

Kilkenny County Council

Internal Audit Report Motor Tax End of Year Stocktake 2021

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Report Distribution

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Introduction

Motor Tax in Ireland is a charge imposed by the Irish Government on motor vehicles. Some Vehicles are exempt but all must display a current tax disc if used in a public place. You can pay your motor tax through your local Motor Taxation Office or online at www.motortax.ie.

Objectives

The purposes of the physical inventory check in the Motor Tax office is to determine that:

- (1) the inventory actually exists
- (2) the methods of inventory taking are effective in obtaining accurate counts
- (3) the inventory is in a usable and salable condition in the normal course of business (e.g., not damaged or obsolete)
- (4) Verify that the cash floats are correct
- (5) Ensure that Trade Plates are issued correctly
- (6) Check unissued Vehicle Licensing Certificates (tax discs)

Approach

Internal Audit physically checked the stock held and verified the cashier's floats.

A random sample of 11 Trade Plates for 2021 were also checked to ensure they were issued correctly. Trade plates are special registration plates obtained by motor traders. The use of the plates by the motor traders are restricted to prescribed uses in connection with the motor trade. They are issued for a period of one calendar year and become obsolete on the last day of each year.

Unissued Vehicle Licensing Certificates (tax discs) were also checked.

Co-operation of Management and staff

Internal Audit received full co-operation from Motor Tax Management and Staff throughout the course of this review and would like to thank them for their assistance.

Internal Audit Opinion

Internal Audit's findings and recommendations are detailed below. Based on this review the audit opinion for stock in Motor Tax is reasonable assurance. There is a sufficient framework of key controls for objectives to be met. Risks are managed. Controls are generally applied but some lapses in the application of controls have been observed.

This report was distributed to the Finance Directorate and includes their Management Action Plan.

The report was approved by the Management Team on 1st March 2022.

The Audit Committee reviewed the Audit Report at their meeting of 7th March 2022.

Brigid Webster, Internal Auditor

Findings & Recommendations

The stock in the Motor Tax office was physically counted and was reconciled to the Supervisors End of Year Stock Report dated 31/12/2021. This report is generated from the NVDF IT system. Inventory items were arranged in an orderly manner which facilitated ease of counting. All quantities were determined by actual physical counts performed by Internal Audit.

Findings	Implication	Recommendation	Management Action Plan & Timeframe
<p>Vehicle Licences (tax discs)</p> <p>1. 26 Vehicle Licences are showing on the stock report. These are not in stock, [REDACTED]. These discs were issued in April 2021. Motor Tax has verified that these 26 vehicles were issued with the appropriate documentation.</p> <p>Two further Licences [REDACTED] that were noted on last year's stock report are still appearing on the report this year.</p>	<p>Incorrect information on end of year stock report.</p>	<p>Internal Audit notes that the 26 vehicle licences were issued by staff in April 2021.</p> <p>Kilkenny County Council should contact the Department of Transport, Tourism and Sport to rectify the IT system anomalies.</p>	<p>Motor Tax section have contacted Shannon IT support and requested that report error be corrected.</p> <p>Timeframe for rectifying these records end of March 2022.</p>

Findings	Implication	Recommendation	Management Action Plan & Timeframe
<p>Duplicate Registration Books</p> <p>2. Three Duplicate Registration Books [REDACTED] that were appearing on last year's stock report are on this year's report. This is due to a historical IT issue.</p>	Incorrect information on stock report.	Kilkenny County Council should contact the Department of Transport, Tourism and Sport to rectify the IT system anomalies.	Motor Tax section have contacted Shannon IT support and requested that report error be corrected. Timeframe for rectifying these records end of March 2022.
<p>Receipts</p> <p>3. Two receipts [REDACTED] that were appearing on last year's stock report are on this year's report. These receipts were cancelled in 2017 & 2019 respectively but remain on the system.</p>	Incorrect information on stock report	Kilkenny County Council should contact the Department of Transport, Tourism and Sport to rectify the IT system anomalies.	Motor Tax section have contacted Shannon IT support and requested that report error be corrected. Timeframe for rectifying these records end of March 2022.
<p>Cancelled Unissued Vehicle Licensing Stock (tax discs)</p> <p>4. 38 items of unissued stock appeared on the stock report. A sample of 10 items were checked and it was found that the items had to be cancelled by the cashiers due to printer faults. Internal Audit has verified that these discs were unusable.</p>	Non-efficient use of stock.	Senior Management in Kilkenny County Council should contact the Department of Transport, Tourism and Sport to investigate the possibility of replacing the printers, as the printers are old and not functioning properly.	The Authorised Officer will write to the Department of Transport requesting a review of the use of these printers. Letter to be sent by 28 th February 2022.

Findings	Implication	Recommendation	Management Action Plan & Timeframe
All cancelled items checked were in stock and replacements had been issued.			
<p>Floats</p> <p>5. The cashier's floats were checked and the following were verified;</p> <p>Motor Tax Cashier Float's [REDACTED] Motor Tax safe Float [REDACTED] Traffic/receipts Float's [REDACTED] Spare Float used by motor tax staff when covering traffic/receipts counter [REDACTED]</p>	No issues noted		Motor Tax Officer will continue to keep regular checking of all floats as per cash handling procedures.
<p>Trade Plates</p> <p>6. A random sample of 11 Trade Plates were checked to ensure that the required documentation was submitted with the application.</p> <p>79 Trade Plates were issued in 2021. 3 were cancelled due to administration errors and 1 was cancelled due to incorrect documents being submitted with the application.</p>	Possible misuse of Trade Plates	Verification of the required documents should take place prior to the issuing of the Trade Plates. In particular evidence of valuation for rating purposes should be received from the	Revised procedures have been put in place regarding the issuing of trade plates, to reduce the risk of administrative errors occurring. All staff are aware of the revised procedures and care required when issuing trade

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<p>One application was found to have no signature of the applicant or date on the declaration and one further application had no date on the declaration.</p> <p>25 Trade Plates for 2021 are in stock.</p>	Incomplete application	<p>Rates Office prior to processing the application.</p> <p>A checklist should be put in place to ensure that the requirements of the application have been adhered to prior to issuing the Trade Plates.</p> <p>As these are no longer usable they should be securely disposed of as soon as possible.</p>	<p>plates and co-ordination with supervisors on same.</p> <p>As part of the revised procedures, as noted above, a checklist is included in with all trade plate applications for staff processing.</p> <p>These plates will be disposed and a record of destruction kept, timeframe early March.</p>