



With reference to the consideration by the Audit Committee of the Audited Annual Financial Statement (AFS) for 2017 and the Local Government Auditor's report on the Accounts of Dublin City Council for 2017

Section 60 of the Local Government Reform Act 2014 places a specific reporting requirement on Audit Committees in relation to the Audited Annual Financial Statement and the Local Government Auditor's report. The Act requires the Committee to consider these reports at the next meeting of the Committee, following their receipt. The Audit Committee is then required to report formally to the City Council on its findings.

This Committee considered the reports at its meeting held on the 20th September 2018. Ms. Ita Howe, Principal Local Government Auditor and Ms. Kathy Quinn, Head of Finance were present to deal with queries raised by the Committee.

With the agreement of the Committee, the Chairperson asked Ms. Ita Howe to go through each item on the report and the corresponding sections within the AFS for 2017. Ms. Howe proceeded to go down through her report, section by section. The following items were some of the more salient issues noted or in respect of which queries were raised/clarification sought by the Members:

Statement of Financial Position

A healthy credit balance of €23.2M on General Revenue Reserve at the end of 2017 was noted.

Government Debtors

The increase in government debtors to €136m (of which €126.1 was owed by the Department of Housing Planning and Local Government) was discussed. The Head of Finance informed the Members that most of it related to expenditure on Housing/Homelessness and that the position had improved since the end of 2017.

Local Property Tax

Ms. Howe and Ms. Quinn explained that the LPT had essentially replaced the Local Government Fund and other sources of funding from central government and consequently does not provide DCC with any significant level of additional funding than heretofore.

Income Collection

The various sources of income collection were discussed, queries dealt with and positions noted.

Bad Debt Provisions

Ms. Howe stated that essentially Dublin City Council was well provisioned in relation to same.

Capital Account

The improvement in the closing balance was noted which can be attributable to

- Increase in development contributions receipts.
- Reserves
- Monies received from Dublin Waste to Energy Ltd.

Unfunded Debit Balances

Ms. Ita Howe advised that the position had improved since the previous year, reduced from €45m to €24.6m. In response to a query from the Members Ms. K. Quinn outlined a number of reasons that result in unfunded debit balances.

Fixed Assets

The issue of concern relating to non reconciliation of the Fixed Assets Register with the figure in Note 1 of the AFS for Housing was discussed at length and Ms. Ita Howe said that she was satisfied with the Chief Executive's response as to how this matter would be addressed before next year's audit.

Procurement

The issues raised in relation to this matter were discussed and the Chief Executive's responses noted. However in relation to public procurement of legal services, specifically in respect of the engagement of Barristers, the Committee requested further information, by way of a management report, to enable it to further consider this matter.

With regard to the reference of the extension of contracts without undertaking a re-tendering process, Members were of the opinion that Dublin City Council should have sufficient staff capacity and expertise to ensure that new contracts are approved and ready to commence upon the expiration of the previous contract.

All of the other items raised in the report were dealt with to the satisfaction of the Committee and accordingly I, on behalf of the Audit Committee, recommend this report to the City Council for noting.

Brendan Foster
Chairperson
Audit Committee

21st September 2018