



With reference to the consideration by the Audit Committee of the Audited Annual Financial Statement (AFS) for 2019 and the Local Government Auditor's report on the Accounts of Dublin City Council for 2019

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 3 December 2020. Ms. Ita Howe, Principal Local Government Auditor, Mr. Owen Keegan, Chief Executive, Ms. Kathy Quinn, Head of Finance and Ms. Theresa Lannon, Acting Head of Internal Audit were present to deal with queries raised by the Committee.

With the agreement of the Committee, the Chairperson asked Ms. Ita Howe to present her report and the corresponding sections within the AFS for 2019. During the presentation of her report the following issues were, inter alia, comprehensively discussed and dealt with by the Audit Committee.

The Audit Committee noted the Emphasis of Matter paragraph in the Local Government Auditor's report in relation to the impacts of Covid-19 and the consequential uncertainties for FY 2020.

Housing Rents

The increase in the rent arrears figure from an opening balance of €27.8m to a closing balance of €31.5m in 2019 was noted. The Committee members were advised of, and welcomed the introduction of, a number of measures which have been put in place to tackle the issue of rent arrears, in particular the new Local Authority Verification Application (LAVA). This has been developed in conjunction with the Department of Employment Affairs and Social Protection. By providing direct access to household income, this measure will dramatically reduce the need to apply assumed income (and substantial retrospective debits). A review of all accounts with assumed incomes applied will take place in the first half of 2021, resulting in a more accurate determination of the rent charge and arrears.

Housing Loans.

Ms. Howe acknowledged that the collection performance of Housing Loans increased from 69% in 2018 to 75% in 2019. This increase was reflective of the implementation of the MARP process, Mortgage to Rent Policy and the Shared Ownership loans restructuring program.

Fixed Asset Housing Register

Ms. Howe acknowledged the considerable task and work carried out in this area. Over the last three years substantial data cleansing has been undertaken in the OHMS database to ensure that the figures reflect current housing stock. This exercise is in its final stage and has resulted in a significant cumulative difference of circa €263m being estimated, which has been incorporated into the AFS for 2019.

Development Contributions

Ms. Howe highlighted the requirement for a full reconciliation to ensure that all figures recorded in APAS financials are reflected correctly and in accordance with the conditions outlined in the planning permissions granted. The Committee members were advised that reconciliation is currently completed manually and that discussions are taking place with a view to seeking an IT solution for this reconciliation.

Dublin Fire Brigade

Ms. Howe reported that the current system for recording time and attendance in DFB is resource intensive and does not lend itself to useful analysis to support decision making. The Committee was advised that work is ongoing on the provision of a centralised integrated time and attendance system for DFB with the intention of going to tender as soon as possible.

Dublin Docklands Development Authority

The transfer of the Dublin Docklands Development Authority (DDDA) to Dublin City Council was discussed. The future of the DDDA pensions has been raised with the Department of Housing, Local Government and Heritage and DCC continues to engage with a view to finding a resolution to this issue. The Committee noted that contrary to DCC's initial understanding that the transition would be cost neutral, DDDA liabilities are expected to exceed DDDA assets by circa €12m when the transition process is fully concluded. DDDA pension liabilities are the key component of the DDDA liabilities differential.

Procurement

Ms. Howe raised concerns in relation to procurement and in particular the management of framework agreements. She outlined instances where a number of departments had not fully complied with procurement directives and cited the absence of accountable procurement personnel in each department as a contributing factor, recommending a full review of Procurement to ensure compliance with the relevant directives and regulations.

Government Debtors

Government Debtors are stated at €197.2m in the 2019 AFS, which represents an increase of 33% on the previous year. The Committee was informed that meetings were held with the Department of Housing, Local Government and Heritage to secure outstanding payments. As a result the figure was reduced by €50m at the end of March 2020. It is expected that the figure may reduce again before year end 2020 with work ongoing in this area and the Audit Committee requested a continuing focus on this area to reduce the balance owed to DCC.

Other Issues

All other queries raised by the Audit Committee were satisfactorily addressed by the Principal Local Government Auditor, Head of Finance and the Chief Executive. Accordingly, I on behalf of the Audit Committee recommend this report to the City Council for noting.

Louise Ryan
Chairperson,

9th December 2020

ANNUAL FINANCIAL STATEMENTS

Dublin City Council

For the year ended 31st December 2019

Audited



Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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Introduction

I am pleased to present the Annual Financial Statements of Dublin City Council for the financial year ended 31st December 2019. Comparative figures are given for 2018. Dublin City is the economic hub of the Dublin Region, which in turn is the economic hub of the State. Dublin City has a diverse economy, a source of employment and income for an area well beyond the City itself. Dublin is a centre for retail, financial, higher education, medical, cultural and entertainment activities.

At the time of completion of this annual financial statement (end of March 2020) the impact of the Covid 19 virus has been immense. The efforts of everyone within the State are focused on limiting the spread of the virus and assisting and supporting those impacted by it. In the recovery phase, when it occurs, Dublin City Council will strive to assist and support the Dublin economy in fulfilling its potential as a catalyst and driver of a return to economic growth across Ireland.

