Internal Audit Report 2019/20

Taxi Licensing

January 2020

Contents

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This report has been prepared only for Aylesbury Vale District Council in accordance with the agreed terms of reference. The findings should not be relied upon by any other organisation.

1. Executive summary

Report classification*	Total number of findings					
		Critical	High	Medium	Low	Advisory
	Control design	-	-	2	1	-
Medium Risk (7 points)	Operating effectiveness	-	-	-	-	-
2017/18 – Medium (13 points)	**Total**	**-**	**-**	**2**	**1**	**-**

*We only report by exception, which means that we only raise a finding / recommendation when we identify a potential weakness in the design or operating effectiveness of control that could put the objectives of the service at risk. The definition of finding ratings is set out in Appendix 1.

Summary of findings

This report is classified as medium risk and we identified two medium and one low risk findings. The purpose of the review was to provide assurance over the processes in place for licensing taxis, with a focus on the efficiency and effectiveness of the processes as they have been designed in Salesforce.

We tested a sample of 20 new licence applications and 20 renewed licences. This was split between ten drivers, two operators and eight vehicle licences for each sample of 20, in line with the higher risk areas. We found that documentary evidence is being acquired and uploaded to Salesforce prior to a licence being issued. However, we identified four instances where vehicle licences should have been subsequently suspended due to grace periods for secondary checks being missed.

Our review included the assessment of Salesforce usability and capability. There has been significant improvement since the previous audit which assessed the Council's old Uniform system, with all previously identified issues having now been resolved. However there are still control design gaps which are detailed below.

The audit also noted the manner in which management information and Freedom of Information requests are processed. If input data is not complete, accurate and timely, then the resulting output is unreliable. We observed this through our sample testing as application statuses were not accurately updated.

Our findings are summarised as follows:

- When processing applications within Salesforce, there is a lack of monitoring of vehicle licences that should be suspended. Circumstances where this should have happened include an overdue second enhanced vehicle check and incorrect log books. There is also scope for system improvement for operator licence applications. (Finding 1 – Medium)

- Application statuses within Salesforce are not being updated to 'complete' when a licence has been issued. Therefore, there is a lack of completeness when this data feeds into management information reports. There is also inconsistency in raising report requests, and the manner in which finalised reports are saved. (Finding 2 – Medium)

- Within the new complaints 'triage' process, Salesforce does not easily allow the monitoring of cases (Finding 3 – Low)

Good Practice Noted

A number of areas of good practice were noted during our review as set out below, these have been reflected in the overall "medium" risk classification of this report:

- For all four operator licence applications tested, there was adequate evidence for all requirements, including a DBS check, right to work and a site visit

- For all 16 vehicle licence applications tested, there was evidence of a valid insurance certificate and successful MOT test before licences were issued

- Following the previous audit, enhanced controls around an applicant's right to work have been implemented. The Licencing Team Manager undertakes monthly checks to ensure licence expiry dates are the same as, or prior to, visa expiry dates

- For all ten renewed driver licence applications tested, there was evidence of all required checks being undertaken prior to licence renewal, including safeguarding training and right to work

- There is a proactive annual plan of enforcement checks to ensure drivers are not continuing to operate with an expired licence. These checks include walkabouts of taxis and working alongside the police and other local authorities to share information about non-compliance

- The Taxi Licensing Team have implemented a new complaints process, which incorporates a rating system to ensure all complaints are managed within acceptable timeframes

- Through the use of live reports held on Salesforce, management information is regularly produced and monitored.

2. Background and Scope

Background

Any driver of a licensed taxi (Hackney Carriage) or private hire vehicle must be licensed. Aylesbury Vale District Council currently has circa. 3,000 active taxi licences in circulation.

In order to apply for a drivers licence, all drivers must be at least 21 and have held a full EU drivers licence for at least 18 months. A number of other checks are also required including right to work, an enhanced DBS check, DVLA licence check, a Group 2 medical test, evidence of adequate English language skills and a certificate from a Council approved driving standards assessor. All drivers must also complete the Council's Exploitation Safeguard Training to provide advice on how to safeguard passengers and themselves.

