



Derry City & Strabane
District Council

Comhairle
**Chathair Dhoire &
Cheantar an tSratha Báin**

Derry Cittie & Stràbane
Destrìck Cooncil



Internal Audit of Licensing

Final Report

January 2018

Professional Standards

Internal Audit is committed to ensuring high standards of service to Derry City and Strabane District Council. Our work complies with the Public Sector Internal Audit Standards (PSIAS) which apply the Institute of Internal Auditors International Standards to the UK Public Sector. These standards are issued by the relevant Internal Audit standard setters such as the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA).

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Executive Summary

<p>System Priority:</p> <p style="text-align: center;">B</p> <p>Refer to Appendix (i)</p>	<p>B</p> <p>Failure to implement the recommendations could result in the failure of an important Council objective or could have some impact on a key Council objective</p>	<p>Audit Opinion:</p> <p style="text-align: center;">Improvement Needed</p> <p>Refer to Appendix (ii)</p>	<p>Significant control weaknesses were noted and recommendations raised. There is considerable risk that the system will fail to meet its objectives.</p>	<p>Implementation Priority:</p> <p>Refer to Appendix (iii)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Category</th> <th style="text-align: center;">No of Recommendations</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">B1</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">B2</td> <td style="text-align: center;">16</td> </tr> <tr> <td style="text-align: center;">B3</td> <td style="text-align: center;">2</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">23</td> </tr> </tbody> </table>	Category	No of Recommendations	B1	5	B2	16	B3	2	Total	23
Category	No of Recommendations														
B1	5														
B2	16														
B3	2														
Total	23														
	<p>Introduction</p> <p>The purpose of this review was to provide senior management with an assurance about the adequacy and effectiveness of internal control over the audit area of Licensing. The objectives and scope for this review were agreed with the Head of Health and Community Wellbeing prior to commencement of the audit.</p> <p>The Audit work performed was as follows:</p> <ul style="list-style-type: none"> Establishing the system of controls. Evaluating the adequacy of the controls. Designing and completing the audit programme to test the effectiveness of the controls. Reporting on the adequacy and effectiveness of the controls to achieve system objectives. 														
	<p>Objectives</p>														

	<p>The objectives of this audit are:</p> <ul style="list-style-type: none">• To ensure that relevant licensing regulations are being complied with;• To ensure the effective licensing of entertainment venues, amusement arcades, street traders and petroleum supply and storage facilities;• To ensure the effective regulation and operation of street trading and entertainment venues / facilities;• To ensure that licences are issued in a timely manner; and• To ensure that all money received in relation to licensing is dealt with in an appropriate manner;• To ensure that the agreed procedures are being complied with and all licenses are appropriately approved by Committee and the operation of delegated authority is effective (under the scheme of delegation).
	<p>Scope</p> <p>This particular audit will encompass a review of the following areas:</p> <ul style="list-style-type: none">• Licensing general areas, for example, procedures, approval's including Delegated Authority;• The receipt, custody and lodgement of fees, renewals, reminders and inspections;• Entertainment Licences;• Amusement Licences;• Petroleum Licences;• Places of Marriage Licences and Registration of Societies for the purpose of conducting lotteries;• Cinema Licences;

- Street Trading and Pavement Café Licences;
- Previous Audit Recommendations.

Limitation of Scope

No limitations to scope

Basis of Audit Opinion

In December 2016, the Licensing Section was restructured due to staff retirements and a new team of officers commenced work in the section. The licensing section has also been amalgamated with the Safety Advisory Group within the Health and Community Wellbeing department. Management and officers have been working to ensure that business as usual has been maintained in terms of the receipt and processing of applications leading to the issue of the various licences. In addition, the section has been developing the licensing systems by populating and updating the ICT system/database (Tascomi). The audit found that although there has been a significant amount of business as usual and development work carried out, a number of recommendations have been identified to improve the control environment. Overall, the purpose of the recommendations are to improve the audit trail evidence going forward so that the licensing section is able to provide assurance that key risks are being managed effectively across the various licence types and to ensure that the necessary information for review and decision making is provided to management and Committee. The ‘summary of the key recommendations’ is outlined below.

As a result of the ongoing development work and the number of recommendations raised, this audit has been given the audit opinion of ‘Improvement Needed’.

Summary of Key Recommendations

- Recommendations have been made to enhance and improve the procedural arrangements around the scheme of delegation in the following areas: review of policy and procedure, audit trail on decisions made, individual applications considered on their own merits, member training and committee information for decision making by licensing type.
- The need for operational procedures for licensing officers.
- Carrying out a review of website information and guidance.
- Review of the system for the management of objections.
- Creation of a formal programme of inspections.
- Review of the system for the submission of plans and liaison with Building Control and the Planning Service.
- Reporting and monitoring of turnaround times.
- Income collection recommendations around reconciliation of income and fee checks.
- In the entertainment licensing system, specifically, there were recommendations around fire risk assessments, retention of existing licences, the issue date on licences, provisional granting of licences and the additional documentation / certificates to be retained.
- In the amusement licensing system, specifically, there were recommendations around eligibility criteria, application evaluation process and applications and renewals.
- Finally, there was a recommendation regarding the cinema licensing system.

Audit Work Undertaken

This section provides an overview of the audit work and testing undertaken and key findings arising from these tests. The 'Table of Recommendations' starts on page 47.

The layout of this report is as follows:

Section 1 – 'Licensing General' section will cover the following areas: Background, policies and procedures on the Scheme of Delegation, operational procedures for Licensing Officers, Website information for licensing applications, Objections, Licence Inspections, Submission of Plans and liaison with Building Control and Planning Service, Turnaround Times, Licence Renewals and Income Collection.

Section 2 – 'Entertainment Licence' section will cover the following areas: Application Forms, Public Notices / Advertisements, Fire Risk Assessments, Retention of Existing Licences, Provisional Granting of Applications, Statements of Insurance, Retention of certificates to accompany the Fire Risk Assessment, Gas Certificates and PSNI / NIFRS Referrals.

Section 3 – 'Amusement Licence' section will cover PSNI Referrals, Eligibility Criteria, References / Application Evaluation Process, Applications / Renewals and Inspections.

Section 4 – 'Petroleum Licence' section.

Section 5 – 'Places of Marriage Licence' and 'Registration of Societies for the purpose of conducting lotteries' section.

Section 6 – 'Cinema Licence' section.

Section 7 – 'Street Trading and Pavement Cafe Licence' section.

Section 8 – 'Previous Audit Recommendations' section.

Section 1 - Licensing General

Background

Recently, the Licensing Section has seen a significant degree of change. In December 2016, the Licensing section was restructured due to staff retirements and entirely new officers commenced work in the section. The Licensing section has been amalgamated with the Safety Advisory Group within the Health and Community Wellbeing department. The current Licensing Officers explained that when they began work in the section, they were new to this area of work, the ICT System/Database (Tascomi) and therefore the learning curve was significant. Officers explained that one of their primary objectives since December 2016 was to populate the ICT system with the premises / applicants for each of the Licence types, as the system was not utilised prior to December 2016. Licensing Officers explained that training was

organised in January 2017 and delivered to staff in March 2017. It was also pointed out that 2 members of staff were trained in Petroleum License Inspections and 2 managers trained in 'Licensing Hearings'.

The ICT system/database (Tascomi) helps facilitate the management and administration processes. The Tascomi system holds all documentation relating to the Council Licensing section, i.e. Entertainment, Amusement, Petroleum, Street Trading, Marriage etc. The Tascomi system captures the evidence to demonstrate compliance with the Councils Statutory and operational requirements and is designed to allow for end-to-end administration of Licenses, from submission online or manually, through processing, and on to issue and renewal. It was explained that the Licensing Section aim to implement a paperless system whereby all information and documentation will be held electronically on Tascomi.

The database is configured into a number of subsystems, one for each of the licence types, for example, Entertainment Licences, Amusement Licences, Places of Marriage and Petroleum. Within each subsystem the individual premises / applicants are stored. There is colour coding as an indication of the status of each premises / application, for example, licence issued, licence frozen or licence expired. Then for each individual premises / applicant there are sections covering areas such as fee payments, communications, documentation, key dates and inspections. Tascomi also allows licencing officers to access the supportive documentation for example, application forms, fire risk assessments or payment receipts, to be held as evidence of compliance with application guidelines. Licensing also use a checklist that they complete as documentation is received to ensure that all the required information is received.

Internal Audit was provided with access to the Tascomi system and noted the significant amount of development work that has been carried out by Licensing staff to date, for example, since March 2017 there are over 200 Entertainment Licence premises / applicants now on the system with hundreds of pieces of documentation scanned to the system. Petroleum premises (33), Amusement premises (14), Places of Marriage (15) and Street Traders (125) have also been input to the system. There is also information held on renewal and reminder letters and inspections carried out.

The Council's website details the requirements for each of the Licence types to be met before a Licence can be issued. Applicants must then complete an application form, (online or manually), and must provide evidence to demonstrate compliance with the various application requirements. As the Licensing systems were under development, Internal Audit was also provided with hard copy files, when applicable, as well as having access to the information held on the Tascomi system. Audit testing concentrated on the section processes in 2017 for review and testing and was based on the evidence available to demonstrate compliance with the requirements detailed on the Council's website and with the 'guidance notes for applicants'.

At time of audit, the policy and procedures in Licencing were under review, particularly with regard to Entertainment Licences and Street Trading. Internal Audit was able to carry out sufficient testing with regard to Entertainment Licences but testing on Street Trading was restricted due to the more transitional nature of the system and the lack of available documentation on Tascomi. Management explained that the target is to have the new policies

in place for April 2018 and to have new designated areas for Street Trading in the City and District which is also under review as part of this policy review.

At time of audit, some licensing documentation was held in files/folders although the objective was to have all documentation uploaded to the system and made available electronically. There was evidence of this work taking place throughout the course of the audit. When fully operational the database will be capable of managing all licence information as well as producing all the required outputs such as the licences themselves, management information reports, for example, on income collection and inspections, and also produce all communication letters with applicants to issues reminders and renewals.

Policies and Procedures on the Scheme of Delegation for Licensing

Test Description

Internal Audit reviewed the policies and procedures around licencing including approvals / delegated authority.

Internal Audit selected a sample of applications to ensure compliance with the scheme of delegation.