Review of Dublin City Council's Financial Performance in 2019

Dublin City Council had an overall surplus for the year of €2.2m, which when added to our opening general reserve of €21.6m gave a closing reserve of €23.8m. The Council's bank position at the end of 2019 was a debit balance of €5.52m, and the Council operated in credit for 365 days in 2019. At the year-end, the Council had €154m invested with financial institutes on our behalf and on joint deposit. The City Council's bank/investment balance included a negative €6.7m relating to Loan Redemptions and Relending, €2.9m received from Irish Water in relation to the operation of the Service Level Agreement, and €14m refundable deposits. Further detail is available in the Statement of Funds Flow.

The value of trade debtors at year-end 2019 increased to €360.8m gross from €337.7m in 2018, and to €246.6m net of bad debt provision from €216.6m in 2018. This increase relates largely to an increase in government debtors at the end of 2019 of €49m, from €148.3m in 2018 to €197.3m in 2019 (note 5, page 19).

Dublin City Council adjusts and matches both operational day to day spend and its long-term capital investment programme with available funding and resources. Central to all of Dublin City Council's services is the objective to maintain and support businesses and households, more than ever through this Covid 19 crisis.

Financial Management Measures 2019

Over the course of 2019 Dublin City Council managed its resource base effectively. The City Council have in place a programme of prudent

expenditure controls, strengthened debt collection measures, managed exposure to capital projects and accelerated a review process of work practices and resource demands. This programme continues into the future. It has been a key enabler in the City Council's capacity to limit the impact of reduced resources on services to the relatively low level that has occurred. The programme is critical to continuing to make changes in how Dublin City Council works. Stakeholders can take assurance from the measured, managed, financial stewardship consistently shown by Dublin City Council which will stand our City in good stead as we work together through the pandemic to protect the vulnerable in our communities.

Accounting Statements, Notes and Appendices

The aim of the Annual Financial Statement is to fairly present the financial position of Dublin City Council as at the end of 2019. This is achieved through the production of Statements, Notes and Appendices, as required by the regulatory accounting framework set by the Minister for Housing, Planning and Local Government. The purpose of each of these documents is set out in the glossary.

Changes to Accounting Policies

There are no changes to accounting policies effective for the 2019 Annual Financial Statement.

Revenue Expenditure

During 2019, Revenue (i.e. day to day operations) Expenditure amounted to €975.9m with income of €978.1m, giving an excess of expenditure over income of €2.2m (see Table 1). This demonstrates an increase in General Reserves of €2.2m.

Table 1: Revenue Expenditure 2019

	€m
Revenue Expenditure on City Council Service	975.9
Revenue Income (Government Grants, Service Charges & Rates)	978.1
Excess of Expenditure over Income	2.2

See appendix 1

Transfers to Reserve Fund

As required by the regulatory accounting framework set by the Minister for Housing, Planning and Local Government, expenditure shown in the 2019 Statement of Comprehensive Income is net of transfer to reserves i.e. transfer to reserves are excluded. Note 14 "Transfers from / (to) Reserves" provides greater detail on

these transfers. The movement from gross expenditure to net expenditure indicated in the AFS is set out in Table 2.

Table 2: Analysis of Expenditure 2019

	€m
Expenditure	923.1
Transfers to Capital A/c	40.8
Transfers to Reserve-loans	12.0
Final Expenditure	975.9

See Note 14

Income is also expressed in the AFS net of transfers from reserves, as presented in Table 3.

Table 3: Analysis of Income 2019

	€m
Income	613.3
Rates Income	338.3
Local Property Tax	23.1
Income before Transfers	974.7
Plus Transfers from Reserves	3.4
Final Income	978.1

See Note 15

Capital Expenditure

Expenditure in 2019 on Capital projects and investment net of internal transfers was €430.8m. This spend forms part of the Capital Programme 2019 to 2021 of €2,130m. This expenditure of €430.8m was funded through income net of transfers of €431.7m and net transfers of €37.4m, giving an excess of income over expenditure of €38.3m. (See Table 4).

Table 4: Capital Account 2019

	€m
Opening Balance (Credit)	83.4
Expenditure as at 31 st December 2019	430.8
Income	431.7
Net Transfers (€40.8 - €3.4)	37.4
Closing Balance 31 st December 2019 (Credit)	121.7

See Appendix 5

Accounting Policies

The Accounting Policies used in the preparation of the AFS are set out in the Statement of Accounting Policies. Dublin City Council is fully compliant with the regulatory accounting framework as determined by the Department of the Housing, Planning and Local Government.

Statutory Audit

Dublin City Council undergoes an annual audit, required by statute, carried out by the Local

Government Audit Service (LGAS). The Audit for the financial year 2019 commenced in January 2020. This Audit provides an independent review to help assure a fair presentation of Dublin City Council's financial position. Dublin City Council is also subject to audit in relation to EU funding, NRA funding, tax compliance and audits with a Value For Money objective through the LGAS.

Development Contributions

Section 48 of the Planning and Development Act 2000 enables Dublin City Council when granting a planning permission under Section 34 of the Act to include conditions requiring the payment of a contribution. This contribution is in respect of public infrastructure and facilities benefiting development in the area of the planning authority and that is provided, or that is intended will be provided by or on behalf of a Local Authority (regardless of other sources of funding for the infrastructure and facilities). Dublin City Council's first Development Contributions Scheme under the 2000 Act came into operation on 1st January 2004 and a subsequent scheme (2010 – 2017) came into operation on 1st January 2010.

