

Internal Audit Report

Taxi Licensing

Steve Hayes – Head of transport

Governance Opinion

Adequacy of System	Substantial
Compliance	Substantial
Organisational Impact	Minor

Report Issued	27/09/2018
Follow Up date	n/a
Audit Committee schedule	20/11/2018



Executive Summary

1. Background

Taxi Licensing is a statutory function under the Town Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976 and places on the council, the duty to ensure effective monitoring of the licensing of Hackney Carriage drivers and vehicles, Private Hire drivers and vehicles and Private Hire Operators to protect members of the general public from unsafe vehicles driven by unsuitable persons. It is the aim of the council to ensure that it uses the licensing powers available to ensure that licenced vehicles operating in the district are safe, comfortable, properly insured and that the drivers of these vehicles have been sufficiently vetted so as to be considered ‘fit and proper’. To accomplish this, the Taxi Licensing Department reviews all taxi licensing applications before licences are granted.

Volume Indicators

As at September 2018	Private Hire (PH)	Hackney Carriage (HC)
Number of Drivers Licences	Total: 1170	
Number of Vehicle Licences	727	206
Number of Operator Licences	93	0

2. Audit Scope

- 2.1. The overall aim of this audit review was to provide assurance that the Council is fulfilling its safeguarding duties by conducting appropriate checks to ensure that licence holders are ‘fit and proper’ and vehicles are roadworthy, before licences are granted.

The objectives of this audit were to give assurance that:

- Applications for Hackney Carriage and Private Hire Taxi Licenses are duly checked with regards to drivers, vehicles and operators.
- Enforcement activities are undertaken to ensure compliance with the processes that are in place.
- Income is complete and received on a timely basis.

3. Internal Audit Opinion and Main Conclusions

3.1. Opinion and Rationale

Adequacy of the control system – Substantial

The audit review has concluded that, overall, the processing of driver, vehicle and private hire operator licence applications is operating satisfactorily. The testing undertaken confirmed that appropriate reviews of taxi licensing applications and supervisory checks are being conducted before licences are granted. The audit review found some minor administrative issues; however, these did not pose any significant risk.

Compliance with the control system – Substantial

Systems within the Taxi Licensing department ensure the Council has a record of the most recent driver and vehicle information. The Taxi Licensing Department produces exception reports ensuring that drivers/operators are contacted in advance for their licence expiry allowing for the opportunity for timely renewal.

Detailed Findings

4. Give assurance that applications for hackney carriage and private hire taxi licenses are duly checked with regards to drivers, vehicles and operators.

4.1. The Local Government (Miscellaneous Provisions) Act 1976 states that a Council shall not grant a licence to a person to drive a hackney carriage or private hire vehicle unless:

- they are satisfied that the applicant is a fit and proper person to hold a driver's licence; and
- the person has for at least twelve months been authorised to drive a motor car, and is not at the date of the application for a driver's licence banned for driving.

4.2. 10 drivers' licensing applications, 10 vehicle licensing applications and 10 operators licensing applications and the associated documentation was reviewed and it was found that applications and the documentation related to them are being vetted and receiving supervisory scrutiny and approval before licences are granted. The review found some minor issues which were brought to the attention of the Taxi Licensing Department and have since been resolved. The review confirmed that, in accordance with legislation, licences are granted for no longer than 3 years.

4.3. The monitoring and reviewing of expiry dates relating to licenses and the documentation relating to them, such as DBS checks, proof of Medical Fitness, Right to Work, Driver and Vehicle Licensing Authority information and Taxi Licence expiry dates is predominantly dependent upon the extraction of monthly exception reports. These are used to identify where license renewals are needed or the update of documentation supporting them is required. Where renewals or information is not forthcoming, the Taxi Licensing Department will chase drivers, suspending licences if necessary.

5. Enforcement activities are undertaken to ensure compliance with the processes that are in place.

5.1. The Taxi Licensing Department has dedicated Enforcement Officers responsible for conducting inspections of drivers and vehicles operating in the Milton Keynes area and as part of its responsibility, regularly undertake targeted enforcement operations in partnership with the Police and where appropriate, neighbouring authorities. These enforcement operations help to ensure that drivers and vehicles are operating in compliance with legislation. The Department uses their delegated powers to suspend vehicles found to be defective. An increase in the number of vehicles licenced by Aylesbury Vale District Council (AVDC) and South Northamptonshire Council (SNC), operating in the Milton Keynes area, has seen the Department

granted powers to immediately remove any AVDC or SNC licenced vehicles found to be defective. Any defective 'out of town' vehicles (that is not MK, AVDC or SNC) are referred back to the issuing authority for appropriate action.

- 5.2. The audit review found that findings resulting from enforcement operations are shared with the Council's Licensing Committee, neighbouring authorities and the Police.
- 5.3. The review has confirmed that driver's licences and vehicle licence plates that have been subject to revocation are kept in a secure environment.
- 5.4. All vehicles must undergo a vehicle compliance test so that the Council can be satisfied with the mechanical suitability of the vehicle before a licence is granted. A review of 10 vehicle licenses and associated documentation found that the appropriate licensing application form is being completed, vehicles are being inspected, the appropriate vehicle inspection form is being completed and applications are receiving supervisory scrutiny before licences are granted.
- 5.5. The review has confirmed that vehicle examiners are completing vehicle test sheets which are then scrutinised by the Taxi Licensing support officers, Senior Practitioner and Senior Practitioner (Enforcement). In regard to any additional testing (Exceptional Tests) for 10 year old vehicles, the Senior Practitioner (Enforcement) signs each test sheet once the examiner has completed it. Any concerns raised about vehicle testing are immediately brought to the attention of the examiner and are then followed up in 1-2-1 meetings which are held approximately, every 3 months with each examiner. Each vehicle examiner is qualified for their role. Previously, there was a Senior Vehicle Examiner in place, however, following the redundancy of the role in 2017, all vehicle examiners now report to the Senior Licensing Practitioner (Enforcement).

6. Income is complete and received on a timely basis.

- 6.1. Apart from ensuring that licences are only granted where an applicant or an application meets the relevant criteria, the Taxi Licensing Department must also ensure that full payment is received before licences are granted. The review has confirmed that the Taxi Licensing Department is ensuring that payments are received before the licences were granted.

Distribution List

CLIENT	PLACE
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Full Report Issued to:	Adam Ward – Senior Licensing Practitioner Jason Agar – Senior Practitioner
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Full Report Issued for Information:	Steve Hayes – Head of Transport Tom Blackburne-Maze – Service Director – Public Realm Duncan Sharkey - Corporate Director Place Councillor Mick Legg -Portfolio Holder for Licensing and Regulatory Services Paul Simpson - Corporate Director- Resources and Commercial Development
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Issue Date: 27/09/2018

Audit Committee Date: 20/11/2018

This audit and report has been prepared in line with the LGSS Internal Audit Manual and has been subject to appropriate review.

LGSS Chief Internal Auditor Approval: Duncan Wilkinson

Quality Reviewed: Mark Nicholson

Lead Auditor: Leroy Small

