

# UPDATED MANAGEMENT RESPONSE

AUDIT	Licensing	PREPARED BY		DATE	
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Please note: The updated management responses have been provided by Kathryn Ashton, Licensing Manager. Internal Audit have not carried out any further testing at this stage so cannot provide assurance over the latest position regarding the implementation of recommendations. A follow-up audit will be included in the 2015/16 Internal Audit plan.

NO	RECOMMENDATIONS	RESPONSIBLE OFFICER/DATE TO BE ACTIONED	ORIGINAL MANAGEMENT RESPONSE	UPDATED MANAGEMENT RESPONSES
1	<b>Risk: Policies and Procedures</b>			
1.1	<p>The procedural guides for the key processes undertaken by the taxi licensing team should be reviewed and updated to ensure that they still reflect current practices. These procedures should clearly explain the processes and documents used in the issue of new taxi applications, renewals etc. and should be version controlled to ensure that they can be updated as and when amendments to the procedure are made.</p> <p>These procedures should be made available to all staff in the section and should be supported with training where required to enhance awareness.</p> <p><b>Priority: Medium</b></p>	<p>Licensing Manager</p> <p>January 2015</p>	<p><b>Agreed.</b> Staff have previously been made aware of the procedures which are stored on the shared drive.</p> <p>As a result of this issue where some staff indicated they were not aware, an email has been sent to all the team to clarify where the procedures are stored and the importance of familiarising themselves with the detail. The Team Leader has checked that this has been actioned.</p> <p>Procedures will be reviewed and amended as necessary.</p>	<p>Email confirmation has been received from all team members confirming they are familiar with current procedures.</p> <p>The procedures reflect current practices but will be reviewed and amended as and when changes are made to the service.</p>

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1.2	<p>A review should be conducted to establish how much licensing information is retained for all drivers.</p> <p>Arrangements should be made to review and dispose of any unnecessary documentation in a secure way and to avoid any data security breaches. Personal documents should not be stored insecurely on the office floor. Only documents that meet the requirements of the Data Protection Act (Principal 5) should be retained i.e. those that are still relevant for the duration of a licence.</p> <p>Documentation retention requirements for licensing paperwork should be increased from two years to reflect the need to store some documents for a longer period. Where relevant, shorter documentation retention periods should be used for documents that become out-of-date and irrelevant.</p> <p>The practicalities of storing documentation electronically should be explored to facilitate the above process.</p> <p><b>Priority: High</b></p>	<p>Licensing Manager</p> <p>January 2015</p> <p>On-going</p>	<p><b>Agreed.</b> All necessary information as part of the application process will be retained.</p> <p>A review of documentation at Hillmead is being undertaken and all boxes stored within the department were to be transferred to Hillmead or indeed archived at Wat Tyler House.</p> <p>Only documentation which is required to be kept will be on licensed files. This includes the latest copy of the applicants' driving licence, any medical information, NI number and ID copies produced at first licensing and replaced at each renewal.</p> <p>The taxi and private hire database, currently on LalPac (the licensing management information system), will be transferred over to Uniform which is the database that the rest of Regulatory Services utilise. As part of this a document management system will be utilised to store necessary electronic records and documentation.</p>	<p>All information required and submitted as part of the application/renewal process is stored/referenced on the Lalpac database.</p> <p>The review of documentation at Hillmead has been completed and all boxes that were stored on the office floor have been reviewed and archived at Hillmead. There are no boxes or documentation stored insecurely within the office</p> <p>Applicant's files are kept securely and copies of their latest application form, copy of driving licence and medical, where applicable, are retained for the 2 year period consistent with SBC retention policy. All documents and checks are referenced on LalPac.</p> <p>It is proposed that the Lalpac database will be transferred to Uniform consistent with the rest of Regulatory Services thus allowing sharing of information and also use of a document management system IDOX.</p>

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1.3	<p>Performance of the Licensing Service should be monitored against locally determined performance indicators in order that any progress and improvement in service delivery can be effectively monitored.</p> <p>Performance indicators such as those used by Derby City Council at Appendix A should be evaluated as a means of measuring taxi licensing performance.</p> <p><b>Priority: Medium</b></p>	<p>Licensing Manager</p> <p><i>January 2015</i></p>	<p><b>Agreed.</b> There are no statutory KPI's for taxis and private hire and currently none reported locally. It is noted that the report includes some examples of KPI's from Derby.</p> <p>Whilst we do not currently report any, the system holds all information and can produce reports as required.</p> <p>KPI's will be considered and where appropriate will be introduced.</p>	<p>KPI's have been introduced and will be reported on from April 2015</p>
1.4	<p>Taxi and Private Hire Licences should be updated to include the required National Fraud Initiative fair processing notice, which can be obtained from Internal Audit if necessary.</p> <p>Due to the next National Fraud Initiative exercise starting in October 2014, this would need to be rolled out to all licences mentioned as they are renewed during the course of the next year from this September.</p> <p><b>Priority: High</b></p>	<p>Licensing Manager</p> <p>From October 2014</p>	<p><b>Agreed and implemented</b></p>	<p>There was only one form on the SBC website that did not have the fair processing statement included. All the website corrections have been implemented</p>