Following a review of the 2010-2017 Scheme, the Development Contribution Scheme 2013-2016 was adopted by the Elected Members in December 2012. The 2013-2016 scheme was reviewed in 2016 when the Development Contribution Scheme 2016-2020 was adopted by the Elected Members. This Scheme is now under review. The Annual Financial Statement for the financial year 2019 includes values for development contributions debtors as set out in Table 5.

Table 5: Development Contributions Debtors 2019

	€m
Development Contributions Outstanding at the Year End	39.4

See Note 5

Rates

Rates are levied by Dublin City Council on the occupiers and owners (in some cases) of commercial properties in Dublin City. Rates income in 2019 amounted to €338.3m, and accounts for 35% of Dublin City Council's funding for day-to-day services.

Rates are based on rateable valuations of properties as set by the Commissioner of Valuation, and the annual rate on valuation (the multiplier) is determined each year by reserved function of the elected members of Dublin City Council (see Table 6).

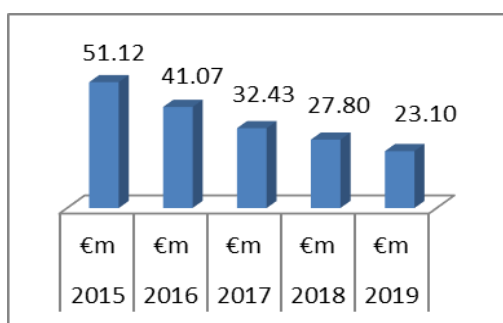
Table 6: Rates Income 2016 – 2019

	2016	2017	2018	2019
Commercial Rateable Valuation of City	1.267b	1.246b	1.256b	1.296b
ARV (multiplier)	0.256	0.258	0.258	0.261
Rates Income	324.5m	321.5m	324.3m	338.3m

Commercial rates underpin all services provided by Dublin City Council. All rate payers are pursued so that compliant rate payers can be assured that non-compliant rate payers will discharge their liability. Dublin City Council's collection of the current year charge increased to 94% in 2019. Arrears reduced to €23.1m in 2019. (See Table 7)

Table 7: Rates arrears 2015 – 2019

2015	2016	2017	2018	2019
€m	€m	€m	€m	€m
51.1	41.1	32.4	27.8	23.1



The 2019 target for Dublin City Council was a collection of 92.4%. The actual outturn in 2019 exceeded the target levels with a collection of 94% and year-end arrears of €23.1, a reduction of €4.7m (16.9%) on the 2018 arrears outturn. The 2019 DCC collection at 94% represents an improvement of 1.6% on 2019 target, which equates to a value of approx. €5m. The reduction in arrears to €23.1m in 2019 is primarily due to an improvement in the annual % collection, a focused debt management approach, improvement in economic factors and the conclusion of liquidation / receivership cases. Arrears have reduced by 55% since 2015. The unfolding health and economic situation arising from the Covid 19 virus presents a very difficult and stressful time for everyone, businesses and communities alike. Dublin City Council will work as flexibly and sympathetically as we can with each ratepayer, to agree a payment plan taking account of their individual financial situation.

Financial Management

System of Internal Controls

The Executive of Dublin City Council acknowledges its responsibility for systems of internal control in Dublin City Council including putting in place processes and procedures for the purpose of ensuring that control systems are effective. These systems can provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely period. Effective internal control systems enable Dublin City Council to meet its responsibilities for the integrity and accuracy of its accounting records.

Dublin City Council has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining and documenting Management's responsibilities and powers
- Strengthening a strong culture of accountability across all levels of the organisation
- The work of Internal Audit
- The work of the Central Procurement Office
- The work of the Risk Management Unit
- The work of the Ethics Officer
- The work of the Audit Committee
- The work of the Corporate Projects Support Office
- The Public Spending Code
- External Audit and scrutiny through many channels including NOAC.

Financial management reporting in Dublin City Council is robust and thorough. A rigorous system of monthly financial monitoring ensures that any significant budget variances are identified and appropriate actions are taken to minimise any adverse financial impact. The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the elected members
- Regular financial reviews; weekly, monthly and quarterly financial reports which indicate financial performance against forecasts on both expenditure and income and variance analysis evaluation
- Setting targets to measure financial and other performances
- Clearly defined capital investment control guidelines
- Formal project management disciplines
- Strict policies and procedures for the receipt, recording and control of monies. These procedures are regularly reviewed and audited.

Internal Audit

The primary role of Internal Audit is to provide assurance to Senior Management and to the Audit Committee that the various risks facing the Council have been identified and appropriate internal controls are in place to manage those risks.

Internal Audit is a key player in the Corporate Governance process and makes a valuable contribution to the effective management of Dublin City Council. The concepts of accountability and transparency are important principles in responsible governance, implying openness to scrutiny and a requirement to report on performance. Internal Audit facilitates this process by providing an independent review function to Management, to assure that services are being provided in an efficient, effective and economic manner and in conformity with legal requirements. In 2019, 9 Internal Audit Reports were completed, including 3 "In Depth" Check Reports as required under the Public Spending Code.

Management and Staff

Dublin City Council acknowledges the committed work of staff. The high quality of services, projects and interaction is due to their dedication and tremendous contribution. Dublin City Council is fully committed to the development of staff and strives to be considered as a destination employer. We wish to attract the best staff to achieve our vision for Dublin. The Council is an equal opportunities employer. Finance and other Departments operate a Continuing Professional Development support scheme for staff to assist in retaining and developing professional skills and knowledge.

