



Registration Service

December
2018



Low
Assurance



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Purpose and Scope of Review

We carried out a review of the Registration Service following a request by the Head of Legal, HR and Democratic Services to assess the robustness of processes once the Service had amalgamated. This review also provides assurance for the Annual Internal Audit Report and Annual Governance Statement.

Our scope covered the following areas:

- Legislation;
- Amalgamation of the Districts;
- Management Arrangements;
- Income and other Financial Controls;
- Budget and Performance Monitoring; and
- Customer Service.

We did not review the robustness of the process for managing the stock of certificates as the General Register Office (GRO) had carried out an audit of this area in April 2018 providing a reasonable assurance in relation to the security arrangements around the receipt, storage and use of the certificate stock held.

Background and Context

The Registrar General and councils have a shared responsibility for the delivery of the registration services in England and Wales. Registration officers have a statutory duty to follow regulations and guidance set and regulated by the Registrar General, while the Council has overall responsibility for managing the Registration Service.

At the time of our review, the Registration Service had been through a significant period of change as, during May 2018, Rhyl Register Office moved location from Morfa Clwyd to Rhyl Town Hall to provide a modernised and more accessible facility for customers.

Additionally, the two registration districts (Denbighshire North and South) were amalgamated in June 2018 to create one new Denbighshire district. This has resulted in there being one Register Office based in Rhyl with a Registration Office based in Ruthin. Registration services are no longer provided in Denbigh, Llangollen or at Glan Clwyd Hospital. The main benefit of this amalgamation is that registrations of births, deaths and marriages can take place in either Rhyl or Ruthin, and offers customers more flexibility. For example, previously if a person lived in the south of the county they would have to go to the Rhyl Register Office to register a birth or death that took place at Glan Clwyd Hospital.

As part of the amalgamation, a new staffing structure was designed to enable staff to be multi-skilled to carry out all key duties and provide effective business continuity arrangements. Additionally, there has been an extensive review of the allocation of staff hours and expenses to ensure that the service can be delivered effectively. This has taken a significant amount of time to implement due to heavy work demands relating to the above changes, which has impacted the full amalgamation of the districts.

The table below details the registrars' key areas of work for the period 1 April 2017 to 31 March 2018, when there were two registration districts:

Areas of Work	Ruthin	Rhyl
Number of births registered	17	2,070
Number of deaths registered	290	1,713

Number of historical certificates issued	158	2,200
Number of marriages conducted	254	155
Number of notices of marriage taken	214	366
Number of citizenship ceremonies conducted	12	0

Audit Opinion

The process of amalgamating the two registration districts and office move has created considerable additional work for staff, both for management and registration staff. The Service fully recognises that there is further work to be carried out so that the amalgamation can be fully implemented, particularly in finalising staff hours and expenses, but also in ensuring the processes between the previous two districts are aligned.

While the General Register Office has some documented guidance, the Service does not have its own documented procedures to support staff so they are clear of the various processes to be followed, particularly where they are undertaking new roles as part of them being multi-skilled. The Service had started to address this at the time of our review, as part of the ongoing amalgamation process.

Delays with the amalgamation and the staffing review have impacted progress in other key areas:

- Communication mechanisms with staff are not currently robust, e.g. no regular team meetings or one-to-one discussions, and most staff have not had performance appraisals since 2016. The appraisals issue was highlighted at Legal, HR & Democratic Services' Service Performance Challenge in April 2018.
- The Service has yet to fully review its compliance with the General Data Protection Regulations (GDPR), although it has identified that data deletion from their appointments and performance management system is required.

Operationally, performance is high for meeting targets for registering births and deaths, and the availability of registration appointments offered to customers. Monthly returns are submitted to the GRO so that they can monitor performance and compare against other councils across the UK. Like other registration districts across the UK, a Performance Improvement Plan has been agreed with the GRO that will enable analysis of issues affecting timeliness and performance.

