

Kilkenny County Council

Internal Audit Report [REDACTED] Review of Parking Permits

Date: 22nd August 2018

Report Distribution

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Introduction

Kilkenny County Council issue parking permits to residents living within Kilkenny County Council's disc parking area and own a vehicle. This is a relatively low risk area with income generated of €7,295 in 2017 from 340 applications.

Objectives

The objective of the audit is to provide reasonable assurance that there are sufficient controls in place regarding parking permits.

Approach

Internal Audit examined the 32 of the parking permit applications in the first half of 2018. This represented approx 15% of the permits issued.

Scope & Limitations of scope

The scope of the review was limited 15% of the permits issued in the first half of 2018.

Audit Risk

- Permits are fraudulently being issued.
- Insufficient back up documentation included with application.
- Issue of permits and receipting of payments are not recorded correctly, insufficient back up submitted to demonstrate a clear audit trail.
- Loss of revenue.

Co-operation of Management and staff

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

This report has been considered and approved by the Management Team of Kilkenny County Council.

Findings & Recommendations

<i>Finding</i>	<i>Implication</i>	<i>Recommendation</i>	<i>Management Action Plan</i>
<ul style="list-style-type: none"> • 223 permits issued from Jan-June 2018. • Permits cost €20 each and €15 for a second permit for the same house. • Payment was received for all permits checked. • There is no segregation of duties. The same staff member accepts/processes the application and sends out the permit. • There is no formal approval process. • There is no financial reconciliation carried out between permits issued and monies received. • The system used to record permits is an access database. This was developed by a staff member to replace the previous manual system. • There is no audit trail on the permit system. The controls on the system are weak with no audit trail or username requirement. 	<ul style="list-style-type: none"> • Potential fraudulent issuing of permits. • Possible loss of revenue. • Lack of IT controls and audit trail. • Possible breach of Data Protection legislation. 	<ul style="list-style-type: none"> • Applications should be checked and approved by a supervisor. A “For Office use only” section could be included in the application form with separate signatures required from the application processor and approver. • In the absence of a robust IT system, an excel spreadsheet should be kept showing the following information: <ul style="list-style-type: none"> • Permit No. • Permit Type • Name • Address • Reg No. • Date of Issue • Receipt No. 	<p><i>All new and renewal applications will be now countered signed by the Traffic Supervisor as per recommendation.</i></p> <p><i>A new Spreadsheet will be kept recording details as per recommendation until the New Traffic IT System is installed in Q3 & Q4 2018.</i></p> <p><i>A new Traffic IT System will be implemented before year end and this includes a Permit Module as part of its package, which will provide the robust IT system as per recommendation.</i></p> <p><i>Role previously carried out by Grade V to be carried out by Grade V11 Finance. This requires the co-operation of the Finance Department.</i></p>

<i>Finding</i>	<i>Implication</i>	<i>Recommendation</i>	<i>Management Action Plan</i>
<ul style="list-style-type: none"> • Permits have been issued out of sequence and some numbers are duplicated. There should be no gaps in the sequence of the permits. • Personal information of applicants including bank statements and tenancy agreements are held on file. • More than two resident's permits issued for the same household. Bye Laws state maximum of two residents may hold permit. • 32 applications were examined and the following was noted: <ul style="list-style-type: none"> ○ 3 applications did not return the previous permits. ○ 1 application did not submit a driving licence. 1 application submitted an expired driving licence. ○ 1 application submitted an insurance certificate with a different address to where the permit was issued. 		<ul style="list-style-type: none"> • Permits should be issued in sequence and any gaps in the sequence should be investigated. • All cancelled permits should be clearly marked as cancelled and held on file for audit. • A financial reconciliation should be carried out annually between the permits issued and the income recorded on a/grosso. 	<p><i>Permits are issued in sequence; There may be a gap in sequence if a permit is cancelled during the processing sequence. The cancelled permit was up to now filed on the applicants file but as per recommendation a new cancelled file will be created.</i></p> <p><i>There can be cases where two or more permits are allocated to a residence, ie two Residents permits plus a Carer's Permit & Visitor permit depending on the location & Change of Registration will necessitate a new permit being issued during the year. The Senior Engineer also has discretion to issue more than two residents permits on a case by case basis per the Bye Laws.</i></p> <p><i>An annual reconciliation will be carried out by the traffic supervisor</i></p>

<i>Finding</i>	<i>Implication</i>	<i>Recommendation</i>	<i>Management Action Plan</i>
<ul style="list-style-type: none"> • Parking permits are governed by the Kilkenny Borough Council Parking Control Bye Laws 2012. 		<ul style="list-style-type: none"> • All back up documents with personal information should be returned to the applicant with the parking permit when the application is finalised. It could be noted on the file by processor and approver that the documentation was received and returned. • The Bye Laws governing permits refer to Kilkenny Borough Council which no longer exists. Internal Audit understands that these bye laws remain legally valid. However, the bye laws are 6 years old and should be reviewed and updated. 	<p><i>Only current documents for 2017/2018 applicants are kept on file. To comply with new GDPR regulations the traffic section will return all original documentation received to the applicant and destroy any copies submitted. It will be noted on file what documents were received and returned to applicant.</i></p> <p><i>The Bye-Laws, notwithstanding the references to Kilkenny Borough Council remain legally binding and will be reviewed over the course of 2018.</i></p>