

# *Kilkenny County Council*

Internal Audit Report Motor Tax End of Year Stocktake 2022

Date: 9<sup>th</sup> January 2023

## **Report Distribution**

*Tim Butler, Director of Corporate Services*

*Martin Prendiville, Head of Finance*

*Noelle Brett, Financial Management  
Accountant*

*Stephen O'Connor, Administrative Officer,  
Motor Tax*

*Audit Committee Members*

*Local Government Auditor*

## **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](http://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 30<sup>th</sup> December 2022, this process was observed by Kilkenny County Council's Financial Management Accountant on the day.

**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 NVDF reporting end of year system have been noted. These have been brought to the attention of the Department and have not been rectified within the IT System to date.

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

The report was approved by the Management Team on 14<sup>th</sup> February 2023.

The Audit Committee reviewed the Audit Report at their meeting of 6<sup>th</sup> March 2023.

*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 30/12/2022. 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.

<b>Findings</b>	<b>Implication</b>	<b>Recommendation</b>	<b>Management Action Plan &amp; Timeframe</b>
<p><b>Vehicle Licences (tax discs)</b></p> <p>1. 26 Vehicle Licences are showing on the stock report. These are not in stock, (L000202614 – L000202639). These discs were issued in April 2021. Motor Tax has verified that these 26 vehicles were issued with the appropriate documentation.</p>	<p>Incorrect information on end of year stock report.</p>	<p>Internal Audit notes that Kilkenny County Council contacted the Department of Transport, Tourism and Sport to rectify the IT system anomalies in 2021 but it appears that the solution did not work. The NVDF should be contacted again to correct the system anomalies.</p>	<p>Motor Tax office has contacted NVDF customer service 11<sup>th</sup> January 2023 requesting to have the data tables amended for these vehicle licenses.</p>
<p><b>Receipts</b></p> <p>2. Receipt X10032775 has again appeared on this year's stock report. This receipt was cancelled in 2019 but remains on the system.</p>	<p>Incorrect information on stock report</p>	<p>Internal Audit notes that Kilkenny County Council contacted the Department of Transport, Tourism and Sport to rectify the IT system anomalies in 2021 but it appears that the solution did not work. The NVDF should be</p>	<p>Motor Tax office has contacted NVDF customer service 11<sup>th</sup> January 2023 requesting to have the data tables amended for these receipts.</p>

<b>Findings</b>	<b>Implication</b>	<b>Recommendation</b>	<b>Management Action Plan &amp; Timeframe</b>
<p>Receipts X100143298 – X100143300 (3) &amp; X100143501 X100143509 (9) are also appearing on the stock report. These receipts were issued in April 2021 but are still appearing as in stock.</p>		<p>contacted again to correct the system anomalies.</p>	
<p><b>Floats</b></p> <p><b>3.</b> 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>No Action required, continued close supervision of all floats will be maintained.</p>