

Kilkenny County Council

Internal Audit Report Motor Tax End of Year Stocktake 2023

Date: 2nd January 2024

Report Distribution

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Audit Committee Members

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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

Approach

Internal Audit physically checked the stock held and verified the cashier's floats on 29th December 2023.

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. It is noted that the NVDF system anomalies that have occurred over the past four years in the NVDF End of Year Stock Report have been rectified in this year's report.

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

The report was approved by the Management Team on 13th February 2024.

The Audit Committee reviewed the Audit Report at their meeting of 11th March 2024.

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 29/12/2023. 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>Duplicate Registration Books - R.F 120 Brown Books</p> <p>1. Three Registration Books numbered [REDACTED] were noted in the safe during the Stocktake. When the Annual Stock Report was printed and checked these books did not appear on the report as being in stock.</p> | <p>Registration Books not registered on the NVDF System as being in stock.</p> | <p>Internal Audit notes that Kilkenny County Council ordered three books of Duplicate Registration Books during 2023, it appears these books were not signed into stock on the NVDF System by the Department or accepted into stock by Kilkenny County Council. I would recommend that Kilkenny County Council contact the Department of Transport, Tourism and Sport to rectify this issue immediately and ensure that the stock is allocated correctly on the NVDF System for 2024.</p> | <p>Authorised Officer to contact Department of Transport and have stock assigned to Kilkenny County Council Motor Tax Office. January 2024</p> |

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|---|--|--|--|
| <p>Receipts</p> <p>2. Receipt Number [REDACTED] appeared on the End of Year Stock Report as being in stock. When the stock was checked by Internal Audit it noted that this receipt was not in stock.</p> | <p>Incorrect information on stock report</p> | <p>Upon further investigation by Motor Tax Staff a copy of the issued receipt was submitted to Internal Audit. It appears that receipt number [REDACTED] was in fact issued on [REDACTED] but did not appear on the end of day report.</p> <p>It is noted that the Administrative Officer in Motor Tax advised the NVDF IT Section in Shannon of this anomaly and requested that it be rectified on [REDACTED]. I would recommend that Kilkenny County Council follow up with the IT Section in the NVDF to ensure that this system anomaly is rectified to prevent this receipt appearing on the 2024 end of year report.</p> | <p>Authorised Officer to contact Department of Transport and have NVDF corrected for this record. January 2024</p> |
| <p>Plastic Wrapping on Motor Tax Disc Stock</p> <p>3. It was noted by Internal Audit during the course of the Stocktake that some of the plastic wrapping on the packets</p> | <p>When the packaging is damaged there is a potential risk of damage to the stock therein. Also, when torn damaged</p> | <p>I would recommend that Kilkenny County Council contact the Department of Transport, Tourism and Sport and request</p> | <p>Authorised Officer to contact Department of Transport regarding stock packaging. This has been highlighted to</p> |

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|---|---|---|--|
| <p>of Motor Tax Discs used by the Department of Transport, Tourism and Sport were torn and damaged when the stock arrived in Kilkenny County Council.</p> | <p>packaging is noted it requires the contents of the packet to be individually checked by Motor Tax Staff.</p> | <p>that the plastic wrapping is secure enough to withstand tearing and damage to contents. The wrapping used must be fit for purpose.</p> | <p>the Department through the Authorised Officers Network meetings with the Department, but has not been addressed. February 2024.</p> |
| <p>Floats</p> <p>4. 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> | <p>No issues noted</p> | | <p>Noted.</p> |