Within the income process, receipts are now issued for all payments received and cash is banked securely. However, there are a number of weaknesses with current arrangements (see action plan and Appendix 1):

- Recording of income requires improvement to ensure that the process is more transparent, and to minimise the risk of errors or incorrect fees being charged;

- No reconciliations are carried out of the income collected through card payments and approved premises' licences; and
- VAT is not always correctly accounted for when charging for discretionary fees.

The budget for the Registration Service is well managed and regular monthly meetings are held with Finance. The amount of income collected nearly off-sets the cost of running the service, so the Service is almost in a cost-neutral position.

Overtime costs are relatively high, and it is hoped that these will reduce when the new staff hours are implemented (the new contracted hours will be kept under review and amended if required to meet the demands of the service). While the standard rate payments for overtime working are appropriately authorised, staff do not always seek prior authorisation before undertaking additional work above their contracted hours.

The Registration Service provides a fully bilingual service to their customers with good customer feedback and very few complaints received. However, there are still improvements needed to its customer service, some following on from the amalgamation of the districts, in terms of: contacting the Service by telephone (see the analysis in root cause 2); amendments to signage; and updating the website content to reflect the changes.

The main concern relates to an opportunity for the Service to modernise its processes and work more corporately with the Council's other services (see action plan and Appendix 1). There is a heavy reliance on paperwork rather than electronic working, and while quality assurance checks are undertaken, more scrutiny is needed as staff work too independently with little management on-site. Measures have been put in place to address this, but because of the amalgamation, have not yet taken effect. This has led to some corporate procedures and financial regulations not being followed, and authorisation is not always being sought before working overtime and purchasing goods and services.

Overall, the Service has some good controls in place, particularly with their performance. However, we are only able to give a low assurance rating because of the weak income arrangements and the need for the Service to modernise and work more corporately. See Appendix 2 for definitions of the assurance ratings.

Low assurance	Significant weaknesses in management of risks and/or controls that put achievement of objectives at risk.
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Action Plan

Audit Review of: **Registration Service**

Date: **December 2018**

Corporate Risk/Issue Severity Key	
0	Critical – Significant issues to be brought to the attention of SLT, CET, Cabinet Lead Members and Corporate Governance Committee
2	Major – Corporate, strategic and/or cross-service issues potentially requiring wider discussion at SLT and/or CET
2	Moderate – Operational issues that are containable at service level

Risk Issue 1	The Registration Service does not have documented procedures for key processes carried out. This could mean that staff are not clear of their duties and carry out processes inconsistently, which could lead to non-compliance with legislation and statutory guidance.		
Background Detail	<p>While the General Register Office does provide some documented guidance, the Council has not documented its own procedures for administering the service. This would assist the amalgamation of the registration districts in ensuring that staff are clear of their duties when the processes between the two districts have been streamlined, and support them in their continued training as multi-skilled officers. Having documented guidance also assists with ensuring that there are effective business continuity arrangements in place when key staff are absent.</p> <p>The Service recognises this as a weakness and has already met with registration staff to discuss processes and documented procedures in August 2018. Having robust accounting procedures is also documented as an objective in their Service Delivery Plan (May 2018) to prevent the risk of fraud.</p>		
Action (Ref)	Agreed Management Action	Responsibility	Deadline
1.1	We are in the process of developing documented procedures that will also incorporate some of the key areas highlighted in the audit, e.g. income recording and reconciliation, banking, VAT, overtime, etc. These will be saved on a shared network drive so will be easily accessible to staff. We are also reviewing letters, booking forms, and other key documentation to ensure that it is standardised across the District. Once implemented, we will carry out regular monitoring of the above processes to ensure they are effective and amend the procedures as required.	Business Support Manager/ Superintendent Registrar	01/06/2019