Hackney Carriage drivers also require an enhanced wheelchair element of the driving standards assessment and evidence of completion of a local knowledge test.

Licences can be issued for up to three years, with shorter periods being granted at the Council's discretion. Renewals must be applied for by drivers with all supporting documentation needing to be resubmitted, with the exception of the English language assessment, driving standards test and the local knowledge test.

Similar requirements are in place for operator licences and vehicle licences. For the latter, the Taxi Licensing service also works closely with the Council's depot at Pembroke Road. MOT and enhanced vehicle checks are all undertaken at the depot, before they issue a licence.

The Taxi Licencing service has now been operating on the Salesforce system for approximately two years. The implementation of Salesforce saw a significant change from the old system, Uniform, as licences are now linked with individuals rather than premises. This has led to some uncertainty regarding the transfer of data and therefore the availably of reliable management information. An internal project is currently underway focusing on customer data management to address the potential issue of duplicate data.

Scope

The scope covered the key risks set out in the Terms of Reference (see Appendix 2). Our testing included:

- Reviewing the processes for issuing new drivers, operators and vehicle licences and their renewal; this includes the required completion of safeguarding training and English language test (the adequacy of these areas was not covered within the scope of this review)

- Verifying the effectiveness of communication between the Taxi Licensing service and Pembroke Road depot

- Reviewing the new complaints 'triage' system alongside other proactive enforcement activities

- Determining whether management information is produced using a consistent method, and whether the quality of the data used is sufficient.

This does not represent a comprehensive list of tests conducted.

3. *Detailed findings and action plan*

1. Issuing and renewing licence applications without sufficient evidence – Control design

Finding

There are a range of taxi licences which can be issued and each type of new licence requires different documentary evidence for the application process. All evidence must be provided by the applicant before the licence is issued and an additional check of all evidence will be completed on the day of issuing the licence. Upon renewal of the licence, certain pieces of evidence must be provided again, however in some instances the licence may be renewed without the evidence, with a three month grace period enforced. This includes a DBS check and medical test.

All applications are processed via the Council's Salesforce system, with all related documents also being held on the system.

We tested a sample of ten taxi driver licences, two operator licences and eight vehicle licences issued by the Council between April and September 2019 and the same number of licences renewed during this period. We found:

Vehicle licences

After the central Taxi Licensing Team complete the initial application check of a valid insurance certificate and log book, the application is passed on to Pembroke Road depot. Once a successful MOT test and enhanced vehicle check has been completed, the Licensing Officer will issue the licence.

- There was one case of a new issued licence having no evidence on Salesforce of an enhanced vehicle check being completed at the depot. For this same case, the log book had the incorrect number of seats at the time of issuing the licence. The owner was given six weeks to provide a corrected log book, otherwise the licence would be suspended. The new log book was not received by the Council for a further three months, but the licence had not been suspended in the meantime.
- There were two instances of an enhanced vehicle check being failed on the first attempt for new licences. In these cases, the licence is issued with a 14 day grace period for a recheck as per the legal requirement of Section 60 of the Local Government Act, with the caveat of licences being suspended if this is not completed. These two cases were still overdue for their second enhanced vehicle check as at the end of October 2019, with licences remaining active. The licences were issued on 12 September 2019.
- One additional case for a renewed licence was found in which the first vehicle check was failed. This licence was renewed on 1 October 2019 and the vehicle check remained outstanding as of the end of October 2019.

Salesforce currently does not have an alert feature that allows officers to know automatically when the second check is overdue. As Section 60 of the Local Government Act prevents Council's from automatically suspending licences in these instances, the Taxi Licensing team are implementing a process in which a new report on Salesforce will be run to monitor the 14 day grace period to enable licences to be subsequently suspended when necessary.

Operator licences
- Salesforce does not currently have all of the required built in processes for the operator applications, which could lead to certain prerequisites being missed. For example, interviews with operators have to be manually added to the application process by the Licensing Officer.

Risks / Implications
If all required criteria is not fulfilled before licences are issued, there is a heightened risk towards the public using taxis.

