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**With reference to the consideration by the Audit Committee of the Audited Annual Financial Statement (AFS) for 2023 and the Local Government Auditor's report on the Accounts of Dublin City Council for 2023.**

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Section 60 of the Local Government Reform Act 2014 places a 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 28<sup>th</sup> November 2024. Ita Howe, Principal Local Government Auditor (PLGA), Richard Shakespeare, Chief Executive, Victor Leonov, A/Head of Finance, Anthony O'Donoghue, A/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 2023. 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 deficit of €5.21m in 2023. Over-expenditure was approved by members pursuant to S104 of the Local Government Act 2001. The general reserve at year end was €41.9m.

### **Debtors**

In 2023 Government debtors increased by 96% to €236m compared to last year's figures of €120m. The difference mainly relates to accruals totalling €86m of which €42.7m relates to submitted claims to the Department and €43.3m related to Departmental budget approval requests. The PLGA noted that DCC has agreed an improved process with the Department of Housing, Local Government and Heritage for monies to be claimed.

### **Rates**

The Audit Committee noted continued improvement in the collection of rates up to 93% in 2023 an improvement of 1% on last year's figure.

### **Housing Rents**

The Audit Committee noted the net rent arrears figure at the end of 2023 is €36.1m a reduction from €37.1 in 2022. The collection rate was 73% up from 72% in 2022. Arrears of c. €1.9m have been written off owing to difficulties in the recovery of monies. Issues with debt management reporting and challenges recovering arrears were noted, in particular the continuing inability of the City Council to deduct rents at source from social welfare payments.

### **Housing Loans**

The collection yield in 2023 was 77% which was the same as 2022.

### **Development Contributions**

The PLGA reported that significant work has been completed by staff in the Development department to bring all post-2016 records up to date. Additional work is now required in the next phase involving pre-2016 developments.

### **Capital Account**

The Capital account shows a credit balance of €319.3m. There are c.210 debit balances totalling €127m that need to be funded. The requirement to reconcile the remaining lands at Ayrfield to the debit balance was noted.

### **Dublin Fire Brigade Emergency Services**

The Audit Committee noted the continued significant annual shortfall in funding from the HSE for emergency services provided by Dublin Fire Brigade. The cost of DFB providing the emergency ambulance service in 2023 was €26.21m. The HSE currently provides €9.18m to DCC annually towards the service resulting in an annual funding deficit in 2023 of €17.03m.

### **Homeless Committed Lease Expenditure**

The PLGA reported total lease commitments of €931m at 31<sup>st</sup> December 2023 for the years 2024-2039.

### **Procurement**

The PGLA reported significant progress to address the lack of accountability in procurement and changes made to the Financial Management System. The Audit Committee noted a number of instances of non-compliance with the procurement directives and Dublin City Council policies.

### **Local Authority Companies**

The Committee noted DCC's interests in seventeen companies and joint ventures. Noting that only five of the seventeen companies' financial statements for 2023 were available at audit, the Committee welcomed moves to align the financial year-ends for all companies so as to provide a clearer picture at future audits.

### **Other Issues**

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

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

**David O'Shea**  
**Chairperson**  
**11<sup>th</sup> December 2024**