Findings

The Council's Scheme of Delegation was approved on 23rd March 2015 and Licensing comes under section 4 'Powers delegated to Senior Officers and specific Heads of Service'. Under 4.1 it lists the Powers delegated to the Director of Health and Community and under section 4.14 one of these powers is 'exercising any powers in relation to the issue (but not refusal) of permits and licences'.

On 19th May 2015 the Director of Health and Community presented a paper to the Health and Community Committee entitled 'Procedure for Determining Contentious Licence and Permit Applications'. The procedure explained how under the Scheme of Delegation, agreed by Council, that non-contentious licence and permit applications could now be determined at officer level and subsequently reported to Committee for information and that only applications which officers consider should be refused or applications which have been the subject of objections be brought before the Committee for determination. In the key issues section the procedure detailed that the applications which are required to be publicly advertised and are therefore most likely to be the subject of objections are entertainment and amusement licences. The procedure covered the applicable legislation and then made a number of recommendations. The following recommendations were made and approved:

- It is recommended that this Committee be delegated full Council powers to deal with contentious licensing applications. Natural justice demands that only persons who have been present throughout all the submissions and discussions and have therefore heard all the facts and issues in the case be involved in voting on the matter.

- In order to give all interested parties a fair hearing, it is recommended that they are all invited to attend a Meeting of the Committee convened to deal solely with this matter of the subject application. This may be convened to occur immediately before a normal meeting of the Committee so that if, for some reason, the meeting does not need to take place because the matter has been resolved or the objection withdrawn, the Committee may proceed with its normal business.
- At the outset of the meeting, the objector(s) would be invited to make any further representation in relation to their objection(s) which would have been previously circulated to Members. The applicant would then be invited to ask the objector(s) any question for the purpose of clarification. Members may then ask the objector(s) questions for the purpose of clarification and then officers may also do so. The applicant would then be invited to respond to the objections and s/he then may be questioned by the objector(s), members and officers for the purpose of clarification.
- The Committee would then make its decision in open business unless the discussions involve exempt or confidential information as defined by the Local Government Act (NI) 2014.
- In the matter of entertainments licence applications, the applicant would be told of the decision in outline and informed that formal notification would be sent in writing along with information on the right to appeal, if necessary.
- In the matter of amusement permit applications, the statutory procedure set out in the legislation requires that the applicant be given at least fourteen day's notice of Council's intention to refuse the application and afforded an opportunity to show cause, in person or by representative, why his application should not be refused.

In terms of additional guidance, reference to the scheme of delegation was also included in the reports provided to Committee around the licences issued under the delegated authority, for example, Health and Communities Committee July 2017 under item 2.1 that 'Members will be aware that non contentious licence applications may be granted by the Director of Health and Community' and at 3.1 'A number of applications for entertainment licences were received and the (28 day) period for representations to be made in respect of these has expired'.

From an audit perspective, the policy and procedures were in place in the Council and determined that under delegated authority, Entertainment and Amusement Licences could be issued to applicants without Committee approval if there were no objections received. Additionally, licensing officers stated that they understood the requirements of the scheme of delegation and explained that they collated and then provided the information on approved and issued licences to the Head of Service for preparation of the Committee Reports on a quarterly basis. Licensing staff also explained that that they were in the process of developing more detailed operational procedures. Licensing officers explained that the proposed system was that, on a quarterly basis, the Licensing Section prepares a Committee Report which details all Licences issued under Delegated Authority in the previous three months. A spreadsheet report, i.e. the 'Issued Licences Report, is prepared on Tascomi which captures all Licences issued in the previous quarter and this is submitted in a Committee paper for

Members. Internal Audit reviewed a number of Committee Reports in 2017 demonstrating the Committee process and the information reports provided to Members. Internal Audit testing confirmed that all 14 Entertainment Licences reviewed were captured on this report for submission to Committee.

An application for an 'Amusement Licence' was made on the 10th December 2015 to DCSDC. In 2017, there was a court case brought by the applicant against the decision made by the Council to refuse the application for an Amusement Licence and the judgement was given in June 2017.

The judgement determined that there were a number of 'points of concern' about the refusal of the Amusement Licence. Following the issue of the judgement, concerns were also expressed by Members at a meeting of the Assurance, Audit and Risk Committee on 29th June 2017. At that time, a terms of reference for an internal audit of Licensing was being scoped. The objective of Internal Audit is to assist management to evaluate any potential risks that have been identified and to make recommendations to ensure, where applicable, that lessons can be learned and enhancements can be made to the Licensing control environment. Internal audit reviewed the judgement to identify from a risk and control perspective the main issues. It should be noted that Internal Audit are not qualified to give an opinion on the legal matters covered in the judgement particularly with regard to planning law and would defer to Legal Services on all legal matters. Internal Audit also acknowledge that the judgement is being considered by legal services, and management are considering the appropriate controls and procedures to manage the associated identified risks and to enhance or improve the current control environment in place.

There were a number of points for concern noted by the judge:

At point 20 in the judgement, it was stated that the process by which the application was refused was, in the opinion of the judge, flawed.

"The application lodged by Oasis was referred to the Health and Community Committee of the Council, because there were objections to it. This delayed the whole process and allowed the application lodged by Mr Heaney for 1-2 Bank Place, in which there were no objections, to be dealt with under delegated powers. It was referred to in a report to the Council as a renewal application and an application for an amusement permit. Significantly, the Health and Community Committee was not advised that this application had been lodged after the Oasis application which they intended to refuse and one of the grounds for refusal of the Oasis application was the existence of other gaming premises at 5 Bank Place. Mrs McClintock agreed that she would expect that each application should be dealt with in turn. Mr Gallagher, agreed that he would expect the Councillors to be made aware if another application was to be approved under delegated powers when an earlier, similar application was potentially being refused. Neither was made clear if there was a procedure for delegated decisions to be deferred pending any resolution of an application where there were objections. I consider that the provisional grant of a permit for the extended premises at Bank Place should not have been used, even in part, as a ground for refusal of the amusement permit for Unit 23, given that the latter application was lodged first.

Also in page 4 of the Judgement reference was made to the consistency around the grounds for the refusal of a licence. The Judgement stated: 'At the hearing, the main emphasis of the Council's objections seems to have altered from the original grounds.'

As stated above Internal Audit are not qualified to give an opinion on the legal matters covered in the judgement however based on the comments made by the Judge, Internal Audit has made a number of recommendations below which if implemented should strengthen the systems and controls in this area.

Recommendation 1

Review of Policy and Procedure (Amusement Licenses)

Management should carry out a review of the current policy and procedure based on the concerns raised in the judgement to identify if improvement should be made to the policy and procedure and in particular to provide assurance that there is a consistent process around the grounds for the refusal of a licence.

Recommendation 2

Audit trail on decisions made (Amusement Licenses)

Management should consider providing the Committee with an audit trail on decisions made regarding previous similar Amusement applications, particularly those in a close vicinity, to manage the risk of inconsistent decision making. Management should consider a consultation with Legal Services around a procedure for delegated decisions to be deferred pending any resolution of an application where there were objections.

Recommendation 3

Individual applications considered on their own merits (Amusement Licenses)

Management should review the controls in place to manage the perceived risks associated around individual applications to demonstrate that they are considered on their own merits. There is a need to articulate robust reasons for the refusal of applications and all applications must be demonstrably dealt with as separate entities and not linked to previous decisions. For example, suitable evidence and information for decision making should be considered and then made available to Committee such as 'studies of need' as mentioned in the judgement.

Recommendation 4

Member Training

Management should consult with Members of the Committee to consider whether it would be prudent to provide training on the updated policy and procedure taking into consideration the findings in the judgement.

Recommendation 5

Committee Information for decision making by licensing type (Amusement Licenses)

For the various Licence types, there should be communication and agreement with the Health and Community Committee on what will be placed before the Committee and in what form for scrutiny and review.

Operational procedures for Licensing Officers

Test Description

Internal Audit reviewed the adequacy of the operational written procedures for Licensing.

Findings

Management have a responsibility to ensure that staff are aware of their day to day operational responsibilities. From an audit perspective, policies and operational procedures must be documented so that management can demonstrate clearly what is expected of staff and staff understand what is expected of them.

When documented procedures are in place, management can monitor compliance to ensure that objectives are met and demonstrate that operations are conducted as directed. Internal Audit can then provide independent assurance based on the evidence of the management arrangements in place.

Licensing procedures are currently being developed and Internal Audit have been provided with some draft entertainment licensing procedures. However, licensing staff agree overall, there is a lack of assurance that the desired policies and operational procedures have been documented adequately to facilitate staff to achieve operational objectives.

Licensing management also commented that officers have been provided with procedures and guidance by management including procedures/guidance from other Councils. They stated that the section below refers to information on the website etc which applies equally to officers with respect to guidance.

Recommendation 6

Operational Procedures for Licensing Officers

Management should produce a detailed set of operational procedures manual for Licensing. All relevant staff should be given a copy and be trained in its use. The manual should clearly identify all responsibilities. Management should supervise and monitor adherence to the procedures manual on an ongoing and regular basis. Management arrangements for supervision and monitoring should also be clearly detailed in the procedures manual. The operational procedures should also cover the findings and recommendations made in this report.

Website Information for licensing applications

Test Description

Internal Audit reviewed the adequacy of website information for licensing applications.

Findings

The licensing application process and guidance is detailed on the Council's website for the main types of Licence. For example, for Entertainment Licences, there are currently two processes for receipt of applications – 1. Manual and 2. Online. Licensing Officers explained that the two processes for receipt of applications are not fully aligned. In the manual process, the application is completed and the associated documentation is received along with the application. For the online applications, there is a secondary process for gathering the necessary documentation after the online application is received.

At time of audit, there was a variety of available documentation to assist applicants. There is a website page and each licence type has an individual page with hyperlinks to further documentation. For example, for an Entertainment Licence, the website contains the following sections:

- 'Licence Summary' section;
- 'Eligibility Criteria' section;
- Regulation Summary which provides a copy of the relevant legislation: the Local Government (Miscellaneous Provisions) NI Order 1985;
- 'Application Evaluation Process' section (containing a document detailing the appropriate fees to pay);
- A "Will tacit consent apply?" section;
- 'Apply Online' section (containing the online application forms);
- 'Forms available to download, print or post' section (containing a guidelines document and a manual application form);
- 'Licence Holders Redress' section;
- 'Consumer complaint' section;
- 'Other Redress' section;
- 'Trade Associations and Useful Links' section;
- 'Contact Details' section;

Internal Audit have a number of observations:

- The 'Application Evaluation Process' section does not detail all the documentation that will be required for example the additional documentation required and contained in the guidelines. These documents include the emergency lighting certificate, the fire alarm certificate and the fire extinguisher certificate.
- There was another document provided to internal audit detailing a full list of required documents which was prepared in March 2017 for issue to applicants but this was not on the website.
- The website states that 5 copies of the plans of the building are required whereas the plan in a digital format will now suffice.
- There are three online applications listed on the website but they are all the same document.
- The online application is different from the manual form and the guidelines document was included in the section with the manual form.