Finance Strategic Policy Committee (SPC) 2019

The Finance SPC provides leadership and direction on key areas relating to the financing of Dublin City Council. Key topics pursued during 2019 were:

Funding issues:

- Rental Accommodation Scheme and Housing Assistance Payment Grant Funding
- Rates Debtors Report 2018
- Local Property Tax Review – update

Governance Issues:

- Audit Committee – Minutes for review

Development Issues:

- Development Contributions Scheme – annual update

Resourcing Issues:

- Service Delivery and Resources Working Group – updates

Presentations/Reports to the Committee included:

- Commercial Rates Revaluation – presentation from the Valuation Office
- Value for Money report on Commercial Rates in Local Authorities – Local Government Audit Service Report
- Motor Tax Business Survey Report 2019

Motions on:

- Seeking the supply of tenders by Dublin City Council for a citywide community insurance scheme

New Committee 2019 – 2024

- Committee Terms of Reference agreed
- Committee Work Programme 2019 – 2024

Overview of Priorities for 2020

Covid 19

Social distancing measures and remote working arrangements introduced to respond to the Covid 19 pandemic have altered the business and community dynamic. Hotels, pubs, restaurants, many retail outlets and other commercial facilities are closed. The knock on effect from this on other business sectors and suppliers is having a significant negative financial impact on the City economy. Dublin City Council that is, elected members, management and staff alike, are all committed to making every effort to abide by government advice, ensure the continuation of essential services and respond to resourcing the delivery of public services in order to bring this crisis to an end. When this situation has eased the focus of Dublin City Council will be on providing services and supports to businesses and communities alongside focusing on stimulating economic recovery.

Impact of the Local Government Funding Model on Dublin City Council

Local Government provides services and interacts directly with residents, businesses and visitors. Dublin City Council is at the coalface of operating services and facilities for people from all walks of life. The local government funding model, as it applies to Dublin City Council has consistently shifted in recent years. This funding

shift has been disadvantageous to Dublin City Council.

Weaknesses in the local government funding model can be summarised as:

1. Rising costs of services
2. Expectation of no or low increases to the income base
3. Outcome of the Local Property Tax yielding minimal discretionary funds to Dublin City Council
4. Expected income losses and
5. An absence of understanding of the funding challenges facing Dublin City, alongside the acknowledge funding challenges in the national local government system.

Dublin City Council contends that an open transparent debate on how local government services, in our Capital City and nationally, are funded, is required and would be helpful. The Finance Strategic Policy Committee has included the consideration of local government funding in its work programme.

Insurance

Dublin City Council faces a rising cost base, reflecting the business reality faced by many entities. By way of example, in 2020 alone, Dublin City Council will incur €11.6m additional insurance/claims related costs. Rising insurance premia is a common occurrence in both business and domestic contexts.

Homeless Services

The numbers of persons presenting as homeless increased in 2019 and is expected to increase further in 2020 due to continuing shortages in housing supply and rent values. The introduction of required measures to fight the Covid 19 virus such as social distancing and isolation have required the provision of additional, specific responses.

The costs of service provision for homeless persons increased in line with demand. Trends in demand for homeless related services have been well documented and debated. Dublin City Council continues to work closely with the Department of Housing, Planning and Local Government on the financing of this vital service.

Commercial Rates

Table 8 – Commercial Rate Payer Bands 2019

Charge	No. of Accounts	Cumulative Accounts Total	% Accounts per Band	Cumulative % Accounts Total	% of Annual Debit	Cumulative % Total of Debit
€1 - €999	2,039	2,039	10.01%	10.01%	0.37%	0.37%
€1,000 - €3,000	5,843	7,882	28.69%	38.70%	3.36%	3.73%
€3,000 - €5,000	3,682	11,564	18.08%	56.77%	4.24%	7.98%
€5,000 - €10,000	3,923	15,487	19.26%	76.03%	8.14%	16.12%
€10,000 - €25,000	2,791	18,278	13.70%	89.73%	12.68%	28.80%
€25,000 - €50,000	1,083	19,361	5.32%	95.05%	11.20%	40.00%
€50,000 - €75,000	385	19,746	1.89%	96.94%	6.84%	46.85%
€75,000 - €100,000	161	19,907	0.79%	97.73%	4.09%	50.94%
€100,000 - €500,000	401	20,308	1.97%	99.70%	23.16%	74.10%
€500,000 +	61	20,369	0.30%	100.00%	25.90%	100.00%
TOTAL	20,369		100.00%		100.00%	

Details of commercial ratepayers in Dublin City by band in 2019 are set out in Table 8 above. 76% of commercial ratepayers had a rates charge in 2019 of €10k or under, almost 57% had a 2019 rates charge of €5k or less while almost 39% had a rates charge in 2019 of under €3k. By contrast, almost 50% of the total rates debit was paid by 2% of commercial rate payers or 462 accounts. The Annual Rate on Valuation increased by 2.7% in the 2020 Budget.

Local Property Tax

Local Property Tax (LPT) was introduced in 2013. Discretionary LPT funding available to Dublin City Council for consideration as part of the budgetary process has been below expectations and most disappointing. The LPT framework as applied to Dublin City Council, has not had a favourable outcome in supporting service provision. In each successive year, the net additional funding through the LPT, to be allocated at the discretion of the Elected Members, is typically about 5% or €4m of the total LPT Dublin City basic liability of €80m.

