



With reference to the consideration by the Audit Committee of the Audited Annual Financial Statement (AFS) for 2022 and the Local Government Auditor's report on the Accounts of Dublin City Council for 2022.

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 Audit Committee to consider both reports at the next meeting of the Committee, following receipt. The Audit Committee is then required to report formally to the City Council on its consideration.

The reports were considered at the meeting of the Audit Committee held on 19th October 2023. Ita Howe, Principal Local Government Auditor (PLGA), Kathy Quinn, Head of Finance, Victor Leonov, Head of Financial Accounting and Paddy Brennan, Head of Internal Audit were present to deal with queries raised by the Committee.

The PLGA presented her report and the corresponding sections within the AFS for 2022. During the presentation of her report the following issues were, inter alia, comprehensively discussed and dealt with by the Audit Committee.

Financial Position

The PLGA reported that the Council recorded a surplus of €613k in 2022 giving a general reserve of €41.9m at year end.

Rates

The PLGA reported further significant improvement in the collection of rates up to 92% from 87% in 2021.

Housing Rents

The Audit Committee noted the net rent arrears figure at the end of 2022 is €37m an increase of €2m from 2021. The collection rate was 72% down from 73% in 2021. Arrears of c. €3m in the travellers and homeless services areas were noted as were issues with debt management reporting, challenges recovering arrears and the lack of resources in these sections assigned to recover the arrears.

Housing Loans

The collection yield in 2022 was 77% which was the same as 2021. The Audit Committee noted some progress was reported in this area by the PLGA. There was a 47% reduction in the number of loan accounts in the Mortgage Arrears Reduction Process and 66 shared ownership

loans were restructured in 2022 up from 18 in 2021. While some progress was reported in arrears collection it was noted that the number of accounts in arrears remains high.

Vacant Sites Levy

The Audit Committee noted arrears of €20.34m and noted that the Vacant Sites Levy is to be replaced with a Residential Zoned Land Tax which will be collected by the Revenue Commissioners in 2024.

Capital Account

The Audit Committee noted the credit balance of €296.2m in the Capital Account in 2022 and reviewed the PLGA findings and management responses on matters relating to capital accounts with debit balances including the Dublin District Heating scheme, Dolphin House Phase 1 and the redevelopment of Buttercup Park. It was noted that some of the monies due in the Housing Department required the submission of Post Project reviews to the Department of Housing in order to recoup funding.

Dublin Fire Brigade Emergency Services

The Audit Committee noted the significant annual shortfall in funding from the HSE for Fire and Emergency services provided by Dublin Fire Brigade is estimated at €17.03m in 2022. There is currently no SLA or Memorandum of Agreement in place with the HSE.

Procurement

The Audit committee noted the significant issues raised by the PLGA in relation to procurement. It was noted that a number of contracts across all departments had been identified as not being compliant with the Procurement Directives. The PLGA identified the lack of accountable specialised staff working in departments as being a key factor in non-compliance. It was noted that a recruitment process is required to recruit appropriate staff to work specifically on improving procurement practices in Departments.

Other Issues

All other queries raised by the Audit Committee were satisfactorily addressed by the Principal Local Government Auditor and the Head of Finance.

On behalf of the Audit Committee I recommend this report to the City Council for noting.

Louise Ryan

Chairperson

24th October 2023