Risk Issue 2	While the Registration Service has taken some action in relation to the General Data Protection Regulation (GDPR), there has been no full review to ensure it is fulfilling its responsibilities.		
Background Detail	<p>The General Data Protection Regulation (GDPR) was implemented in May 2018 to replace the Data Protection Act, and the Registration Service is registered with the Information Commissioner’s Office as a data controller separate to the Council. While the Service has taken action since GDPR’s implementation, e.g. displaying privacy notices, there has been no full review to ensure the Service is fulfilling its responsibilities in line with the Act. During our review, we identified:</p> <ul style="list-style-type: none"> • The Registration Service’s Annual Performance Report 2017/18 (an annual self–assessment completed in April 2018) details that there has been no data deletion from the Stopford system (a system used for booking registration appointments, recording payments, and reporting performance). Our review identified that this was still outstanding; • While privacy notices are now displayed in both the Rhyl Register Office and the Ruthin Registration Office, the size of some of the notices is too small and some are not displayed prominently enough; • When registration certificates are spoilt, they are kept securely but have never been destroyed; and • GRO’s Stock and Security Assurance report (June 2018) refers to the provision of online training for Managing Data and Fraud Awareness and advises that this training is undertaken prior to the amalgamation. Discussions with registration staff during our review established that this training had yet to be undertaken. 		
Action (Ref)	Agreed Management Action	Responsibility	Deadline
2.1	A full GDPR review of the Registration Service/procedures has been arranged and will begin in January 2019. This will also include the display of privacy notices and the retention of spoilt certificates.	Business Support Manager/ Superintendent Registrar/ Legal Services Manager	31/05/2019
2.2	Records deletion programme to commence and be maintained by the Superintendent Registrar on a monthly basis.	Superintendent Registrar	01/04/2019

2.3	Managing Data and Fraud Awareness online training, together with the Council's Data Protection e-learning module to be completed by all registration staff. Counter Fraud training to be attended by staff 13 th November 2018.	Business Support Manager/ Superintendent Registrar	31/01/2019
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Risk Issue 3 – Root Cause 1	There are weak income arrangements, which could result in errors or fraud being undetected (although no fraud activity was identified during our review).		
Background Detail	<p>There are weaknesses within the:</p> <ul style="list-style-type: none"> • Recording of income; • Income reconciliation process; and • VAT is not being accounted for correctly when taking payment for discretionary fees (i.e. renewal of vows, naming and commitment ceremonies) <p>See Root Cause 1 for further details (Appendix 1)</p>		
Action (Ref)	Agreed Management Action	Responsibility	Deadline
3.1	Review the record of issue list and the cashbook register and implement an improved income record document, e.g. to include payment method, amount paid, VAT, etc. The record of issue list template will need to be agreed with the GRO. We will monitor the effectiveness of this improved document.	Business Support Manager/ Superintendent Registrar	31/03/2019
3.2	Together with Finance colleagues, establish a robust system of reconciliation for card and cash payments, including payments for Approval of Premises.	Business Support Manager/ Superintendent Registrar	31/03/2019
3.3	We will follow the advice received in terms of accounting for VAT on Discretionary Services and ensure VAT is not charged for any non-vatable services.	Business Support Manager/ Superintendent Registrar	31/03/2019
3.4	We will remove the cash float from Ruthin as it is not used.	Business Support Manager	23/11/2018

Risk Issue 4 – Root Cause 2	The Registration Service needs to adhere to corporate policies and requirements and be modernised to ensure that the service is delivered efficiently and effectively.		
Background Detail	<p>There are weaknesses with the following:</p> <ul style="list-style-type: none"> Existing communication mechanisms are not robust, e.g. a network drive is not always being utilised when sharing key GRO documents with staff; staff are not having annual appraisals or regular meetings; The Service is very paper driven and could work more efficiently if records were electronic. It would also provide a better oversight to enable robust quality assurance checks to be carried out; and Registration staff do not always seek prior authorisation from management where it is required, e.g. overtime and purchasing, and have not complied with Financial Regulations when some goods and services have been procured. <p>See Root Cause 1 for further details (Appendix 1)</p>		
Action (Ref)	Agreed Management Action	Responsibility	Deadline
4.1	Diarise regular team meetings, appraisals and one-to-one meetings to resume to ensure streamlined processes are working.	Business Support Manager/ Superintendent Registrar	01/04/2019
4.2	To work with the ICT Business Partner and Stopford team to explore greater online access to services. We are working with the Web team in order to maintain up to date information on the website and to ensure conformity with DCC accessibility requirements.	Business Support Manager/ Superintendent Registrar	01/06/2019
4.3	Set up a shared drive and create various folders in order that documented DCC processes and procedures, and key GRO information can be easily accessed for all, to include standardised documentation across the District regularly updated and staff informed of changes.	Business Support Manager/ Superintendent Registrar	Complete
4.4	Staff Training Log to be set up and maintained by the Superintendent Registrar (agreed at North Wales Proper Officers Representative Group on 06/11/18 that all superintendent	Superintendent Registrar	31/03/2019