To date the Elected members have voted for and applied a 15% reduction to the Basic LPT rate for Dublin City, thereby reducing householder's liability and potential City Council funding.

Dublin City Council contributes 20% of its LPT receipts to the National Equalisation Fund – a fund benefiting rural local authorities. The bulk of LPT receipts have replaced grant funding for Dublin City Council which has released funds at Central Government level rather than at local level. The net effect of the LPT for Dublin has been to increase service expectation of residents while generating little additional income to meet these service expectations. See Table 9 below.

Table 9 – Discretionary LPT Allocation

	2019	2020	Movement
	€m	€m	€m
Value of LPT Receipts est. by Rev Commissioners	80,060,675	80,298,493	237,818
20% to Central Equalisation Fund	16,012,135	16,059,699	47,564
80% LPT retained (assigned to DCC)	64,048,540	64,238,794	190,254
Value of 15% reduction	12,009,101	12,044,774	35,673
LPT Funding	52,039,439	52,194,020	154,582
Distribution of LPT Funding			
Self Funding – Housing & Roads	28,940,813	29,083,504	142,691
Pension Related Deduction (PRD)	16,428,262	16,428,262	-
Historic Funding (General Purpose Grants)	2,667,330	2,667,330	-
Discretionary Funding	4,003,034	4,014,924	11,891
	52,039,439	52,194,020	154,582

Irish Water

From 2020, the DHPLG has applied a 'global' valuation apportionment approach to Irish Water properties, using population as a basis of apportionment. Previously, Irish Water valuations and consequent rates income have accrued to the local authority in which the property is situated. While population is a basis of apportionment used in most global valuations, there is precedent for other apportionment basis to be applied. Dublin City Council strongly disputed that the scale of Irish Water properties situated in Dublin City can be narrowly correlated solely to population of Dublin City. Notwithstanding, Dublin City Council's submissions countering this approach, the DHPLG have proceeded with it.

Dublin City Council has lost €8.4m of Irish Water related rates income in 2020 and every year thereafter. It was understood that the Irish Water transition process would be revenue neutral for local authorities. Grant funding for Dublin City Council was initially considered to partially offset the loss of Irish Water rates income, however, no grant funding will be forthcoming. This uncompensated income loss contracts DCC's funding base on a permanent basis.

Dublin Fire Brigade Emergency Ambulance Service

The HSE now pay the City Council €9.18m per annum in respect of the cost of providing the DFB emergency ambulance service although the incurred cost of providing the service is €13.18m. In 2019 Dublin City Council provided for a further income of €4m from the HSE towards the cost of the service. However the HSE continues to pay the lower amount. This has resulted in a shortfall in 2019 of €4m and the revenue budget was adjusted to reflect this.

It is not considered appropriate to provide for this income in 2020 given the intransigence of the HSE. The provision of ambulances is a responsibility of the HSE. Dublin City Council strongly urges that the Department of Housing, Planning and Local Government and the Department of Health to recognise the materiality of this issue and agree a reduction that recognises that health services are properly funded by the HSE.

Conclusion

The staff of Dublin City Council is committed to supporting the ongoing development of the Dublin economy. During the past year many notable events were held here in Dublin and in the process the City's international reputation and image has been significantly enhanced.

I would like to thank the staff of all Departments for their co-operation and especially my colleagues in the Finance Department for their work in producing the Annual Financial Statement, in particular Antoinette Power, Head of Financial Accounting and the staff of the Financial Accounting Unit. I also wish to thank the members of Dublin City Council in relation to their consideration in resolving the many financial issues which arose during 2019.

With local elections held in May 2019, the external membership of the Audit Committee and the Finance Strategic Policy Committee has changed. I wish to thank the members of the Finance Strategic Policy Committee and the Audit Committee for their contribution, who give freely and generously of their time, skills and experience.

I would like to thank Louise Ryan, Chairperson of the Audit Committee for her commitment to governance and accountability. I would also like to thank Councillor Séamas McGrattan, Chairperson of the Finance Strategic Policy Committee for his commitment to securing funding for Dublin City Council.

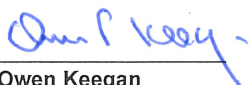
Kathy Quinn, FCPFA
Head of Finance

Dublin City Council

Certificate of Chief Executive & Head of Finance for the year ended

31 December 2019

- 1.1 We the Chief Executive and Head of Finance are responsible for preparing an annual financial statement in accordance with the accounting code of practice issued by the Minister under section 107 of the Local Government Act, 2001
- 1.2 We are responsible for maintaining proper books of account that disclose with reasonable accuracy the financial position of the local authority and enable it to ensure that financial statements prepared comply with the statutory requirements.
- 1.3 We are responsible for the safeguarding of assets of the local authority and for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 1.4 When preparing financial statements we have:
- stated that the financial statements have been prepared in accordance with the Accounting Code of Practice and the accounting policies have been applied consistently; and,
 - made judgments and estimates that are reasonable and prudent;
- 1.5 We certify that the financial statements of Dublin City Council for the year ended 31 December 2019, as set out on pages 14 to 31, are in agreement with the books of account and have been prepared in accordance with the accounting requirements as directed by the Minister for Housing, Planning and Local Government.