Licensing staff were aware of the issues identified and Internal Audit understands that this area is currently under review and new applications are in the process of being developed for Licences. Finally, Internal Audit noted that the application process for Cinema and Pavement Café Licensing were not included yet on the website. However, Internal Audit note that there are only three relevant cinemas and that the Pavement Café licences is a new area.

Recommendation 7

Website information and guidance

Management should consider carrying out a review of the current available documentation then updating the application process on the website. This should speed up the application process and increase the likelihood that all the required documentation is submitted along with the application and the fee. Management should explore whether it could be possible for applicants to email or scan documentation directly to the Council to further speed up the process. Online content should be amended to reflect the full requirements of the application. Whether online or manual, the application process should be the same process as much as possible and the application should not be deemed received until the required documentation is received by Council. This would then be the start date for the calculation of the turnaround times. This should be evidenced on Tascomi. Additionally, Licensing should consider including the application process for cinemas and pavement café's on the website.

Objections

Test Description

Internal Audit reviewed the adequacy of system for the management of objections.

Findings

The licensing legislation allows for objections to be made to the approval of licensing such as Entertainment or Amusement Licences and guidance is provided on the Council's website.

For entertainment licences, the Council website states: "Applicants must, within 7 days of the application date, place a notice in two newspapers circulating in the Council district stating that an application for an entertainment licence has been made. This permits members of the public 28 days, from the application date, to make any representation in relation to the application. Evidence that these public notices have been placed must be provided to the Council as part of the application process".

For Amusement Licences, the Council website states: "When applying for the INITIAL GRANT of an amusement permit, you must advertise in two local newspapers within 7 days of the date of the application. Please note that copies of the advertisements must be submitted to the Licensing Department, Derry City and Strabane District Council. When applying for the RENEWAL of an amusement permit, advertising in the local press is not required.

Officers confirmed that the 28 days is taken from the date of the application for both licence types, however, the website information for Amusement Licences does not explicitly state that members of the public have 28 days from the application date to make any representation in relation to the application.

Additionally, the Tascomi system has a section for 'Objections' so that when objections are received within the 28 day time limit, this section is completed. However, this is only completed if an objection is actually received. There is no evidence on Tascomi to document the objection timeframes of when the objection period begins and finishes and to confirm when the objection period has passed. From an audit perspective, the process for the management of objections is not clear and evidenced adequately.

Recommendation 8

Objections

Considering the significance of the objection system and to avoid the potential for disputes in the future, the system for objections should be clarified and documented on the website and operational procedures. Licensing need to clarify procedurally and on the website when the 28 day period commences and ends for the applicable licence types. Furthermore, there should be an audit trail on Tascomi to evidence confirmation of when the 28 day objection period is up.

Licence Inspections

Test Description

Ensure that a programme of inspections has been developed and adhered to in relation to checking premises to ensure that they are complying with the terms and conditions of their licence.

Findings

Internal Audit found that the Tascomi System is now used to plan, document and archive the inspections and enforcement system. There is also an inspections report which details inspections carried out for each type of licence. Internal Audit reviewed the report and saw that it details the reference number of the premises, the inspection number, the premises name, the address, the inspection type, inspection result, inspection officer, the planned date, actual date and if the target date was met.

At time of audit there was evidence on Tascomi from 1st December 2016 to 1st December 2017 of 220 premises inspections for Entertainment Licences and evidence that 132 Entertainment Licences were issued in that period. The inspection types listed were categorised as annual inspections, interim inspections, fire risk inspections and during performance inspections. It was pointed out by the Licensing section that Tascomi did not become operational until late February 2016 and some inspections carried out from December 2016 to February 2016 were recorded in officers' diaries and will be transferred to Tascomi.

For Amusement Licences for new applications, there was one inspection planned for 9th November 2017 for a new premises. However, it was unclear whether the inspection had taken place.

For Petroleum Licences, there was evidence of 17 inspections on Tascomi including all 13 Petroleum Licences issued.

Officers also confirmed that their objective is to ensure that compliance inspections are carried out by Licensing before the actual Licence is issued. Licensing also carry out 'in performance' inspections in the evenings to gauge how the premises is complying with the requirements of the Entertainment Licence as an event is taking place. If a premises is identified as providing entertainment without a License, the premises are jointly inspected by Council / PSNI. If a premises is known/expected to provide entertainment without a License, they are issued with a 'warning letter' in advance of an inspection. For Amusement Licences the Council has no Power of Enforcement under the Betting & Gaming Law so all enforcement is undertaken by the PSNI.

From review of the Tascomi system, Internal Audit is satisfied that inspections are taking place and that this is an area that is in development, however, there was still no overall documented planned and formal programme of inspections available for review by Internal Audit.

Recommendation 9

Inspections

A formal programme of inspections should be developed to ensure that all premises and street traders are examined at least once during the period of the licence and for evidence / assurance purposes. From an audit perspective, there is a need for management to be able to demonstrate that there is a more formal approach to the inspections regime and that the finite resources are being applied to the areas of greatest risk. There is a need for licensing to be able to plan and carry out the requisite number of inspections to comply with requirements of the service and have the resources to do so. If the resources are not available, then the inspections regime should be targeted demonstrably at the areas of greatest risk or through cyclical inspections. Licensing should aim to provide management information around the inspection regime and have a targeted programme of inspections. It is then up to management to monitor the programme for completions and ensure that the planned inspections are being completed.

Additionally, management should consider guidance to ensure clarity around the inspections carried out by Licensing staff and detail on what assurances are being provided by Council as a result of these inspections and in what areas. Furthermore, any gaps in the assurance framework identified should be evaluated and action taken if necessary, for example, through the provision of training.

Submission of plans of premises and liaison with Building Control and the Planning Service.

Test Description

Internal Audit reviewed the adequacy of the system for receipt of plans for premises making applications and liaison with Building Control and the Planning Service to ensure that relevant applications / premises also have the appropriate Building Control and Planning approvals.

Findings

The Council's website for licensing applications details the requirements for inclusion of plans with the application. For example, for Entertainment Licences, the website states that "Applications must include 5 copies of the plans of the building" and the online "Guidance notes on applying for the grant, renewal, transfer or variation of an entertainment licence" states that: "Applications for the grant of a new licence must be accompanied by five sets of plans of the premises. These must be "marked up" and clearly show the emergency lighting, emergency exits – with dimensions - and all elements of the fire alarm system, call points, detectors, sounders etc."

At the time of audit, there was only one recent new Entertainments Licence application and audit testing found that the plans of the premises were available for review. Licensing staff explained that for renewals, where there was no change then copies of the plans were not required to be submitted. Internal Audit testing identified that a number of the plans for the

sample reviewed were not on Tascomi, however, Licensing Officers explained that these plans related to older applications and there would be hard copy plans. It was also explained that Licensing was going through the available hard copy files and scanning the plans to the Tascomi system as each Licence was being renewed.

Officers explained that there is no longer the need to submit 5 sets of plans as digital plans can now be submitted. The Licensing Officers can then inspect the premises to confirm 'emergency lighting, emergency exits – with dimensions - and all elements of the fire alarm system, call points, detectors, sounders etc.' Internal Audit is aware that this is an area in development and Licensing Officers were aware that there is a need to review the website guidelines on the submission of plans.

From a Council perspective, it is important that Licences are only issued for premises when it is confirmed that they also have the appropriate Building Control and Planning approvals. Therefore, part of the licensing process will involve collating assurances from Building Control that the current plans have been received from the applicant and that Building Control approval has been given and from the Planning Service, for example, that for Amusement Licences that the appropriate Planning permission has been granted for the plans held.

At the time of audit, from review of a sample of applications in Licensing, Internal Audit was unable to identify evidence of communication with Building Control for each application so there was a lack of assurance that a Building Control check had been carried out by Licensing. Licensing officers explained that from October 2017 Licensing has set up a communication email notification with both Building Control and Planning and this is under review with the respective sections.

For Amusement Licences, the website states: "A copy of planning approval for use of the premises as an amusement arcade is required. This is issued by the Planning Service and the applicant should consult directly with them to receive guidance on this matter".

Internal Audit testing found evidence on Tascomi for 14 Amusement Licences entered on the system. A Planning appeal decision granting planning permission for the one application was evidenced on Tascomi and there was a Planning approval confirmation available for one other premises. There was no other information available regarding planning permission for the other premises held on the system. Internal Audit was informed that this area is also in development.

Recommendation 10

Submission of plans of premises and liaison with Building Control and the Planning Service.

Management should carry out a review in this area and update the external guidelines and internal operational procedures accordingly. Licensing needs to consider who should be provided with the plans and how it is going to collate its assurances around relevant Planning and Building Control approvals. Licensing should implement a more formal process for new or updated plans received to ensure that there is consultation with Planning and Building Control. Licensing should be assured that the premises has the appropriate and up to date Planning permission and Building Control approvals based on the most up to date plans. This should be evidenced on the Tascomi system for management review and audit purposes.

Turnaround Times

Test Description

Ensure that the turnaround time between receipt of the applications and issue of the licenses is adequate.

Findings

Internal Audit reviewed turnaround times as part of this audit and, although the applications are now input to Tascomi, this is still an area where further action is needed. For a sample of applications, Internal Audit reviewed the time elapsed from the date on the application form to when the licence was issued and found that there was a wide variety of turnaround times. Licensing Officers explained that using the date on the application form can be misleading because an application is not 'valid' until the necessary plan, fee, supporting documents and other information have been received. Officers also explained that the Council Committee time table may have an impact on turnaround times particularly when there is a recess in the summer months. Overall, there is a risk of reputational damage if the Council is not measuring and reviewing the turnaround times for the various types of licences.

Recommendation 11

Turnaround times

Internal Audit recommend that turnaround times for the issue of licences should be reported on and monitored on a monthly basis. The reasons for any applications going over the turnaround time target should be explained.