	registrars are tasked with completing a training log that will feed into a North Wales Training Group Plan).		
4.5	Process introduced for all emails sent to shared mailbox – staff member dealing with query to inform all that the matter is being dealt with (prior to contacting the customer, to avoid duplication).	Business Support Manager	Complete
4.6	Discuss with ICT Business Partner the options with regards to the telephone answer message in order to improve the customer experience and to consider GDPR implications.	Business Support Manager	31/12/2018
4.7	Staff have been informed that they cannot work overtime without prior authorisation. Similarly, they have been advised that all purchases for goods/services must comply with Financial Regulations and Contract Procedure Rules and should not be procured without prior authorisation.	Business Support Manager	Complete
4.8	We have explored the use of Visiontime with HR but found that it would not be efficient when carrying out our checks of hours claimed/worked each month, due to the variations in staff working patterns. This would result in a more time consuming process and therefore is not an effective option.	Business Support Manager	Complete

Appendix 1 - Root Cause Analysis

Root Cause 1 – There are weak income arrangements, which could result in errors or fraud going undetected.

Underlying weakness – The recording of income collected is not robust

- The registration staff in Ruthin have a small float for giving change to customers, but have never been required to account for its use.
- The GRO has provided a record of issue list but the template does not require the payment method, fee amount, and receipt number to be recorded. If the GRO permits the template to be amended, this would improve the robustness of checks and the reconciliation process.
- Each registrar is responsible for maintaining an electronic cashbook for income collected by them. Our testing identified issues with the completion of the cashbooks, e.g. some are not completed in full or some are not up-to-date. There were inconsistencies in the information contained in the cashbooks, and staff are unclear as to the purpose of some of the information being recorded. Formulas are not always being utilised and therefore manual calculations are carried out, which could lead to errors. Improvements with the cashbook completion will ensure the recording of income is more transparent and will aid the reconciliation process.
- An independent check is carried out of the cash held by each registrar against their cashbook, and this check is evidenced on the cashbook (note: the independent check of spoilt certificates is also recorded electronically on the cashbook). However, this control is ineffective as the check is recorded electronically so figures entered on the spreadsheet could be amended after the check has been carried out. A more robust control would be for staff to initial each other's record of issue sheets.
- Some staff do not provide an adequate audit trail when taking card payments so it can be linked to what the payment related to (e.g. the name on the registration certificate as opposed to the name of the cardholder).
- Payments can be recorded on the Stopford system but this has not been utilised by all staff. This would be beneficial so there is a clear link from recording payment to the transaction it relates to. It would also be useful to review what the Stopford system can do in case there are other elements of the system that are not being used.

Underlying weakness – There are some weaknesses within the reconciliation process to confirm that all income collected has been banked

- The majority of transactions made through the Registration Service are by card payments. However, there is no reconciliation of the income collected through card payments to the general ledger, which is important to ensure that income is not misappropriated, e.g. the same card payment receipt could be used as evidence for other transactions, or cash collected could be recorded as a card payment.

- The documentation to support the issuing and payment of licences for approved premises is paper-based. The Finance Officer who supports the Registration Service is provided with a list of payments that have been received to check against the general ledger, but does not have all the source documentation in order to carry out a complete income reconciliation.