Finding rating	Action Plan	
Medium	a) The Taxi Licensing Team should look to include all of the required processes for operator licence applications on Salesforce to avoid steps being missed b) The Taxi Licensing Team should investigate the feasibility of Salesforce having an alert feature for instances where grace periods have been granted and checks become overdue. If this is not viable, a separate log of vehicles requiring a secondary vehicle check should be kept and monitored on a daily basis to avoid licences remaining valid longer than the grace period without a satisfactory vehicle check.	*Responsible person / title* Overall lead for oversight of completion of actions: Nicola Metcalfe – Licensing Team Manager *Target date* 28 February 2020

2. Lack of consistent management information reports – Control design

Finding
Within the Taxi Licencing Team, there is regular management reporting as well as ad-hoc requests for further management information reports. The process to obtain all types of reports is as follows: 1. An officer submits a report request in the Council's Hornbill system. They are required to input details and criteria they want to be included within the report. 2. The request is allocated to a member of the System Admin Team to run a report. 3. The report is saved to Salesforce, alongside all previously created ones. Historically, issues have been identified with the management information reports being generated, both reports used for management reporting and ad-hoc reports, mainly due to a lack of understanding of what has been included within the reports and whether these are being generated as originally intended. Through discussions with the Taxi Licensing and Systems Admin teams and a walkthrough of the above process, we found the following exceptions: • The request on Hornbill is submitted using an open text box with no set parameters. This increases the likelihood of non-specific requests that either require further clarification or reports being run which do not capture the data intended • Two members of staff have past experience with the Taxi Licensing Team, so they have additional knowledge and understanding of what would be required. As a result, these officers are usually the ones who will generate the reports, however there is then a lack of consistency and specific knowledge should someone else in the team be required to generate the reports • When reports are saved to Salesforce, there are instances where the report title is not intuitively named and the report description is not always completed. This means officers may not know which parameters have been used, so similar reports may then use different parameters resulting in inconsistent data • When undertaking our sample testing of 20 new licence applications, we found that application statuses on Salesforce were incorrect or had not been fully completed for five applications. This is due to the 'Awaiting Collection' status step which was required before a Licensing Officer at the Depot began issuing licences. As such officers do not go back into the application to update the status to complete. Therefore, any reports that are run based off this data may not be complete or accurate.

Risks / Implications
If the parameters used for generating the reports are inconsistent, or the data used for reports is incomplete, the management information is inaccurate and cannot be relied upon.

Finding rating	Action Plan	
Medium 🟠	a) The Taxi Licensing Team should liaise with the Systems Admin Team to create a new pro-forma for report requests. This should include required parameters, report name and report description. It should be adequately detailed so that a request can be picked up by any member of the Systems Admin Team.	*Responsible person / title* Overall lead for oversight of completion of actions: Nicola Metcalfe – Licensing Team Manager

	b) The Taxi Licensing Team should liaise with SalesForce to remove the 'Awaiting Collection' status. If this is not feasible, all staff should be reminded of the need to set all cases to 'complete' once a licence has been issued. A regular report of open applications should be run to see which have been open for longer than the prescribed processing timeframe. These should then be checked to see if the application status needs to be set to complete.	*Target date* 28 February 2020

3. Complaints 'triage' system cannot monitor the current stage of a case – Control design

Finding
The Taxi Licensing Team recently introduced a new process to handle taxi-related complaints received from the public. At the time of the audit, the 'triage' system had been in place for approximately three months and so there was insufficient data to complete sample testing.

We performed a walk-through of the new process and observed the following:

1. Complaints are received into the Licensing email inbox, and then input into Salesforce by a caseworker. An enforcement rating is allocated and the case is assigned to an officer.
2. All actions that have been taken by the officer to resolve the case are recorded in Salesforce.
3. There is a weekly panel of Licensing & Enforcement Officers where severe cases are discussed, and the final decision is then made by the assigned officer. The case is closed on Salesforce.