Additionally, there is a need to set a fair but challenging turnaround target for applications and decide on what timeframes are to be measured and what constitutes an individual turnaround time, for example, the receipt of the last piece of documentation to the Licence issue date. If this is deemed to be the turnaround time then the relevant dates must be recorded on Tascomi and they should be evidenced and auditable.

Licence Renewals

Test Description

Ensure that there is a system in place to ensure that regular reminders are sent out when the licence is due to expire.

Findings

Internal Audit reviewed renewals as part of this audit and Licensing Officers confirmed that Tascomi has been set up electronically to prompt reminders to be sent out 12 weeks in advance of the premises current licence expiring. An electronic 2nd reminder shall be issued, within one month of the current licence expiring, only if and when there has been no application received following the initial reminder.

Additionally, further follow up reminders are issued including request letters for the supply of the required documentation. The Tascomi System also breaks down applications into types, for example, 'inspection completed', 'refusal', 'licence issued', 'new works', 'expired' or 'action required'. There are also reports generated by Tascomi that assists with the management of renewals. Internal Audit also viewed individual applications and the renewal and reminder letters that were sent out. Internal Audit is satisfied that renewal and reminders are issued when licences are due to expire.

No issues identified – no recommendations made.

Income Collection

This section of the audit report covers the Internal Audit work carried out in relation to the income collection arrangements. The section is broken into the following areas:

- Reconciliation of Income;
- Fee checks;

Internal Audit reviewed the overall income from Licencing since the new Council was established in April 2015, as a result of the reform of Local Government. The total income from licencing for the 2015 / 2016 financial year was £73,558. However, this then reduced in the 2016 / 2017 financial year to £62,460 with a reduction of £12,148 or 16.5% from 2015 / 2016. However, the figures for the current 2017 / 2018 at 7th December 2017 were £49,165 which suggests that income is recovering.

Reconciliation of Income

Test Description

Review the process in place to ensure that all licence income due to the Council for licences is received.

Findings

The licensing section should be in a position to demonstrate clearly to management that all income due to the Council for licenses has been received. Currently, each licence paid for is receipted and the receipt number is matched to the license on the Tascomi system. However, there is no evidenced monthly or annual reconciliation to demonstrate that all income due to the Council has been received. As a supervisory control, this should be presented to the Head of Health and Community Wellbeing for review purposes.

Internal Audit has discussed this issue with Licensing Officers and the need to identify, as much as possible, the expected income and reconcile actual income with expected to identify variances. Tascomi holds the list of all Licences and there is now a 'Finance' Report which could be used to reconcile income.

Recommendation 12

Reconciliation of Income

As a supervisory control, a regular reconciliation report produced from the Tascomi system that demonstrates and provides assurance that all licensing income due to the Council has been received should be presented to the Head of Health and Community Wellbeing for review purposes. The report should be broken down into the various Licence income streams and be used to identify and investigate instances where expected Licence income has not been received.

Fee Checks

Test Description

Select a sample of applications and ensure that the correct fee has been received prior to the licence being granted.

Findings

The fees for Licencing are based on statutory rates, for example, the fees for Entertainment Licences have been in place since 1st September 2009. Internal Audit tested a number of applications to check that the correct fees had been charged. Internal Audit tested the following sample of applications:

Entertainment Licences – 14 applications.
Street Trading Licences – 12 applications
Amusement Licences – 10 applications.
Petroleum Licences – 5 applications.
Places of Marriage Licences – 2 applications.
Cinema Licences – 1 application.
Society / Lottery – 2 applications.

Internal Audit testing found that the correct fees were charged in all cases apart from one Entertainment Licence where it was found that there was an under charge of £50. The Tascomi system stated that the application was for 'Not more than 100 persons' meaning a cost of £100, however, the application stated that the capacity was for 120 persons so the fee should have been £150. Licencing Officers agreed that this was an error and to follow up this one instance with the premises. Although there was only one fee error identified and it was not materially significant, from an audit perspective, it would be prudent to include a fee check for all applications and evidence this on Tascomi.

Recommendation 13

Fee checks

Internal Audit recommends that there is an additional supervisory check carried out on the calculation of fees. When the calculated fees are input to Tascomi that there is an additional evidenced check carried out by a Licencing Officer to ensure that the correct fee is calculated and charged at all times.

Section 2 - Entertainment Licencing

Background

This section of the Internal Audit report covers the Internal Audit work carried out specific to Entertainment Licensing. Entertainment Licensing is the largest subsystem in Licensing and there have been over 200 premises input to the Tascomi system.

Grant, Renewal, Transfer or Variation of an Entertainments Licence comes under the 'Local Government (Miscellaneous Provisions) (N.I.) Order 1985: Art. 3 & Sch. 1.' To ensure compliance with the legislation, Licensing has developed 'Guidance Notes on applying for the Grant, Renewal, Transfer or Variation of an Entertainments Licence'. All documentation required is detailed on the application form. This documentation is verified as being in place by an inspection involving DCSDC/NIFRS personnel at the time of application/award (Grant) and at least annually, at renewal. A 'full' license is in force for up to 1 year from date of grant and can be renewed by manual application or online. An 'occasional' license can only be used for 14 days and is charged at half price of the 'full' license. Each premises retains the same License Number from initial grant.

Audit testing concentrated on the section processes in 2017 for review and testing. A sample of fourteen recent applications were selected for review. These include one 'Grant', two 'Outdoor' and eleven 'Renewals'. There were no recent transfers or variation available for selection. Audit testing was based on evidence available to demonstrate compliance with the DCSDC "Guidance notes on applying for the grant, renewal, transfer or variation of an Entertainments Licence".

Test Description

Select a sample of Entertainment Licence Applications and ensure that:

- The application form is received and has been completed.

- Public notice of the application has been published in two local newspapers within 7 days of the application date (copies should be provided and retained by the Council);

- The application has been accompanied by:
 - A set of plans of the premises; (See section 1)
 - Fire Risk Assessment
 - Previous / existing licence presented, if applicable;
 - Provisional granting of licences
 - A statement of Insurance has been completed by the applicant's insurers;
 - A certificate of inspection and maintenance in respect of the fire fighting equipment on the premises;
 - A Periodic Inspection and Test Report in respect of the electrical installation on the premises in accordance with current IEE Regulations for Electrical Installations and associated Guidance Note, and appropriate certificates in respect of:-
 - Fire Detection
 - (i) Certificate in respect of fire detection and alarm system;
 - (ii) Certificate in respect of emergency lighting system.
 - Gas Certificates

- Police Service of Northern Ireland (PSNI) and Northern Ireland Fire & Rescue Service (NIFRS) referrals;

Application Forms

Findings

The guidance notes state that “Each Application shall be made on the Application Form supplied by the Council and shall be accompanied by the appropriate fee (see attached list). Applicants should read through the Management Rules which constitute the terms, conditions and restrictions subject to which an Entertainments Licence is normally granted. If difficulty is anticipated in complying with any of the Management Rules, application may be made to the Council to modify or dispense with the Rule(s) in question’.

Internal Audit was satisfied that the Application Forms were completed and available on Tascomi for all 14 applications tested.

No issues identified – no recommendations made

Public Notices / Advertisements

Findings

The guidance notes state that “Except in the case of an application for an Occasional Entertainments Licence in respect of an educational institute or a church hall, chapel hall or other similar building occupied in connection with a place of public worship, the applicant must give Public Notice of the application by publishing an advertisement, as per the attached sample, in two of the following newspapers, within seven days of the date of application;

for premises located in County Derry/Londonderry - 'Derry Journal', 'Derry News', 'Londonderry Sentinel' or 'Belfast Telegraph' (North West Edition); or

for premises located in County Tyrone - Tyrone Constitution and Ulster Herald or the Strabane Weekly News and Strabane Chronicle

The applicant shall provide the Council with copies of the newspaper pages containing such advertisements.”

Audit testing found advertisements for each application were available for all 14 tested, however, for one application there was evidence of only one advertisement having been placed.

Licencing are in the process of moving to a paperless system. Documentation is scanned to

the Tascomi system and held electronically. At present, they are running a dual system and holding hard copy files and documentation. For 3 of the applications, Internal Audit was unable to determine from Tascomi from which newspaper the advertisements were placed in. Licensing are now aware of this and have agreed to improve the audit trail by detailing the name of the newspaper with the scanned advertisements.

Recommendation 14

Public Notices / Advertisements (Entertainment Licences)

Management should retain all advertisements as evidence of compliance with the guidelines and that two advertisements were placed for all applications. Additionally, the advertisements scanned to Tascomi should detail confirmation as to which newspaper the advertisements were placed in to demonstrate compliance with the policy and procedures.

Fire Risk Assessments

Findings

The guidance notes state that: “All applications should be accompanied by two copies of the Fire Risk Assessment for the premises (the original Fire Risk Assessment should be kept in a safe place along with the relevant certificates and be available for inspection/audit by Northern Ireland Fire and Rescue Service or Council)”.

Internal Audit found that for the sample tested, the Fire Risk Assessments were either available on Tascomi or a request for information had been issued, however, Internal Audit identified a number of issues. Officers explained that Fire Risk Assessments can be valid for up to 5 years but this was not always explicit. Some Fire Risk Assessment stated a validity period while others did not. Additionally, there appears to be no industry standard for the validity period for Fire Risk Assessments. There was therefore a lack of assurance around the validity period of some of the Fire Risk Assessments.

For an Outdoor Entertainment Licence examined, at time of testing, there was no Fire Risk Assessment on file, however, Officers explained that the Fire Risk Assessments for Outdoor Events may form part of the overall Event Management Plan and this was available. However, this did not appear to be detailed in any of the guidance material.

Licensing staff were aware of the issues identified and Internal Audit understands that this area is currently under review, however, the issues identified in this audit should be considered as part of the review. Licensing officers explained that outdoor events requiring an Entertainment Licence would be presented to the Safety Advisory Group and the NIFRS would assess the application and any recommendations made by the NIFRS would be included to any licence granted as a condition. All information relating to the event is stored on the Safety Advisory Group folder in the Health and Wellbeing Public folder.

Recommendation 15

Fire Risk Assessments (Entertainment Licences)

Fire Risk Assessments do not always state a validity period and there is no industry standard so Internal Audit would recommend that Licensing include in its policy and procedures additional detail on the required standards for DCSDC, for example, that Fire Risk Assessment should be reviewed annually for amendments but that they would remain valid for 5 years otherwise.

The Policy / Procedures should also confirm that for an Outdoor Entertainment Licence that the Fire Risk Assessment can form part of the Event Management Plan.

