licence.</li> <li>• TM resource in line with STC guidance</li> <li>• Clear contract of employment and job description</li> <li>• Appropriate support systems in place either people, electronic or both</li> <li>• Operator uses OCRS reports as part of a formal management process</li> <li>• Drivers have regular recorded debrief sessions</li> <li>• TM keeps self and others up to date</li> </ul> | <ul style="list-style-type: none"> <li>• TM present at, and plays active role during, audit</li> <li>• TM clearly has a handle on the operation, can describe compliance risks and how they are dealt with</li> <li>• Evidence of TM refresher training</li> <li>• Evidence of tachograph analysis leading to effective interventions with drivers</li> <li>• Clearly planned programmes for vehicle maintenance, driver training etc and evidence of effective analysis and interventions</li> </ul> |

**Minimum evidence to be viewed by the auditor**

1. TM contract of employment
2. If external, evidence of attendance/payment such as regular invoices
3. Evidence of TM involvement such as counter-signing PMIs, debriefing driver infringements
4. TM CPD (in line with STC Statutory Document 3)