Owen Keegan
Chief Executive



Kathy Quinn FCPFA
Head of Finance

23 March 2020

Date

23rd March 2020

Date

Independent Auditor's Opinion to the Members of Dublin City Council

I have audited the annual financial statement of Dublin City Council for the year ended 31 December 2019 as set out on pages 14 to 31, which comprise the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Funds Flow Statement and notes to and forming part of the accounts. The financial reporting framework that has been applied in its preparation is the Code of Practice and Accounting Regulations as prescribed by the Minister for Housing, Local Government and Heritage.

Responsibilities of the Council and the Local Government Auditor

The Council, in accordance with Section 107 of the Local Government Act, 2001, is responsible for the maintenance of all accounting records including the preparation of the Annual Financial Statement. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion to you.

Scope of the audit of the financial statement

I conducted my audit in accordance with the Code of Audit Practice, as prescribed under Section 117 of the Local Government Act, 2001. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the annual financial statement. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statement, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide sufficient evidence to give reasonable assurance that the annual financial statement is free from material misstatement, whether caused by fraud or error.

Opinion on the financial statement

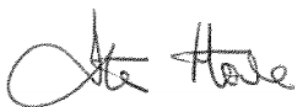
In my opinion the annual financial statement, which has been prepared in accordance with the Code of Practice and Accounting Regulations for local authorities, presents fairly the financial position of Dublin City Council at 31 December 2019 and its income and expenditure for the year then ended.

Emphasis of Matter- Uncertainty relating to COVID-19

I draw attention to Note 23 of the Annual Financial Statements, which refers to the impact of COVID-19, a non-adjusting post balance sheet event, and describes the uncertainty faced by the local authority as a result. My opinion is not modified in respect of this matter.

Statutory Audit Report

I have also prepared an associated audit report as provided for in Section 120(1)(c) of the Local Government Act, 2001.



Principal Local Government Auditor

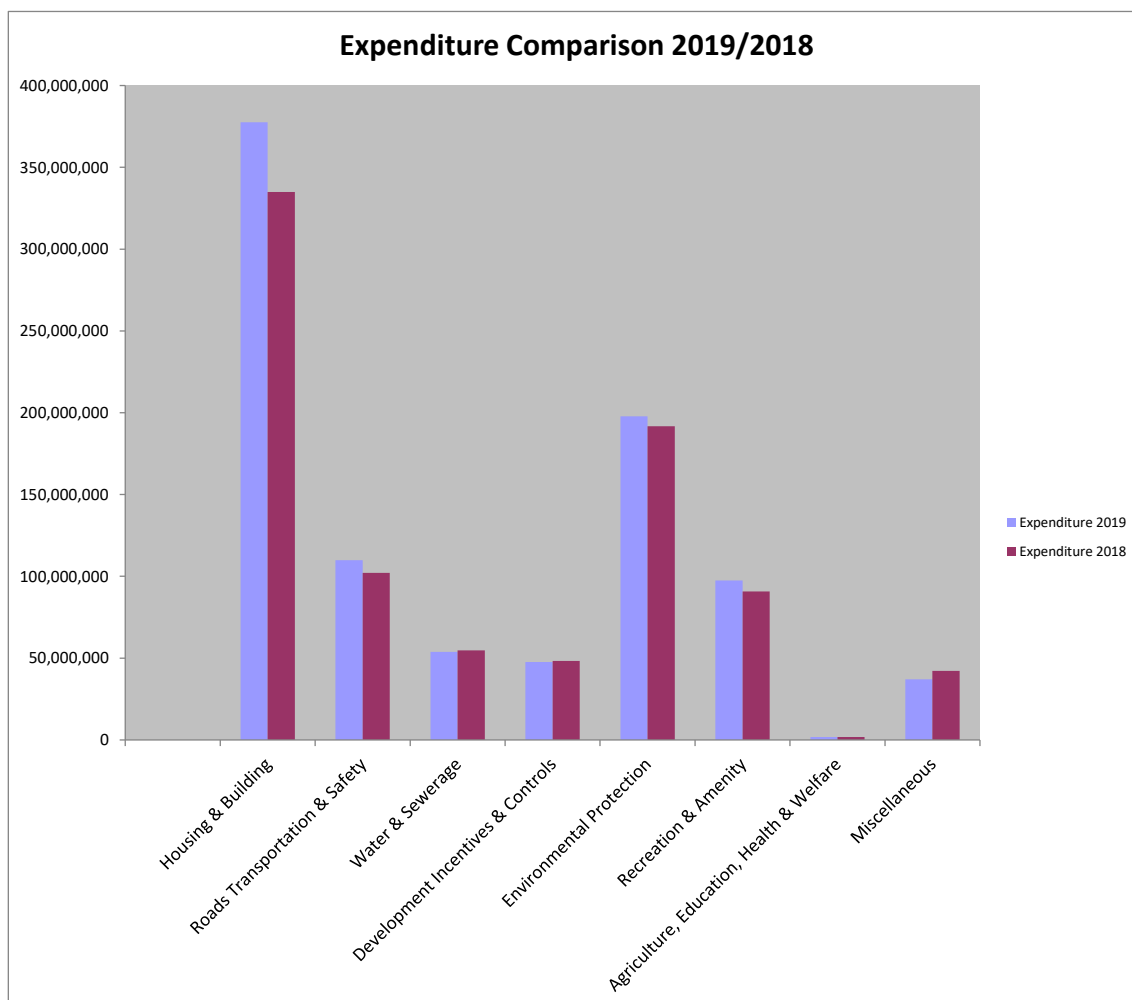
Date 30 October 2020

GRAPHS

Revenue Accounts 2019 before transfers to Capital / Financial Profile at a glance