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2	<b>Risk: Applications and Renewals</b>			
2.1	<p>The Council should investigate and quantify the potential benefits of moving to a three year licence renewal regime to reduce the administrative burden on the licensing team. DVLA checks should be conducted as part of this process to ensure that the driving licence status of each driver is monitored for the years between the three year renewals.</p> <p>Other checks such as DBS checks and medicals for drivers in the relevant age band should also then be aligned with a three year renewal process.</p> <p><b>Priority: High</b></p>	<p>Licensing Manager</p> <p>December 2014 and on-going following licence renewal</p>	<p><b>Agreed.</b> Consideration has been given to offering 3 yearly licences and also dual licences. However there would be a requirement to continue with the option of annual licences to applicants firstly from a cost implication to the individual and also because many drivers enter this occupation but do not continue beyond the first year.</p> <p>Online DBS checks will be conducted via an online service for future arrangements.</p> <p>DBS checks will be conducted every 3 years in accordance with the DBS code of practice. DVLA mandate checks will be required annually regardless of whether a 3 year licence is offered.</p> <p>Medicals are required at intervals in accordance with DVLA guidelines which is not 3 yearly. Only changes to drivers medical history/new conditions require more frequent medicals.</p>	<p>As original response. This is to be considered at the next Taxi Forum meeting in March 2015 where the views of the trade will be sought.</p> <p>As original response</p> <p>Drivers are expected to meet Group 2 entitlement in accordance with DVLA guidelines and this is consistent with the majority of local authorities. Only changes to drivers medical history/new conditions require more frequent medicals. This is already in place.</p>

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2.2	<p>DBS checks of drivers should be routinely undertaken at least every three years in accordance with Department of Transport guidance. A Key Performance Indicator should put in place to ensure these are performed on a timely basis.</p> <p>If the renewal period for licences was extended to three years, the DBS check could be renewed at the same time, ensuring that the DBS information was retained for the duration of the licence.</p> <p>The date of the DBS check should be recorded on the LALPAC system (taxi licensing data base) so that drivers are sent automatic letters requesting new DBS checks when the duration of the last check has expired i.e. every three years. However, a record is maintained on a spreadsheet.</p> <p><b>Priority: High</b></p>	<p>Licensing Manager <i>January 2014</i></p>	<p><b>Agreed.</b> Prior to May 2014 the DBS/PNC check was only conducted at first licensing. However, from February 2015, a three yearly renewal programme will be implemented using an external provider, who will be checking each renewal from to confirm their DBS status regardless of whether a decision to offer a three year licence is taken,.</p> <p>All drivers must apply to renew their licence prior to their existing one expiring otherwise there would be a break in the process where they wouldn't be authorised as a licensed driver. The service allows renewals a month in advance of expiry of the licence and this has no impact on a DBS being conducted.</p> <p>Audit Comment: The three yearly reviews of DBS checks should be started as soon as possible.</p>	<p>The updated check for drivers has been implemented since February 2015. DBS checks have always been recorded on LalPac and will continue to be or indeed Uniform as and when information is transferred.</p> <p>All drivers will be subject to a 3 yearly DBS check from this time. An external provider has been engaged and the service will encourage drivers to sign up to an annual check which enable the section to be updated with any changes to the DBS. This is not mandatory but views from the trade through the taxi forum are positive in taking this up.</p> <p>It should be noted that regardless of the duration of the licence DBS information can only be retained whilst the application/renewal is being considered and for a maximum of 6 months. Exceptions to this are where there are legal proceedings on going.</p>

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2.3	<p>The process for allowing taxi drivers to use bus lanes should be simplified and applied consistently to all taxi drivers.</p> <p>As part of the process of setting taxi licensing fees for the next financial year, the fees for vehicles should include the right to drive in bus lanes for all licenced vehicles. This would negate the need to issue special stickers to drivers and would wrap up all Swindon registered taxi's into the scheme.</p> <p>If taxi licence plates were used on the front and back of vehicles as in some other local authorities, taxis would also be easy to recognise through the bus lane cameras and the Licensing team would easily be able to extract a list of vehicles allocated taxi licence plates.</p> <p>Should any administrative cost be identified as a result of this process change, these could be incorporated into the vehicle licence fee which could be raised accordingly when new licence rates are approved at the beginning of the next financial year in April 2015.</p> <p><b>Priority: High</b></p>	<p>Licensing Manager in conjunction with the Parking Services Manager</p> <p><i>January 2015</i></p>	<b>Agreed and completed</b>	All licensed Hackney Carriages and Private Hire Vehicles are authorised to use the bus lanes.