Previous / existing licence presented, if applicable;

Findings

The guidance notes state that: “Applications for the renewal, transfer or variation of a licence should be accompanied by the existing licence”;

Audit testing found that from the 11 renewals tested, there was an available existing Licence for only 2 applications. Licensing Officers explained that they were aware of this and from this point forward all existing licences will be included on Tascomi.

Additionally, it was also noted that the Entertainment Licences themselves did not detail the actual issue date of the Licence. The Licences do detail a line stating “This Licence unless suspended, revoked or cancelled shall remain in force until” and then the date is included, therefore, there is a risk of confusion around the actual issue date of the licence.

Recommendation 16

Retention of Existing Licences (Entertainment Licences)

Internal Audit recommend that all existing licences are retained with applications in compliance with the guidelines.

Recommendation 17

Issue dates on Entertainment Licences

Internal Audit recommend that Licences are amended to ensure that they include the actual Licence issue date.

Provisional granting of applications

Findings

The guidance notes state that: “Where premises are to be, or are in the course of being, constructed, extended or altered, and the Council is satisfied that the premises would, if

constructed in accordance with plans deposited, be such that it would grant the licence, the Council may provisionally grant the licence subject to a condition that it shall be of no effect until confirmed by the Council when it is satisfied that the premises have been completed in accordance with the plans deposited, or those plans as modified with the approval of the Council, and that the licence is held by a fit and proper person”.

Licensing Officers explained that this has not happened as yet but that the Licensing section does issue Licences with a list of conditions for the applicant to meet. The process is that they are given 28 days to provide evidence that all the conditions have been met. After 21 days they are reminded again and after the 28 days the Licence is deemed invalid. Licensing Officers explained that this process is not currently documented in the written procedures, however, at time of audit, a new draft policy for Entertainment Licences was in the process of being written.

Recommendation 18

Provisional granting of applications (Entertainment Licences)

Internal Audit recommend that the process for managing the provisional granting of applications is documented in the written procedures.

Statements of Insurance

Findings

The guidance notes state that: “The enclosed statement of insurance should be completed by the applicant's insurers and verified with the company's stamp or a covering letter on the company's headed paper”.

Audit testing found that from the 14 applications tested, there were no issues identified with the public liability insurance documents for all 14 of the applications tested.

No issues identified – no recommendations made

Additional documentation

The guidance notes state that: “The following items will be required to be kept along with the Fire Risk Assessment on the premises:-

Fire fighting equipment

- (a) A certificate of inspection and maintenance in respect of the fire fighting equipment on the premises;

Electrical Inspection

- (b) A Periodic Inspection and Test Report in respect of the electrical installation on the premises in accordance with current IEE Regulations for Electrical Installations and associated Guidance Note, and appropriate certificates in respect of:-

Fire Detection

- (i) the fire detection and alarm system; and
- (ii) the emergency lighting system”.

Licensing staff explained that prior to the formation of the new Licensing staffing structure in December 2016, applications for renewal of entertainment licences in terms of returning with the applications, the Council did not ask for the certificates in respect of electrical installation, emergency lighting and fire fighting equipment to be submitted. Licensing Officers explained that the certificates were to be kept in a safe place along with the Fire Risk Assessment and be available for inspection/audit by Northern Ireland Fire and Rescue Service or Council in compliance with section 4(ii) of the Guidance Notes. At the bottom of the guidance, it states as follows: “N.B. All certificates should be current at all times, i.e. not more than twelve months old.”

Licensing staff explained that since December 2016, this area has been under development and they have been seeking the submission of these certificates along with the applications for review by Licensing Officers and have been scanning them to the Tascomi system. Licensing staff also explained that the Safety Advisory Group (SAG) and the NIFRS also check plans / premises for fire safety.

As part of audit work, Internal Audit reviewed progress in this area:

Fire fighting equipment

- (a) A certificate of inspection and maintenance in respect of the fire fighting equipment on the premises;

Findings

Internal Audit testing found that for 10 of the 14 tested the valid fire fighting certificate was held on file, however, the certificate was not on file for 2 tested. For the other 2 applications the certificate appeared to be out of date when the Entertainment Licence was issued, however, Licensing staff explained that Licences can be issued when certificates are out of date and the applicant is given 28 days to get the correct documentation in place. They are then reminded after 21 days. The Licence is then invalid after the 28 days if the correct documentation is not provided.

The Entertainment Licence document itself includes the statement that under Schedule 1 section c. Special Conditions: "This licence is issued on the conditions that all relevant statutory certificates and documentation are currently valid for the duration of this service.

Examples of Certificates

- Emergency Lighting Certificate
- Fire Alarm Certificate
- First Aid Fire Fighting Certificate
- Public Liability
- Fire Risk Assessment
- Electrical Inspection Certificates for the premises and equipment
- Gas certificate where applicable

The premises are managed and controlled at least to the minimum standard set out in the 'Management Rules' enclosed with the Licence Certificate".

Furthermore, a letter is issued with the Licence clarifying responsibilities;

"The licensee has a duty to provide for the health, safety and welfare of all persons on or about the premises. I must advise you that if the holder of a licence acts in contravention, or fails to comply with any item, condition or restriction subject to which the licence is granted, that person shall be liable to a penalty not exceeding £5,000 with the exception of convictions re overcrowding for which the fine shall not exceed £20,000 and/or six months imprisonment; and the licence of any person so convicted may be revoked by the Council".

Electrical Inspection

- (a) A Periodic Inspection and Test Report in respect of the electrical installation on the premises in accordance with current IEE Regulations for Electrical Installations and associated Guidance Note, and appropriate certificates in respect of:-

Findings

Licensing Officers explained that Electrical Certificates can be valid for periods up to 5 years. Internal Audit testing found Electrical Certificates on file for 5, 3 and 1 years.

Overall, for the 14 applications tested, Internal Audit found valid certificates for 9 of them and there was no evidence of the Electrical Certificate for 3 of the applications tested. For the other 2 applications the certificate appeared to be out of date when the Entertainment Licence was issued, however, Licensing staff explained that Licences can be issued when certificates are out of date and the applicant is given 28 days to get the correct documentation in place. They are then reminded after 21 days. The Licence is then invalid after the 28 days if

the correct documentation is not provided.

Fire Detection

- (i) the fire detection and alarm system;

Findings

Internal Audit testing found that for 7 of the 11 tested the valid fire detection and alarm certificate was on file. However, for 3 there was no evidence of the certificate found and in 1 case the certificate was dated 16th March 2015 and the Licence was issued in 11th August 2017.

Emergency Lighting System

- (i) the emergency lighting system.

“Electrical and Emergency Lighting certificates should be completed by an approved contractor on the roll of the National Inspection Council for Electrical Installation Contracting, a member of the Electrical Contractors' Association or a Member of the Institute of Electrical Engineers.

Findings

Internal Audit testing found that for 9 of the 11 tested the valid fire detection and alarm certificate was on file. However, for 1 there was no evidence of the certificate found and in 1 case the certificate was dated a significant period before the Licence was issued.

Gas Certificates

Findings

Although not specifically detailed in the guidance documentation, Internal Audit noted that since December 2016 licensing now include the checking of gas certificates for premises. Internal Audit testing found from 14 premises tested, gas certificates were required for three of the premises and all three were held.

Summary

Overall, in terms of the additional documentation to accompany the Fire Risk Assessment, Internal Audit is mindful that this is an area in development and there has been a huge volume of work ongoing since December 2016.

Recommendation 19

Retention of certificates to accompany the Fire Risk Assessment (Entertainment Licences)

Internal Audit recommend that management clarify and confirm in their written policy and procedures how they are collating their assurances on the various certificates to accompany the Fire Risk Assessment and what documentation is to be retained by the Council going forward. It should be clear on the evidence to be retained and what action is to be taken if the certificates are not provided or are out of date. When clarified, Licensing should ensure that all certificates are available for review and audit purposes.

PSNI and NIFRS referrals

Findings

The Council website guidance under the section 'Application Evaluation Process' states that 'Copies of the application will be sent to the Police Service of Northern Ireland and the Northern Ireland Fire and Rescue Service. Their comments will be taken into consideration when deciding whether or not the licence should be granted.

PSNI Referral

Internal Audit testing found that for 4 of the 14 tested, there was a lack of evidence on Tascomi of the PSNI referral in compliance with the guidelines.

NIFRS referral

Internal Audit testing found that for 3 of the 14 tested, there was a lack of evidence on Tascomi of the NIFRS referral in compliance with the guidelines.

From an audit perspective, there is a lack of assurance that all applications are referred to the PSNI and NIFRS in compliance with the guidelines. However, audit testing was being carried out at a time when this area was being developed and audit was provided with evidence of the consultation system in place so a recommendation has not been made at this time. Management explained that consultation takes place with PSNI and NIFRS for all applications and evidence of such applications has been recorded electronically in the health public folder for all applications received between December 2016 and April 2017 and that from March 2017 this information was recorded on Tascomi.

No recommendation made.

Section 3 - Amusement Licensing

Background

At time of audit, there were 15 Amusement premises input on Tascomi with 10 Amusement premises going through the renewal or new application process. Licensing Officers explained to Internal Audit that this area was currently in development. Internal Audit reviewed the available information to test compliance with the requirements detailed on the Council website and in the 'guidelines for applicants'. Licensing provided Internal Audit with access to the Tascomi system and with a box of files containing documents on some of the Amusement premises for review and Internal Audit reviewed all available information on Amusement Licences.

Test Description

Select a sample of Amusement Permit applications and ensure that applications were processed in compliance with the requirements detailed on the Council website and in the 'guidelines for applicants'.

Amusement Permit Summary / PSNI Referrals

Findings

The Council website guidance under the section 'Amusement Permit Summary' states:

"Amusement Arcade or Pleasure Fair you must obtain an amusement permit from the Council.

Generally there are two categories of permit:-

1. Article 108(1) (c) up to £8.00 maximum prize value payout Age limit - Access unrestricted (although Council asks operators to abide by a Voluntary Code of Conduct restricting access to persons aged 16 and over). Application Fee - £32.00.
2. Article 108(1) (ca) up to £25.00 maximum prize value payout Age limit - Access 18 and over only. Application Fee - £250.00.

Please note that the application fee is non-returnable if the application is refused".

Internal Audit enquired about the Council Licensing sections responsibility around enforcement of these Articles and what assurances did we have on compliance. Licensing Officers explained that it is the responsibility of the PSNI to enforce the amusement permit legislation after the Licence is issued.