Whilst details are recorded on Salesforce, it is difficult to assess what the current stage of each case is without going through all the details of the case, making monitoring timelines difficult. There are monthly one-to-one meetings held between case workers and the Team Manager for this and a 'worklist' spreadsheet is discussed which is a detailed listing of all live cases currently being handled by the officer. Whilst this provides a better snapshot, there is a repetitive nature to completing both this and Salesforce. Additionally, the 'target date' field within Salesforce is not currently being used. Instead an automatic scheduled date of completion is chosen by the system, which in many cases is not viable, for example if witness interviews are required. |

Risks / Implications
There is an increased risk of cases not being completed in a timely manner if there is no continuous high-level monitoring. This could result in the Council taking inadequate action to protect members of the public as well as the loss of reputation should an incident occur.

Finding rating	Action Plan	
Low	The 'target date' field on Salesforce should be used to input the expected timeframe for case completion. A regular report could then be run to see which cases should be closed in the following week, and these could then be followed-up to assess any cases in which sufficient and timely action has not been taken.	*Responsible person / title* Overall lead for oversight of completion of actions: Nicola Metcalfe – Licensing Team Manager *Target date* 28 February 2020

Appendix 1.   Finding ratings and basis of classification

Report classifications

The overall report classification is determined by allocating points to each of the individual findings included in the report.

Findings rating	Points
Critical	40 points per finding
High	10 points per finding
Medium	3 points per finding
Low	1 point per finding

Overall report classification		Points
●	Critical risk	40 points and over
●	High risk	16– 39 points
●	Medium risk	7– 15 points
●	Low risk	6 points or less

Individual finding ratings

Finding rating	Assessment rationale
Critical	A finding that could have a: • ***Critical*** impact on operational performance; or • ***Critical*** monetary or financial statement impact **[quantify if possible = materiality]**; or • ***Critical*** breach in laws and regulations that could result in material fines or consequences; or • ***Critical*** impact on the reputation or brand of the organisation which could threaten its future viability.
High	A finding that could have a: • ***Significant*** impact on operational performance; or • ***Significant*** monetary or financial statement impact **[quantify if possible]**; or • ***Significant*** breach in laws and regulations resulting in significant fines and consequences*; or* • ***Significant*** impact on the reputation or brand of the organisation.
Medium	A finding that could have a: • ***Moderate*** impact on operational performance; or • ***Moderate*** monetary or financial statement impact **[quantify if possible]**; or • ***Moderate*** breach in laws and regulations resulting in fines and consequences; or • ***Moderate*** impact on the reputation or brand of the organisation.
Low	A finding that could have a: • ***Minor*** impact on the organisation's operational performance; or • ***Minor*** monetary or financial statement impact **[quantify if possible]**; or • ***Minor*** breach in laws and regulations with limited consequences; or • ***Minor*** impact on the reputation of the organisation.
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

Appendix 2.   Terms of reference

The key risks agreed in the Terms of Reference are set out below. Each finding in the report is linked to a key risk from the Terms of Reference.

Sub-process	Risks	Objectives
User guidance	Lack of awareness of the correct protocols to follow and the optimal use of Salesforce	- Policies and procedures are clear, understood and followed - User guides clearly outline how to use Salesforce.
New applications	Licences are issued without adequate checks being undertaken Safeguarding training and enhanced DBS checks are not undertaken prior to licences being issued leaving the Council exposed	- Adequate checks are undertaken to confirm a driver's identity and capability, including completion of the safeguarding training and an enhanced DBS check - The required vehicle checks are undertaken at the Pembroke Road depot and communicated back to the Taxi Licensing service prior to issuing.
Renewals	Licences are not issued with a finite life to ensure regular reviews are undertaken Drivers continue to operate without a renewal taking place Licences are renewed without adequate supporting documentation being provided	- Renewal dates are not appropriately set and monitored - Drivers cannot operate on an expired licence - All required supporting documentation is reviewed/obtained prior to a licence being renewed.
Management Information	Management information is inaccurate and cannot be substantiated Parameters used for generating management information are inconsistent	- Management information is produced on a regular basis, using consistent parameters - There is a consistent and efficient approach to responding to FOIs.
Follow up		Outstanding actions from previous internal audit reviews have been completed.