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3	<b>Risk: Licence Register</b>			
3.1	<p>The Management Information requirements from the Licensing system, LalPac, should be reviewed to determine the extent to which the current system meets those needs. Where the information cannot currently be provided, a cost benefit analysis should be undertaken to determine whether amendments to the existing system or consideration of a new system would best address management information needs.</p> <p><b>Priority: Medium</b></p>	<p>Licensing Manager</p> <p>January 2015</p>	<p><b>Agreed and implemented.</b> This was discussed with the auditor following receipt of the draft report.</p> <p>It appears this was down to an officer error in failing to input the date of DBS disclosure. This has now been rectified.</p> <p>There is no accurate information in respect of bus lanes but this is now resolved as indicated in 2.3 above. All licensed drivers are authorised to use bus lanes.</p>	As original response
3.2	<p>Password access to the LalPac system should be updated in line with the requirements of the Council's Information Security Policy i.e. every 60 days at a minimum but ideally every month. If this process cannot be set to be done automatically on the system, it should be prompted by the system administrator.</p> <p><b>Priority: High</b></p>	<p>Licensing Manager</p> <p>January 2015</p>	<b>Agreed</b>	Implemented

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4	<b>Risk: Fees and Charges</b>			
4.1	<p>In conjunction with the Finance Section, a detailed fee setting exercise should be conducted to accurately determine the cost of provision of the various licences and services provided by the Licensing Section.</p> <p>Fees charged for the licensing service should be proportionate to the costs of providing the service allowing for the time taken to process licence applications and the expected number of applications. They should also include an allowance for any planned future investment in the service. This exercise should be completed in time to set the fees for 2015/16.</p> <p>Periodic benchmarking should be conducted to identify potential best practice. Benchmarking should provide some assurance that the Council's approach to setting the taxi licensing fees is reasonable.</p> <p><b>Priority: High</b></p>	<p>Licensing Manager in conjunction with Finance</p> <p>March 2015</p>	<p><b>Agreed.</b> There will be a detailed review by the Licensing Manager and Finance over the next couple of months.</p> <p>This is a high priority for the Service as there have been several challenges in many Authorities recently by the District Auditor.</p> <p>There will be a full review, including benchmarking and will also consider the appropriateness of the central support costs.</p>	<p>A review of fees has been undertaken and will be discussed at the Taxi Forum 9 March 2015. This reflects the new online system for DBS and DVLA checks together with the proposed improvement on vehicle plates for private hire vehicles and driver badges for both hackney and private hire.</p>



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4.2	<p>The receipt of cash income in respect of licence fees should be phased out over the coming year in line with the Council's wider income collection policy. Payments should be made via cheque or using debit/credit cards to minimise cash handling. This is an approach used by other authorities including South Glos and Charnwood BC.</p> <p>Income for the various fees and charges should be coded to unique further analysis codes to ensure the amount collected in respect of each fee can be readily identified. Information relating to the payment including the Licence holder and their full licence number should be entered against each payment.</p> <p>Each week, a report from the LalPac system of services provided to Licence holders should be reconciled to income recorded on Oracle. This should be undertaken by someone independent of the person collecting the payments to ensure all income received is accounted for correctly in compliance with the Council's Financial Regulations.</p> <p><b>Priority: High</b></p>	<p>Licensing Manager in conjunction with relevant Head of Finance</p> <p>October 2014</p> <p>End January 2015</p>	<p><b>Agreed.</b> The coding of income will be addressed as part of the review as indicated in 4.1 above</p> <p><b>Not Agreed.</b> The option of phasing out cash payments is not an option for the taxi and private hire service. The majority of the customers opt to pay cash and it is considered a far lower risk than the potential of returned cheques. Applications cannot be deemed valid unless payment is received and it is considered refusing to accept cash will cause unnecessary delay in waiting for cheques to clear.</p> <p><b>Agreed.</b> Review process</p> <p><b>Audit Comment:</b> <i>As part of the above mentioned review, it is critical that segregation of duties is established between the recording, receipting and reconciliation of licence fees to minimise the risk of error/fraud or corruption.</i></p> <p><i>As mentioned, other authorities have successfully introduced non-cash payments for licences.</i></p>	<p>New coding for income is being discussed and progressed with the Finance Department.</p> <p>As original response</p> <p>A reconciliation process is being implemented from March 2015</p>

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4.3	<p>The fees set at the beginning of each year should be reflected on the Council's own website. These should be checked and signed off once they have been updated to ensure that drivers are given the correct information and that the Council has grounds to charge the appropriate fees.</p> <p><b>Priority: Medium</b></p>	<p>Licensing Manager</p> <p>January 2015</p>	<p><b>Agreed and Implemented October 2014.</b></p> <p>Updated website. All fees now correct</p>	<p><b>Agreed and Implemented October 2014.</b></p> <p>Updated website. All fees now correct</p>