

To: AUDIT AND GOVERNANCE COMMITTEE

Date: 30 JUNE 2009

Item No:

Report of: Head of Environmental Development

Title of Report: Taxi Licensing Audit – Action Plan Update

Summary and Recommendations

Purpose of report: To update Committee on the implementation of the KPMG audit report recommendations.

Report Approved by:

Finance: Chris Kaye

Legal: Daniel Smith

Policy Framework: Improving value for money and service performance.

Recommendation(s): Committee is requested to note the progress made on implementing actions from the Taxi Licensing Audit.

Summary

Committee received a report at its meeting on 27 January 2009 and resolved:

- (a) To note the report;
- (b) That CRB checks should not be conducted annually, but every 3 years, in line with nationally agreed best practice;
- (c) That the Head of Environmental Development submit a further report in June 2009 detailing the progress on implementing all of the recommendations from the previous audit.

The action plan (appended) has been updated with actions completed since the last report. All actions have now been implemented except the system exception reports which require a software upgrade (release date October 2009).

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Background papers:

Version number: 1

Taxi Licensing Audit Action Plan - June 2009

Issue:	Priority*:	Recommendation:	Officer comments and actions already implemented:	Actions planned and implementation dates:
3. Issue of Vehicle Licensing Plates	One	<p>The Authority should identify the costs involved in upgrading the current LalPac system to enable the direct production of vehicle plates.</p> <p>The Authority should ensure that it physically fits vehicle plates to all licensed vehicles.</p>	<p>The LalPac software has now been upgraded to communicate with the Mogo software which is used to produce the vehicle plates.</p> <p>For a number of years all vehicles licensed for the first time have had the plate and door stickers put on the vehicle by an officer at Cowley Marsh, and a pro-forma confirmation returned to the Taxi Licensing office.</p>	<p>All plates are now generated from LalPac as recommended. Implemented - January 2009.</p>
4. Drivers Badges	One	<p>The drivers badge should be printed from the LalPac system to minimise control weaknesses.</p> <p>If it is decided that the printing of badges should continue outside the LalPac system, alternative controls for the issue of badges should be developed, for example:</p> <ul style="list-style-type: none"> • Unique sequential referencing of badges issued, with the Lalpac System updated with unique reference; • Control Lists of badges issued by unique sequential reference; and 	<p>The LalPac software provider has been asked to upgrade the system so that the driver's badge can be automatically generated at the same time as the licence.</p> <p>Note: Each driver is allocated a unique licence number (which they retain for each renewal) and a unique sequential audit number which changes annually.</p>	<p>All badges are now generated from LalPac as recommended. Implemented - March 2009.</p>

Issue:	Priority*:	Recommendation:	Officer comments and actions already implemented:	Actions planned and implementation dates:
		<ul style="list-style-type: none"> • Reconciliation of number of badges issued to fee income received. 		
5. Return of Vehicle Licence Plates	One	<p>The taxi licensing team should keep a log sheet at reception relating to expected returns of licence plates.</p> <p>This should be updated by reception for returns received. The licensing team should regularly monitor returns and issue reminders to vehicle owners whose expired/suspended plates have not been received.</p> <p>The Authority should only renew a vehicle licence and issue a new plate upon receipt of the prior year plate and the current year's fee.</p>	<p>A register is now kept of all vehicle licence plates issued and of all returned vehicle licence plates that have expired. (They expire at annual licence renewal when a new plate is issued).</p> <p>A system has now been set up where the replacement plate is only issued in exchange for the expired plate.</p>	<p>Implemented - January 2009.</p> <p>Implemented - January 2009.</p>
2. Proactive Enforcement Activity	Two	<p>An enforcement activity plan should be established. This should be reviewed and updated each year to take into account changing circumstances and risks to the Authority.</p> <p>Once the plan is developed, the work of the Enforcement Officer should be reviewed and monitored by management.</p>		<p>The Enforcement Activity Plan was approved by General Purposes Licensing Committee on 15 June 2009.</p>