	Expenditure 2019	Expenditure 2018
Housing & Building	377,556,305	334,971,317
Roads Transportation & Safety	109,902,006	102,098,921
Water & Sewerage	53,851,643	54,675,649
Development Incentives & Controls	47,650,575	48,277,851
Environmental Protection	197,755,467	191,776,562
Recreation & Amenity	97,502,148	90,800,427
Agriculture, Education, Health & Welfare	1,780,840	1,845,392
Miscellaneous	37,075,995	42,218,500
Total Expenditure	923,074,979	866,664,619

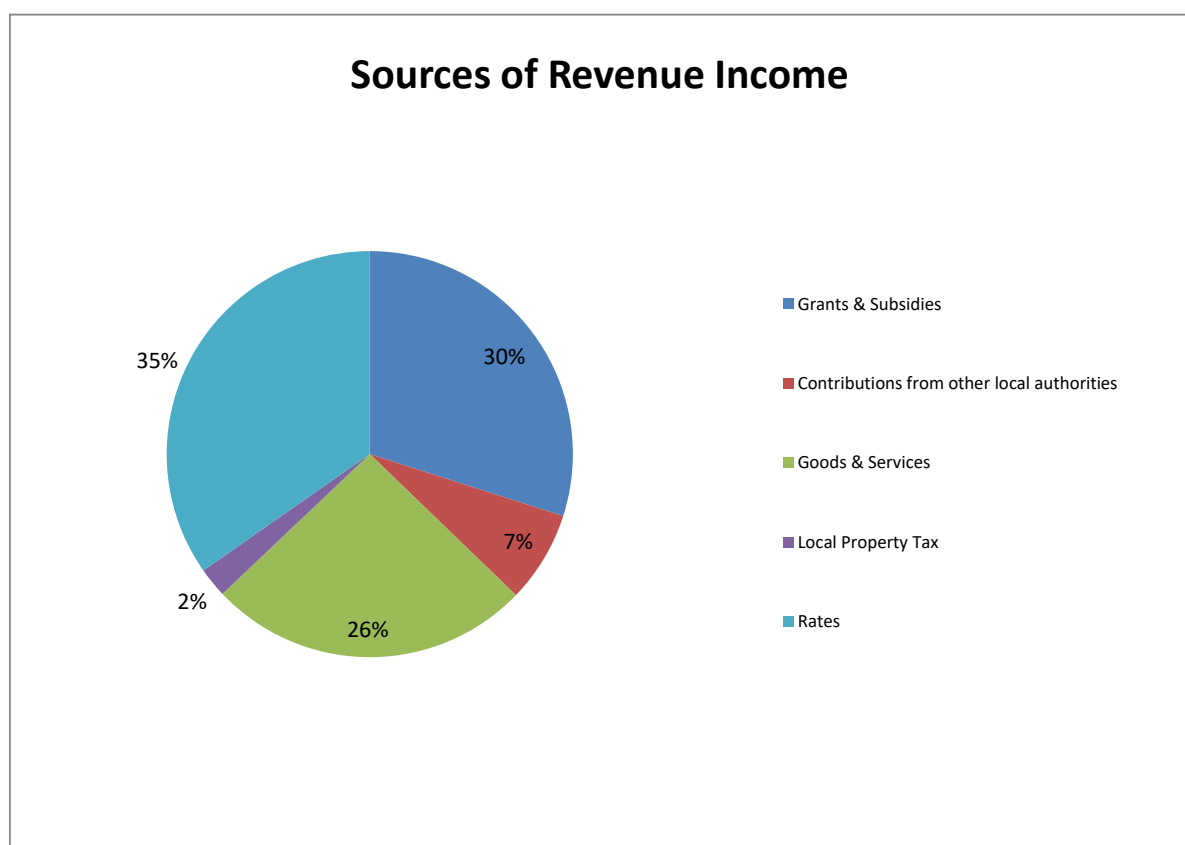
As per Income & Expenditure Account



Main Sources of Revenue Income

	2019 €
Grants & Subsidies	291,700,584
Contributions from other local authorities	71,019,425
Goods & Services	250,539,190
Local Property Tax	23,098,626
Rates	338,299,502
	<u>974,657,327</u>