The Amusement Licence 'Guidance Notes for applicants' also states at sections 9 and 10:

“In certain circumstances, such as noise disturbance to people living in the vicinity of the premises or after consultation with the PSNI, the Council may impose a requirement that the premises close no later than 10.30 pm.

The legislation requires that you serve a copy of the application on the Sub-Divisional commander of the PSNI for the area that your premises are located”.

Internal Audit reviewed the available documentation and at time of audit, Licensing were in the process of developing the Tascomi Amusement package that would include making a number of referrals to the PSNI. From the 10 Amusement premises current applications on Tascomi, Internal Audit testing found evidence of 8 recent PSNI Licensing referrals received in October and November 2017. However, audit testing was being carried out at a time when this area was being developed and audit was provided with evidence of the consultation system in place so a recommendation has not been made at this time.

No recommendation made.

Eligibility Criteria

Findings

The Council website guidance under the section ‘Amusement Permit Summary’ states:

“An amusement permit may be granted to an individual, to a body corporate which is registered under the companies (Northern Ireland) Order 1986, as amended or which is an existing company within the meaning of that Order, or to 2 or more persons carrying on business in partnership.

Where the applicant is a Company, Derry City and Strabane District Council will require the name, address and date of birth of the Company’s Directors, Executive Officers and those who have a financial interest in it”.

The Amusement Licence ‘Guidance Notes for applicants’ also states at sections 5, 6 and 7:

“An amusement permit may be granted to an individual, a partnership of two or more, or to a company registered under the Companies (NI) Order 1986 as amended or which is an existing company within the meaning of that Order, or to 2 or more persons carrying on business in partnership.

The person to whom an amusement permit is granted is the person who is, or proposes to be, the occupier of the premises for which the amusement permit is sought.

In considering the fitness of a corporate body to hold an amusement permit the Council has to consider the character, reputation and financial standing of the Directors and other persons who have executive control and a financial interest.

The legislation requires that the name and address of the owner of the premises is known”.

Internal Audit reviewed one company for compliance with the Council guidelines. The most recent application in June 2017 detailed two Directors, however, Company’s House appear to detail the two named Directors on the application plus two other Directors and one Secretary. Internal Audit found a lack of evidence of compliance with the requirements of these guidelines. There was therefore a lack of assurance on compliance with the guidelines.

Recommendation 20

Eligibility Criteria (Amusement Licences)

Internal Audit recommend that management ensure that adequate checks are carried out to ensure compliance with the requirements of the eligibility criteria guidelines. The nature of the checks to be carried out should be included in written operational procedures.

Application Evaluation Process

Findings

The Council website guidance under the section ‘Amusement Permit Summary’ states:

“Applications for the Grant or Provisional Grant of a permit must include:
The Council requires two references. One of the references should be as to the applicant’s character and reputation; the other should be as to his/her financial standing. (The latter should preferably come from a professional person with knowledge of the applicant’s financial situation e.g. Bank Manager or Accountant)”.

The Amusement Licence ‘Guidance Notes for applicants’ also states at section 8:

“In considering the fitness of a person to hold an amusement permit the Council has to consider the character, reputation and financial standing of the applicant and any person who would be managing the business. The person managing the premises must be someone who would not be refused a permit should they apply”.

Internal Audit testing found that there was a lack of overall evidence on character references. Internal Audit could find reference information for 3 applications only.

Recommendation 21

References / Application Evaluation Process (Amusement Licences)

Internal Audit recommend that management ensure that appropriate references are sought to ensure compliance with the requirements of the application evaluation process and that

the references are retained for review and audit purposes. Additional detail on the nature of the references to be sought should be included in written operational procedures.

Application Forms

Findings

Internal Audit testing found that Application Forms were available for review for 9 premises on Tascomi and at the time of audit, the Licensing Section was in the process of sending reminder letters on the need to renew the Licences.

Recommendation 22

Applications / Renewals (Amusement Licences)

Internal Audit recommend that management conclude the renewal process as soon as possible to ensure that all Amusement premises have up to date Licences and operate in compliance with Council requirements.

Advertisements

Findings

The Council website guidance under the section 'Amusement Permit Summary' states: "When applying for the INITIAL GRANT of an amusement permit, you must advertise in two local newspapers within 7 days of the date of the application. Please note that copies of the advertisements must be submitted to the Licensing Department, Derry City and Strabane District Council. When applying for the RENEWAL of an amusement permit, advertising in the local press is not required".

Internal Audit found that there was one recent new application and the advertisements were placed in compliance with Council requirements.

No issues identified – no recommendations made

Inspections

The Council website guidance under the section 'Amusement Permit Summary' states: "An inspection of the premises will be carried out by the Council before a new application can be approved. The Fire Risk Assessment in respect of the premises may be audited by the Northern Ireland Fire and Rescue Service prior to the application being approved.

All premises will be inspected by a Council Officer to ensure that the premises meet technical requirements before a permit can be renewed.

Where representations have been lodged as a result of the public notice placed in two local newspapers both the applicant and the person or persons making the representation will be given the opportunity to appear before the council.

Neither applicant nor the persons making such representations are obliged to appear however all representations will be considered by the Council when determining whether or not the licence should be renewed. Applicants will be made aware of any objections lodged at the earliest practical opportunity”.

Internal Audit was informed that a programme of inspections would take place as part of the renewal process for all Amusement premises. Management explained that an inspection will take place prior to the issue of a licence. Reference is also made to the report item in section 1 on ‘Licence Inspections’ and recommendation 9.

No additional recommendations made.

Section 4 - Petroleum Licensing

Test Description

Select a sample of petroleum licence applications and ensure that the correct procedure has been followed prior to the licence being awarded.

Findings

A 'petroleum license' is in force for 1 year from date of issue and Internal Audit was advised that, at the time of audit, there were 14 Licences issued in 2017. The original license number is retained on all subsequent issues.

Fees are based on quantity of fuel stored and the Petroleum licenses currently do not require Council approval.

All Petroleum Licence holders' applications are now administered and managed using the Tascomi system and Licensing Officers informed Internal Audit that reminders are sent out one month before expiry of current License held.

Five applications were tested and all application forms were identified on the system, the fees charged were found to be correct and the income receipted was traced to lodgement in Council's account at the Bank. Two of the licences tested had not been issued as Licensing was waiting for the return of electrical certificates. There was also evidence on the Tascomi system that the premises were inspected.

Licensing Officers attend the premises and undertake inspections before the certificates are handed over. This ensures facilities are inspected at least annually, although Licensing endeavour to undertake at least one other visit per annum. Licensing Officers use Petroleum specific checklists to inspect each of the premises and inspections are detailed on Tascomi.

Note previous report item and recommendation 9 on the nature of inspections and collating assurances on page 18, i.e. Additionally, management should consider guidance to ensure clarity around the inspections carried out by Licensing staff and detail on what assurances are being provided by Council as a result of these inspections and in what areas. Furthermore, any gaps in the assurance framework identified should be evaluated and action taken if necessary, for example, through the provision of training.

No issues identified – no recommendations made

Section 5 – Places of Marriage Licensing and Societies / Lotteries

Places of Marriage Licensing

Test Description

Select a sample of 'Places of Marriage' licence applications and ensure that the correct procedure has been followed prior to the licence being awarded.

Findings

'Approved places for Civil Marriages/Partnerships' that have to be presented at Council for approval are processed by Licensing. The license is in force for 3 years from date of issue or can be issued for 1 year. Fees for licenses are £480 for 3 years and £185 for one year.

There were 15 (3 year) licenses on Tascomi at time of audit. Two recent Licenses were examined as part of testing and no issues were identified. The correct fees were paid, traced to receipts issued and to lodgement in Council's account in the bank. Furthermore, there was evidence on Tascomi that plans were submitted, up to date Public Liability Insurance and Fire Risk Assessments were in place, that there was referral to the PSNI and NIFRS and there was evidence that the 21 days notice was given.

No issues identified – no recommendations made.

Registration of Societies for the purpose of conducting lotteries

Test Description

Select a sample of 'Registrations of Societies / Lotteries' applications and ensure that the correct procedure has been followed.

Findings

Under the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985, it is unlawful for any society (i.e. club, institution, organisation or association of persons) to promote a public lottery, unless such a society is registered with the Council in which the head office of the society is situated.

Private lotteries and small lotteries promoted as incidental of another event are exempt from registration but are subject to specific restrictions outlined in the Order. A fee of £35 is payable on application for initial registration of a society. On 1st January of each following year, a fee of £17.50 is payable to maintain the registration.

There were 11 'Registrations of Societies / Lotteries' on Tascomi at time of audit. Two recent registrations were examined as part of testing and no issues were identified. The correct fees were paid, traced to receipts issued and to lodgement in Council's account in the bank. Furthermore, there was evidence on Tascomi of referral to the PSNI and both applications were properly completed and submitted with the copies of the lottery schemes.

No issues identified – no recommendations made.

Section 6 - Cinema Licensing

Test Description

Review cinema licence applications and ensure that the correct procedure has been followed prior to the licence being awarded.

Findings

Internal Audit was informed that this is an area in development.

Internal Audit found that there are three applicable cinemas in Derry City and Strabane District and although Cinema Licences had not yet been issued for all three cinemas Internal Audit found that for two there was evidence that Licensing had written to them requesting further information and the correct fees of £600 have been paid for one cinema. Only two cinemas were found on the Tascomi system. Licensing explained that they are currently developing the Tascomi system and intended to input the other Cinema into Tascomi and write to them regarding the need for a cinema licence.

There were no guidelines on Cinema Licensing and application requirements or fee charges on the Council website, however, Internal Audit reviewed the application documentation held on Tascomi. For one application, the Tascomi system held the current application and up to date current documentation on public liability insurance, an electrical report, fire alarm certificate, emergency lighting certificate and fire extinguisher certificate. There was a Fire Risk Assessment but it appeared to be dated 27th July 2011 and there were no plans or evidence of advertisements having been placed. However, the Council had written to the cinema on 4th October 2017 requesting information. For the other cinema on Tascomi, the application was available dated 27th January 2017 and there was evidence that the Council had written to the cinema on 18th October 2017 requesting information. There was no other documentation found at time of audit.