Underlying weakness – VAT is not being accounted for correctly when taking payment for discretionary fees

- The GRO is responsible for setting the fees for issuing registration certificates while the Council annually sets their charges for approved venues, attendance of registrars at marriage and civil partnership ceremonies, and other discretionary fees (e.g. naming ceremonies, renewal of vows, commitment ceremonies, etc). However, VAT implications are not considered when setting discretionary fees.
- Staff were unclear about when to apply VAT and the VAT Consultant has provided advice that discretionary fees should account for VAT at the standard rate. Our testing established that, while there have been very few discretionary fees charged, there were inconsistencies in how VAT had been accounted for, e.g. for private citizenship ceremonies, one payment had accounted for VAT while another had not. Discussions with some other local authorities highlighted that VAT for discretionary fees is not always applied either.

Root Cause 2 – The Registration Service needs to adhere to corporate policies and requirements and be modernised to ensure that the service is delivered efficiently and effectively.

Underlying weakness – Existing communication mechanisms are not robust

- We were advised that the General Register Office (GRO) is notified of key changes to the Service via email, but there was no evidence to confirm this as emails are not kept. Similarly, the key documents issued by the GRO are sent via email to the registration staff. We have suggested that a shared network drive would be better utilised to prevent duplicate documents being held on other local drives and provide an oversight to enable robust quality assurance checks to be carried out.
- There are shared email inboxes for dealing with queries for the Rhyl Register Office, the Ruthin Registration Office, and more recently an inbox has been set up for emails in respect of marriage and civil partnership enquiries. As all registration staff will have access to the inbox, there currently is not a robust process for ensuring there is not a duplication of effort in investigating and responding to queries, and ensuring that all enquiries are dealt with.
- Due to the delay in the Service being amalgamated and the ongoing staffing hours review, not all of the staff have had annual appraisals, and there is no documented training

record to confirm what training staff have had to date to highlight where further development is required.

- Similarly, there have been no regular team meetings or one-to-one discussions to provide updates and so that any key concerns can be raised (although staff do send emails or phone as required).
- While complaints made about the Registration Service are very low (four since April 2018 and none prior to this until April 2015), some of the recent complaints referred to not being able to contact the registration service by phone. Analysis was carried out on the calls received during July 2018:
 - Rhyl Register Office – the majority of calls made by customers would have received an engaged tone (61%). There is a full-time receptionist who works at this office, and other registration staff could log into the phone to answer the calls when the receptionist is busy depending if they have registration appointments. However, the customer will only hear an engaged tone, and therefore will not be held in a queue for their call to be answered, or have an option for a call back by the service.
 - Ruthin Registration Office – 49% of calls made were unanswered – although this office is open daily, it is operated as a part-time office to support the main office in Rhyl. 57% of the unanswered calls were received during normal office hours, but there is no dedicated receptionist that works for the Ruthin Registration Office so registration staff answer calls between appointments. The answering machine message for the office does not provide the Rhyl Register Office contact details when the office is not open since the two districts have been amalgamated.

Underlying weakness – The Service is very paper driven and could work more efficiently if their records were electronic. It would also provide a better oversight to enable robust quality assurance checks to be carried out

- Some of the key documents in relation to the Service are not held electronically, e.g. the approval of wedding premises licences and there are also manual records for managing registration staff, e.g. signing in and out sheets. We have suggested to explore the feasibility of using the corporate time recording system (Visiontime) for this purpose and for authorising leave.
- Currently, registration and wedding ceremony appointments cannot be booked online. Similarly, online transactions cannot be carried out, e.g. ordering and paying for certificates online. This forms part of the vision of the Council's Digital Futures programmes as customers increasingly want to access services online. The Service have previously recognised this and the ability to work more digitally is detailed in both the Legal, HR & Democratic Service Plan and the Registration Service Delivery Plan. Options

have been explored through attending system demonstrations for online booking but ICT security concerns need to be addressed first.