Issue:	Priority*:	Recommendation:	Officer comments and actions already implemented:	Actions planned and implementation dates:
		The outcomes of specific activities in terms of their success and any required follow up action should be reported to the Private Hire and Taxi Licensing Sub Committee.		
7. System Exception Reports	Two	<p>The current version of the LalPac software should be upgraded to a version with more functionality for exception reporting.</p> <p>Management should decide on those exception reports it considers to be key and should produce and review them on a monthly basis to ensure that licenses are not issued to any person or vehicle that breaches key criteria of the delegated powers. This may include the number of penalty points on the license, overdue licenses, and licenses which have not been processed within prescribed timescales.</p>	<p>Lalpac does not currently have the capability of creating exception reports. However, an upgrade has been applied to the LalPac system. Individual records now show actions taken e.g. when licences are suspended.</p> <p>Note: There are checks in the application processing procedures to ensure that licences are not issued unless all the criteria for obtaining a licence have been met.</p>	A request for change has been made for the next software version upgrade of LalPac to include exception reporting. The software supplier have confirmed that the upgrade will be included in the next version - release date (October 2009).
9. Segregation of Duties	Two	A review of duties within the licensing team should take place to ensure that there is adequate segregation of duties in approving each stage of an application. Due to the size of the team, consideration should be made to	The integration of licensing functions for the first time (with the formation of Environmental Development) will provide the opportunity for the recommended segregation of duties.	Implemented April 2009.

Issue:	Priority*:	Recommendation:	Officer comments and actions already implemented:	Actions planned and implementation dates:
		<p>having support from other teams within the Authority to assist in some specific tests.</p> <p>All centres that run tests which contribute to applicants obtaining a license should be connected to LalPac. This will enable them to update the licensing system without requiring the licensing team to do this task on their behalf.</p>	<p>Apart from the cost to have LalPac available at Cowley Marsh to update the Licensing system with each new MOT test (every 6 months for all vehicles) each mechanic would then have access to the full programme.</p> <p>NO licence is issued without the proprietor physically providing his copy of the MOT certificate and insurance to the Licensing Office.</p>	
<p>10. Enforcement Service Level Agreements</p>	<p>Two</p>	<p>A formal SLA should be developed with other departments within Authority to enable the licensing team to borrow staff to assist in enforcement activities. The SLA should include arrangements to recompense departments for use of staff as well as for individuals in respect of working unsociable hours.</p>		<p>SLA in place. Implemented June 2009.</p>

Issue:	Priority*:	Recommendation:	Officer comments and actions already implemented:	Actions planned and implementation dates:
1. Service Plan	Three	<p>A formal service plan should be developed for the Taxi Licensing operations of the Authority. Such a plan should detail aims and objectives with SMART (Specific, Measurable, Achievable, Resourced, Time-bound) targets and responsible officers.</p> <p>In addition, performance measures and key performance indicators should be developed and reported upon on a regular basis.</p>		The Service Plan was approved by General Purposes Licensing Committee on 15 June 2009.
6. Enforcement Checks	Three	<p>The timing of issue of reminder letters should be reviewed against the time it takes to complete a validation, for example, CRB and medical reminders should be issued at least two months prior to expiry.</p> <p>The issue of letters should take place on a weekly basis to ensure that all vehicle and driving licence owners have adequate time to respond to reminders without their licences being suspended.</p>	Letters are now sent out 2 months in advance to give licence holders sufficient time to respond.	Implemented - October 2008

Issue:	Priority*:	Recommendation:	Officer comments and actions already implemented:	Actions planned and implementation dates:
8. Application Checks	Three	The Authority should consider completing CRB checks on an annual basis along with DVLA checks and should consider only accepting more formal proofs of residence.	(a) Nationally agreed best practice is for CRB checks every 3 years. (b) Procedures have been changed so that now only formal proofs of identity / residence are acceptable.	(a) Audit and Governance agreed to continue with checks every 3 years in line with best practice. January 2009 (b) Implemented - January 2009.

<p>*Priority One: Issues arising referring to important matters that are fundamental to the system of internal control. We believe that the matters observed might cause a business objective not to be met or leave a risk unmitigated and need to be addressed as a matter of urgency</p>	<p>Priority Two: Issues arising referring mainly to matters that have an important effect on controls but do not require immediate action. A business objective may still be met in full or in part or a risk adequately mitigated but the weakness represents a significant deficiency in the system.</p>	<p>Priority Three: Issues arising that would, if corrected, improve internal control in general but are not vital to the overall system of internal control.</p>
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