Recommendation 23

Cinema Licensing

Internal Audit recommend that the Licensing Section should ensure that income is collected for cinema licenses for all premises used for the purpose of film exhibitions as defined in 'The Cinema's (NI) Order 1991'. Licensing should ensure that correct fees are paid in line with the statutory charges. Internal Audit would recommend that management update its documentation and provide guidelines for applicants on the website. Furthermore, the guidelines should clarify the documentation required for submission and inspection as part of the application process. Licensing should ensure that all applicable documentation is received and held on file for review and audit purposes.

Section 7 – Street Trading and Pavement Cafe Licensing

Street Trading Licensing

At time of audit, the Street Trading element of Tascomi was under development and the new draft Street Trading policy was in the process of being written. From an audit perspective, there was a lack of available documentation for review, therefore the Street Trading element of Licensing will be followed up as part of future assurance work.

For income collection testing, Internal Audit did select a random sample of 12 street trading licence payments and all fees were received and lodged to the Council bank account.

No issues identified – no recommendations made

Pavement Café Licensing

At time of audit, the Pavement Café element of Tascomi was under development. The Director provided Internal Audit with some relevant documentation regarding the Pavement Café Licensing and Licensing Officers explained that there had been one Pavement Café Licence application to date and Licensing has written out to the applicant requesting additional information and documentation. From an audit perspective, there was a lack of available documentation for review on Tascomi, therefore the Pavement Cafe element of Licensing will be followed up as part of future assurance work.

No issues identified – no recommendations made

Section 8 - Previous Audit Recommendations

An Internal Audit of Licensing was carried out in Derry City Council in 2014 and a number of recommendations were made as a result of this audit. Any of the recommendations which were not implemented by the end of the legacy council were carried forward to the new Council and have subsequently been reiterated as part of this audit.

Acknowledgements

Internal Audit would like to take this opportunity to thank the staff in the Licensing section for their assistance in compiling this report.

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
<p><u>Recommendation 1</u></p> <p>Review of Policy and Procedure (Amusement Licenses)</p> <p>Management should carry out a review of the current policy and procedure based on the concerns raised in the judgement to identify if improvement should be made to the policy and procedure and in particular to provide assurance that there is a consistent process around the grounds for the refusal of a licence.</p>	<p><u>Agree</u></p> <p>Policies and Procedures for the Licensing section are currently under development as part of the Health and Community Wellbeing Improvement Delivery Plan for 2017/2018 (HC101/17)</p> <p>Draft Street Trading Policy has been presented to Health and Community Committee on 07/12/2017 (HC8/17) and approval obtained to carry out public consultation.</p> <p>General licensing policy will be presented to Health and Community Committee. Although applications are processed in accordance with statutory requirements detailed procedures are to be developed to ensure consistency.</p>	<p>April/May 2018</p> <p>2018. Implement following public consultation and approval by council</p> <p>Report to committee March/April 2018 Implement following public consultation and</p>	<p>B1</p>

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
		approval by council (2018)	
<p><u>Recommendation 2</u></p> <p>Audit trail on decisions made (Amusement Licenses)</p> <p>Management should consider providing the Committee with an audit trail on decisions made regarding previous similar Amusement applications, particularly those in a close vicinity, to manage the risk of inconsistent decision making. Management should consider a consultation with Legal Services around a procedure for delegated decisions to be deferred pending any resolution of an application where there were objections.</p>	<p><u>Agree</u></p> <p>Amusement permit policy to be developed to serve as a guide for Elected Members, Council officers, applicants and the wider public.</p> <p>The policy will introduce greater clarity, transparency and consistency to the decision making process.</p>	<p>Present draft policy to committee June 2018 and Implement following public consultation and approval by council (2018)</p>	<p>B1</p>

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
<p><u>Recommendation 3</u></p> <p>Individual applications considered on their own merits (Amusement Licenses)</p> <p>Management should review the controls in place to manage the perceived risks associated around individual applications to demonstrate that they are considered on their own merits. There is a need to articulate robust reasons for the refusal of applications and all applications must be demonstrably dealt with as separate entities and not linked to previous decisions. For example, suitable evidence and information for decision making should be considered and then made available to Committee such as 'studies of need' as mentioned in the judgement.</p>	<p><u>Agree</u></p> <p>Policies and Procedures for the Licensing section are currently under development as part of the Health and Community Wellbeing Improvement Delivery Plan for 2017/2018 (HC101/17)</p> <p>See response to Recommendations 1 & 2</p>	<p>Dec 2018</p>	<p>B1</p>
<p><u>Recommendation 4</u></p> <p>Member Training</p> <p>Management should consult with Members of the Committee to consider whether it would be prudent to provide training on</p>	<p><u>Agree</u></p> <p>Licensing policies will be developed to serve as a guide for Elected Members, Council officers, applicants and the wider public.</p>	<p>May- Nov 2018</p>	<p>B1</p>

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
the updated policy and procedure taking into consideration the findings in the judgement.	The proposed policies will introduce greater clarity, transparency and consistency to the decision making process. Training will be provided where required.		
<p><u>Recommendation 5</u></p> <p>Committee Information for decision making by licensing type (Amusement Licenses)</p> <p>For the various Licence types, there should be communication and agreement with the Health and Community Committee on what will be placed before the Committee and in what form for scrutiny and review.</p>	<p><u>Agree</u></p> <p>The current scheme of delegation permits a Senior Council Officer (Director of H&C) to approve and issue non-contentious licences.</p> <p>Where representations have been received in relation to an application the H&C Committee will provide an opportunity for concerns to be heard and make a determination on the application.</p> <p>A review process is in place for the Councils Scheme of Delegation and this recommendation will be considered as part of the review.</p> <p>See response to recommendation 1& 2</p>	April 2018	B1

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
<p><u>Recommendation 6</u></p> <p>Operational Procedures for Licensing Officers</p> <p>Management should produce a detailed set of operational procedures manual for Licensing. All relevant staff should be given a copy and be trained in its use. The manual should clearly identify all responsibilities. Management should supervise and monitor adherence to the procedures manual on an ongoing and regular basis. Management arrangements for supervision and monitoring should also be clearly detailed in the procedures manual. The operational procedures should also cover the findings and recommendations made in this report.</p>	<p><u>Agree</u></p> <p>See response to recommendations 1&2</p> <p>Policies and Procedures for the Licensing section are currently under development as part of the Health and Community Wellbeing Improvement Delivery Plan for 2017/2018 (HC101/17)</p> <p>The NI Licensing Forum will provide an opportunity to share best practice and develop policies and procedures for Licensing officers.</p> <p>Any policy/procedure will introduce greater clarity, transparency and consistency to the decision making process.</p> <p>Training will be provided where required.</p>	<p>June / July 2018</p>	<p>B2</p>

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
<p><u>Recommendation 7</u></p> <p>Website information and guidance</p> <p>Management should consider carrying out a review of the current available documentation then updating the application process on the website. This should speed up the application process and increase the likelihood that all the required documentation is submitted along with the application and the fee. Management should explore whether it could be possible for applicants to email or scan documentation directly to the Council to further speed up the process. Online content should be amended to reflect the full requirements of the application. Whether online or manual, the application process should be the same process as much as possible and the application should not be deemed received until the required documentation is received by Council. This would then be the start date for the calculation of the turnaround times. This should be evidenced on Tascomi. Additionally, Licensing should consider including the application process for cinemas and pavement café's on the website.</p>	<p><u>Agree</u></p> <p>Licensing Officers to liaising with the council's Marketing and ICT teams to ensure the licensing section of the council website is updated will all relevant information for applicants and the general public.</p> <p>Where possible an online application/payment facility will be provided.</p>	<p>May 2018</p> <p>December 2018</p>	B2

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
<p><u>Recommendation 8</u></p> <p>Objections</p> <p>Considering the significance of the objection system and to avoid the potential for disputes in the future, the system for objections should be clarified and documented on the website and operational procedures. Licensing need to clarify procedurally and on the website when the 28 day period commences and ends for the applicable licence types. Furthermore, there should be an audit trail on Tascomi to evidence confirmation of when the 28 day objection period is up.</p>	<p><u>Agree</u></p> <p>Same response to recommendation 7</p>	<p>May 2018</p>	<p>B2</p>
<p><u>Recommendation 9</u></p> <p>Inspections</p> <p>A formal programme of inspections should be developed to ensure that all premises and street traders are examined at least once during the period of the licence and for evidence / assurance purposes. From an audit perspective, there is a need for management to be able to demonstrate that there is a more</p>	<p><u>Agree</u></p> <p>A risk based inspection programme will be development as part of the Health and Community Wellbeing Improvement Delivery Plan for 2017/2018 (HC101/17)</p> <p>All street traders to be inspected.</p>	<p>Forthwith</p> <p>March 2018</p>	<p>B2</p>

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
<p>formal approach to the inspections regime and that the finite resources are being applied to the areas of greatest risk. There is a need for licensing to be able to plan and carry out the requisite number of inspections to comply with requirements of the service and have the resources to do so. If the resources are not available, then the inspections regime should be targeted demonstrably at the areas of greatest risk or through cyclical inspections. Licensing should aim to provide management information around the inspection regime and have a targeted programme of inspections. It is then up to management to monitor the programme for completions and ensure that the planned inspections are being completed.</p> <p>Additionally, management should consider guidance to ensure clarity around the inspections carried out by Licensing staff and detail on what assurances are being provided by Council as a result of these inspections and in what areas. Furthermore, any gaps in the assurance framework identified should be evaluated and action taken if necessary, for example, through the provision of training.</p>	<p>Since December 2016:</p> <p>(i) All licenced premises have been inspected prior to the issue of an Entertainment Licence.</p> <p>(ii) During Performance Inspections are carried out in high-risk premises during seasonal and festive periods.</p> <p>(iii) Inspections are recorded on the ICT system and reported bi-annually to the H&C Committee.</p>		

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
<p><u>Recommendation 10</u></p> <p>Submission of plans of premises and liaison with Building Control and the Planning Service.</p> <p>Management should carry out a review in this area and update the external guidelines and internal operational procedures accordingly. Licensing needs to consider who should be provided with the plans and how it is going to collate its assurances around relevant Planning and Building Control approvals. Licensing should implement a more formal process for new or updated plans received to ensure that there is consultation with Planning and Building Control. Licensing should be assured that the premises has the appropriate and up to date Planning permission and Building Control approvals based on the most up to date plans. This should be evidenced on the Tascomi system for management review and audit purposes.</p>	<p><u>Agree</u></p> <p>The Licensing section will consult with Building Control, Planning Service and NIFRS on all entertainment licence applications.</p> <p>Application form to be amended to include information on refurbishment or structural alterations carried out in the premises within the last 5 years or since last licence was issued</p>	<p>Forthwith</p> <p>February 2018</p>	B2
<p><u>Recommendation 11</u></p> <p>Turnaround times</p>	<p><u>Agree</u></p> <p>New Licensing policy to include monitoring and review of application processing times.</p>	June 2018	B2