The content of the website is currently being reviewed to ensure it is accurate, that customers can navigate the website more easily, and to market the Service more in terms of marriages and civil partnerships ceremonies. Additionally, a digital screen has now been installed in the Rhyl Register Office displaying notices of marriages.

- The corporate purchasing system (Proactis) is not utilised for submitting petty cash claims at the Rhyl Register Office. Instead, a manual claim form is submitted for approval and reimbursement.

Underlying weakness – Registration staff do not always seek prior authorisation from management where required and have not complied with Financial Regulations when some good and services have been procured

- Overtime costs for the registration service are high: £37,645 was paid in overtime during the financial year 2017/18 (paid at the standard rate). While we are satisfied that overtime claims are appropriately checked and authorised for payment, registration staff do not always seek prior authorisation before undertaking additional work beyond their contracted hours. The fact that we could not find a documented corporate overtime policy to support this requirement is another issue which we will pursue as part of our upcoming audit of Payroll within the Financial Services review.
As part of the staffing hours review, it is hoped that overtime working will reduce considerably as staff are allocated new contracted hours.
- Rhyl Town Hall was renovated as part of the move of the register office, and some items purchased for the Ceremony Room did not comply with Financial Regulations in terms of how they were procured, and prior authorisation was not obtained from the budget holder prior to their purchase. Similarly, authorisation was not obtained prior to procuring furniture repair services. The above costs were of relatively low value, but staff still need to ensure that value for money is obtained, procurement procedures are followed, and authorisation is obtained from the designated budget holder prior to committing any spend on behalf of the Council.

Appendix 2 – Risk Matrix and Assurance Ratings

Likelihood		>70%	Almost Certain	A						
	Event likely to occur in most circumstances	30–70%	Likely	B						
	Event will possibly occur at some time	10–30%	Possible	C						
	Event unlikely and may occur at some time	1–10%	Unlikely	D						
	Event rare and may occur only in exceptional circumstances	<1%	Rare	E						
					5	4	3	2	1	
					Very Low	Low	Medium	High	Very High	
					Service Performance	Minor errors or disruption	Some disruption to activities/ customers	Disruption to core activities/ customers	Significant disruption to core activities. Key targets missed	Unable to deliver core activities. Strategic aims compromised
					Reputation	Trust recoverable with little effort or cost	Trust recoverable at modest cost with resource allocation within budgets	Trust recovery demands cost authorisation beyond existing budgets	Trust recoverable at considerable cost and management attention	Trust severely damaged and full recovery questionable and costly
					Financial Cost (£)	<£50k	£50k – £250k	£250k – £1m	£1 m – £5 m	>£5m
					Impact					

Levels of Assurance	Definition	Management Intervention
High Assurance	Risks and controls well managed and objectives being achieved.	Minimal action required, easily addressed by line management.
Medium Assurance	Minor weaknesses in management of risks and/or controls but no risk to achievement of objectives.	Management action required and containable at service level. Senior management and SLT may need to be kept informed.

Low Assurance	Significant weaknesses in management of risks and/or controls that put achievement of objectives at risk.	Management action required with intervention by SLT and / or CET.
No Assurance	Fundamental weaknesses in management of risks and/or controls that will lead to failure to achieve objectives.	Significant action required in a number of areas. Require immediate attention from SLT or CET.

Report Recipients

- Chief Executive
- Section 151 Officer
- Head of Legal, HR & Democratic Services
- Business Support Manager
- Lead Officer (Destination, Marketing & Communication)
- Strategic Planning & Performance Officer
- Scrutiny Co-ordinator
- Finance & Assurance Manager
- Chair – Performance Scrutiny Committee
- Lead Member for Finance, Performance & Strategic Assets
- Lead Member for Corporate Standards
- Corporate Governance Committee

Internal Audit Team

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Key Dates

Review commenced	July 2018
Review completed	September 2018
Reported to Corporate Governance Committee	23 rd January 2019
Proposed date for 1st follow up review	June 2019