



INTERNAL AUDIT REPORT – LICENSING

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Chief Executive
Director of Performance
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Head of Health and Built Environment
Environmental Health Officer
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All matters contained in this report came to our attention while conducting normal internal audit work. Whilst we are able to provide an overall level of assurance based on our audit work, unlike a special investigation, this work will not necessarily reveal every issue that may exist in the Council's internal control system.

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1. Executive Summary

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2017/18. This report summarises the findings arising from a review of Licensing which was allocated 8 days.

Through our audit we found the following examples of good practice:

- Procedure notes are available to staff; are in accordance with relevant legislation; and are subject to management review.
- Applications are processed in a timely, accurate and complete manner and are supported by the required documentation.
- Applications for licences are reviewed and approved accordingly.
- A register of licences is maintained which is regularly reviewed to ensure accuracy and completeness and consecutive records exists of all licences that have been issued.
- The appropriate license fee is established and received before the application is processed.

Based on our audit testing we are able to provide the following overall level of assurance:

Satisfactory

Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Points for the attention of Management

In addition to the recommendations noted above we have identified a number of system enhancements during the course of the audit which do not form part of our formal findings, but may help enhance the existing controls. These are detailed at Appendix II.

2. Objective

The areas for inclusion in the scope of the audit were determined through discussion with management and will consider the main risks in relation to Licensing and to review the key systems and controls in place to address these. The review focused on:

- Entertainment Licences
- Dog Licences
- Income Management.

3. Background

The Council, as a licensing authority, has a number of powers and duties regarding the regulation and registration regarding the licensing of dogs and business activities within the Borough.

The Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1985 charges Councils with the responsibility of licensing places of indoor or outdoor entertainment.

The Dogs (NI) Order 1983 requires all dog owners to possess a valid dog licence from the Council which must be renewed on an annual basis.

The Council is able to carry out enforcement against unlicensed premises and dogs and enforcement against licensees who are not compliant with licence conditions. There are policies and procedures in place to govern the issue of entertainment and dog Licences. All procedural notes make direct reference to current legislation.

There are standardised applications in place for Licences and all applications require a variety of supporting documentation in order for the Licences to be granted.

A licensing register is in place that records all Licences that have been issued and is maintained by the Council.

4. Risks

The risks identified relating to Licensing and agreed with management are as follows:

1. There may be a lack of adequate policies and/or procedures covering legislation and process for issuing entertainment and dog licences
2. Entertainment/dog licence may be inappropriately processed and issued impacting on the Council's reputation, the public and health and safety.
3. Income for entertainment/dog licences may not be appropriately receipted, recorded or accounted for leading to a loss of income to Council.

5. Audit Approach

Our audit fieldwork comprised:

- Documenting the systems via discussions with key staff
- Consideration of the key risks within each audit area
- Examining relevant documentation
- Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records.

The table below shows the staff consulted with and we would like to thank them for their assistance and co-operation.

Job title
Head of Health and Built Environment
Environmental Health Officer
Business Support & Administration Manager
Business Support & Administration Assistant

6. Findings and Recommendations

This section of the report sets out our findings in relation to control issues identified and recommendations.

6.1 Risk 1 – Licensing Policies and Procedures

Audit has no findings or recommendations to make in relation to this risk area.

6.2 Risk 2 – Processing of Licences

Audit has no findings or recommendations to make in relation to this risk area.

6.2 Risk 3 – Licensing Income

Audit has no findings or recommendations to make in relation to this risk area.

7. Appendix I: Definition of Assurance Ratings and Hierarchy of Findings

Satisfactory Assurance

Evaluation opinion: Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Limited Assurance

Evaluation opinion: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

Unacceptable Assurance

Evaluation opinion: The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Hierarchy of Findings

This audit report records only the main findings. As a guide to management and to reflect current thinking on risk management we have categorised our recommendations according to the perceived level of risk. The categories are as follows:

Priority 1: Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.

Priority 2: Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.

Priority 3: Failure to implement the recommendation could lead to an increased risk exposure.

8. Appendix II: Points for the Attention of Management

Entertainment Licence – Supporting Documentation

It was noted during the audit that Stranocum Orange Hall received a new licence on 17/5/2017 but the risk assessment on file was dated 2014.

Council should ensure that risk assessments are relatively up to date for each entertainment licence issued.

Management Response

A fire risk assessment is requested for each premises prior to the issue of an entertainment licence. This is retained on file. A revised risk assessment is only sought where there has been alterations carried out to the premises since the grant of the previous licence. Licence condition require the holder to notify the licensing authority of any alterations prior to work commencing.