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
<p>Internal Audit recommend that turnaround times for the issue of licences should be reported on and monitored on a monthly basis. The reasons for any applications going over the turnaround time target should be explained.</p> <p>Additionally, there is a need to set a fair but challenging turnaround target for applications and decide on what timeframes are to be measured and what constitutes an individual turnaround time, for example, the receipt of the last piece of documentation to the Licence issue date. If this is deemed to be the turnaround time then the relevant dates must be recorded on Tascomi and they should be evidenced and auditable.</p>	<p>(See response to recommendation 1&2)</p> <p>The processing time will begin on the date which council receive all required supportive documents and fees.</p>	Forthwith	
<p><u>Recommendation 12</u></p> <p>Reconciliation of Income</p> <p>As a supervisory control, a regular reconciliation report produced from the Tascomi system that demonstrates and provides assurance that all licensing income due to the Council has been received should be presented to the Head of Health</p>	<p><u>Agree</u></p> <p>Monthly reports to be produced</p>	February 2018	B2

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
and Community Wellbeing for review purposes. The report should be broken down into the various Licence income streams and be used to identify and investigate instances where expected Licence income has not been received.			
<p><u>Recommendation 13</u></p> <p>Fee checks</p> <p>Internal Audit recommends that there is an additional supervisory check carried out on the calculation of fees. When the calculated fees are input to Tascomi that there is an additional evidenced check carried out by a Licensing Officer to ensure that the correct fee is calculated and charged at all times.</p>	<p><u>Agree</u></p> <p>Monthly reports to be produced.</p>	January 2018	B2
<p><u>Recommendation 14</u></p> <p>Public Notices / Advertisements (Entertainment Licences)</p> <p>Management should retain all advertisements as evidence of compliance with the guidelines and that two advertisements</p>	<p>Agree</p> <p>All Public Notices/Advertisements currently held electronically within the Licensing ICT System.</p>	Forthwith	B2

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
were placed for all applications. Additionally, the advertisements scanned to Tascomi should detail confirmation as to which newspaper the advertisements were placed in to demonstrate compliance with the policy and procedures.	Applicants required to provide copies of notices / advertisements relating to application.		
<p><u>Recommendation 15</u></p> <p>Fire Risk Assessments (Entertainment Licences)</p> <p>Fire Risk Assessments do not always state a validity period and there is no industry standard so Internal Audit would recommend that Licensing include in its policy and procedures additional detail on the required standards for DCSDC, for example, that Fire Risk Assessment should be reviewed annually for amendments but that they would remain valid for 5 years otherwise.</p> <p>The Policy / Procedures should also confirm that for an Outdoor Entertainment Licence that the Fire Risk Assessment can form part of the Event Management Plan.</p>	<p><u>Agree</u></p> <p>The Fire Risk Assessment is required under the Fire and Rescue (Northern Ireland) Order 2006 and the 'Fire safety Regulations (Northern Ireland) 2010. This legislation is enforced by the Fire Authority (NIFRS),</p> <p>Currently a Memorandum Of Understanding (MoU) between Council and the NIFRS. The NIFRS are consulted on applications and Council will consider any objections as part of the application process. Meeting to take place with NIFRS regarding recommendation and MoU.</p> <p>Outdoor entertainments do not require Fire Risk Assessments. As part of the conditions on the</p>	May 2018	B2

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
	<p>Entertainment Licence the applicant must satisfy the Safety Advisory Group on the arrangements and management of the event. The NIFRS will carry out a Dynamic Fire Risk Assessment before the event is open to the public.</p> <p>Licensing and safety Advisory Group to produce guidance for applicants and update council web site.</p>	May 2018	
<p><u>Recommendation 16</u></p> <p>Retention of Existing Licences (Entertainment Licences)</p> <p>Internal Audit recommend that all existing licences are retained with applications in compliance with the guidelines.</p>	<p><u>Agree</u></p> <p>All licences stored electronically on web based ICT system Since March 2017 to enable Licensing staff to access documents remotely.</p>	Implemented March 2017	B3
<p><u>Recommendation 17</u></p> <p>Issue dates on Entertainment Licences</p>	<p><u>Agree</u></p>	Oct 2017	B3

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
Internal Audit recommend that Licences are amended to ensure that they include the actual Licence issue date.	Recommendation implemented October 2017. Licence template includes issue date.		
<p><u>Recommendation 18</u></p> <p>Provisional granting of applications (Entertainment Licences)</p> <p>Internal Audit recommend that the process for managing the provisional granting of applications is documented in the written procedures.</p>	<p><u>Agree</u></p> <p>A licensing policy will be presented to the Health and Community Committee. Although applications are processed in accordance with statutory requirements detailed procedures are to be developed to ensure consistency.</p>	March/April 2018	B2
<p><u>Recommendation 19</u></p> <p>Retention of certificates to accompany the Fire Risk Assessment (Entertainment Licences)</p> <p>Internal Audit recommend that management clarify and confirm in their written policy and procedures how they are collating their assurances on the various certificates to accompany the Fire Risk Assessment and what documentation is to be retained by the Council going forward. It should be clear</p>	<p><u>Agree</u></p> <p>All entertainment Licenses issued with condition that expired fire safety certificates will result in the licence being invalid.</p> <p>The Fire Service Order is enforced by NIFRS. MoU between NIFRS and Council to be reviewed. (See response to recommendation 15)</p>	<p>March 2017</p> <p>May 2018</p>	B2

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
on the evidence to be retained and what action is to be taken if the certificates are not provided or are out of date. When clarified, Licensing should ensure that all certificates are held on Tascomi for review and audit purposes.	All Certificates to be stored electronically on the Licensing Tascomi System.	Forthwith	
<p><u>Recommendation 20</u></p> <p>Eligibility Criteria (Amusement Licences)</p> <p>Internal Audit recommend that management ensure that adequate checks are carried out to ensure compliance with the requirements of the eligibility criteria guidelines. The nature of the checks to be carried out should be included in written operational procedures.</p>	<p><u>Agree</u></p> <p>A licensing policy will be presented to the Health and Community Committee. This recommendation will be included in the procedures for assessing Eligibility Criteria for applications for Amusement licences</p> <p>(See response to recommendation 2)</p>	<p>June 2018 and Implement following public consultation and approval by council (2018)</p>	B2
<p><u>Recommendation 21</u></p> <p>References / Application Evaluation Process (Amusement Licences)</p> <p>Internal Audit recommend that management ensure that appropriate references are sought to ensure compliance with</p>	<p><u>Agree</u></p>	<p>June 2018 and Implement following public consultation and</p>	B2

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
the requirements of the application evaluation process and that the references are retained for review and audit purposes. Additional detail on the nature of the references to be sought should be included in written operational procedures.	A licensing policy will be presented to the Health and Community Committee. This recommendation will be included in the procedures for ensuring appropriate references for applications for Amusement licences (See response to recommendation 2)	approval by council (2018)	
<u>Recommendation 22</u> Applications / Renewals (Amusement Licences) Internal Audit recommend that management conclude the renewal process as soon as possible to ensure that all Amusement premises have up to date Licences and operate in compliance with Council requirements.	<u>Agree</u> A licensing policy will be presented to the Health and Community Committee. This recommendation will be included in the procedures for ensuring appropriate references for applications for Amusement licences (See response to recommendation 2)	June 2018 and Implement following public consultation and approval by council (2018)	B2
<u>Recommendation 23</u> Cinema Licensing	<u>Agree</u>	July 2018	B2

Table of Recommendations

Recommendations	Management Response	Implementation Date	Priority
<p>Internal Audit recommend that the Licensing Section should ensure that income is collected for cinema licenses for all premises used for the purpose of film exhibitions as defined in 'The Cinema's (NI) Order 1991'. Licensing should ensure that correct fees are paid in line with the statutory charges. Internal Audit would recommend that management update its documentation and provide guidelines for applicants on the website. Furthermore, the guidelines should clarify the documentation required for submission and inspection as part of the application process. Licencing should ensure that all applicable documentation is received and held on file for review and audit purposes.</p>	<p>A licensing policy will be presented to the Health and Community Committee. This recommendation will be included in the procedures Cinema Licensing.</p>		

Appendix (i) System Priority Level

Internal Audit have recently introduced a 'System Priority level' to audit reports. The system priority level identifies the significance of the system under review towards achievement of the Council's objectives.

This will help management to easily identify significant issues at an organisational level.

There are 3 ratings as follows:

Rating	Description
A	Failure to implement the recommendations is likely to result in a major failure of a key Council objective, significant damage to the reputation of the Council or the misuse of public funds.
B	Failure to implement the recommendations could result in the failure of an important Council objective or could have some impact on a key Council objective.
C	Failure to implement the recommendation could lead to an increased risk exposure.

Appendix (ii) Classification of Audit Assurance

Internal Audit have recently reviewed the classification of audit assurance levels. These continue to be based upon the system under review. The 3 new Assurance levels are 'Satisfactory', 'Improvement needed' and 'Major Improvement needed'. The definitions have been reworded to match the new Assurance levels.

The new assurance levels and definitions are as follows:

Level of Assurance	Definition
Satisfactory	<i>Evaluation opinion:</i> Overall controls are adequate and effective to provide reasonable assurance that risks are managed. While there may be some issues identified and recommendations raised, this should not significantly impact on the achievement of objectives.
Improvement needed	<i>Evaluation opinion:</i> Significant control weaknesses were noted and recommendations raised. There is considerable risk that the system will fail to meet its objectives.
Major Improvement needed	<i>Evaluation opinion:</i> Numerous significant control weaknesses were noted and recommendations raised. The system has failed or there is a real risk that the system will fail to meet its objectives.

Appendix (iii) Implementation Priority

Implementation priorities are based upon Internal Audit's opinion on how quickly the recommendations should be implemented, relevant to their importance in the system under review.

There are 3 different priority ratings as follows:

Priority	Description
1	Weakness which should be addressed immediately.
2	Weakness, which is not fundamental but should be addressed in the short term (6 months).
3	Improvement, which represents best practice.

The Action Plan contains the priority both of the system and the recommendation.