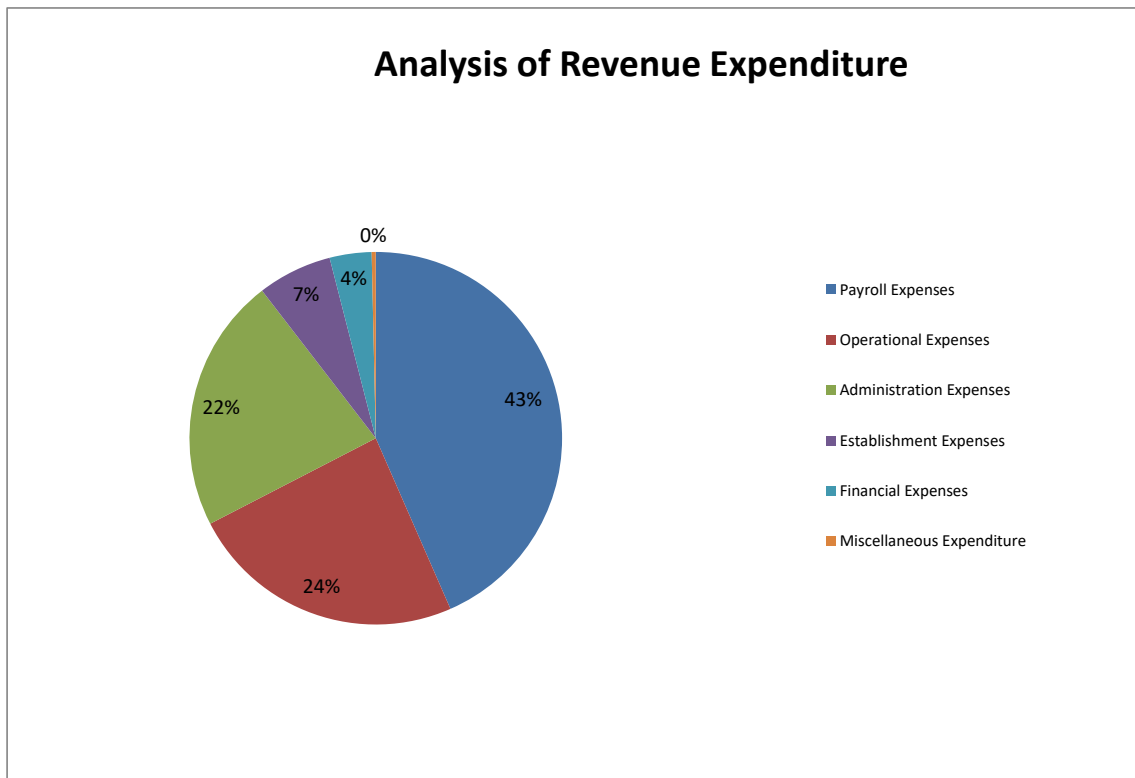
As per Note 15



Main Categories of Revenue Expenditure

	2019
	€
Payroll Expenses	400,961,584
Operational Expenses	221,306,930
Administration Expenses	204,356,189
Establishment Expenses	59,609,690
Financial Expenses	33,579,099
Miscellaneous Expenditure	3,261,487
Total Expenditure	<u>923,074,979</u>

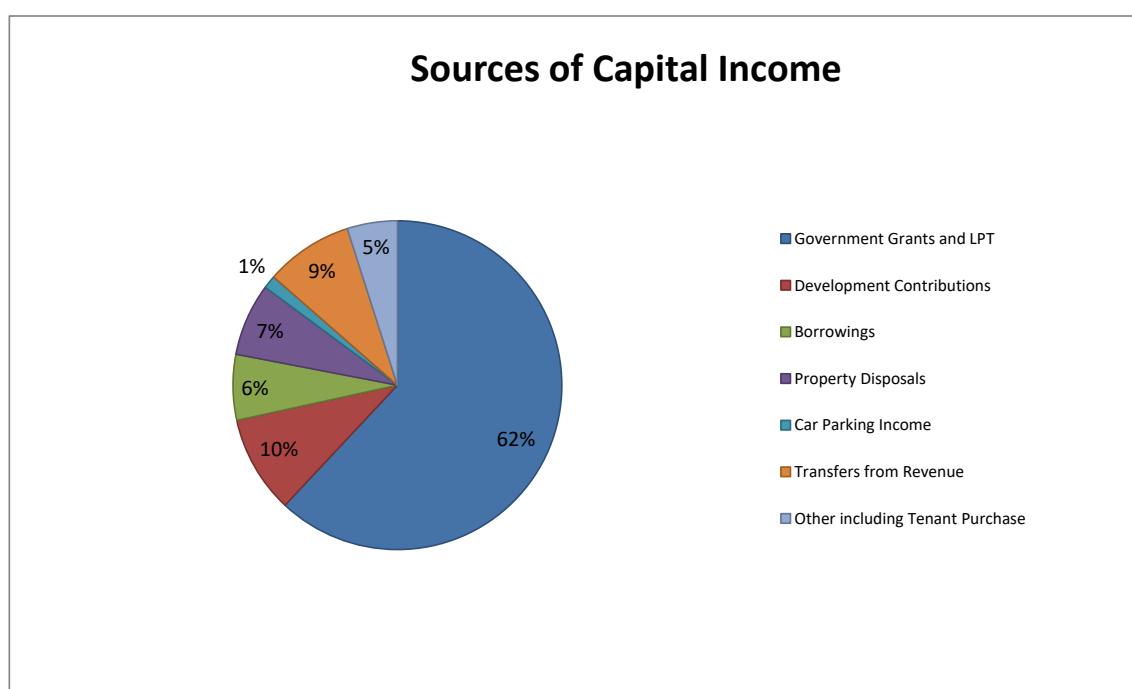
As per Appendix 1



Sources of Capital Income

	2019
	€
Government Grants and LPT	292,848,443
Development Contributions	45,336,912
Borrowings	30,475,770
Property Disposals	33,738,032
Car Parking Income	6,033,124
Transfers from Revenue	40,813,449
Other including Tenant Purchase	23,278,217
	<u>472,523,947</u>

As per Appendix 5

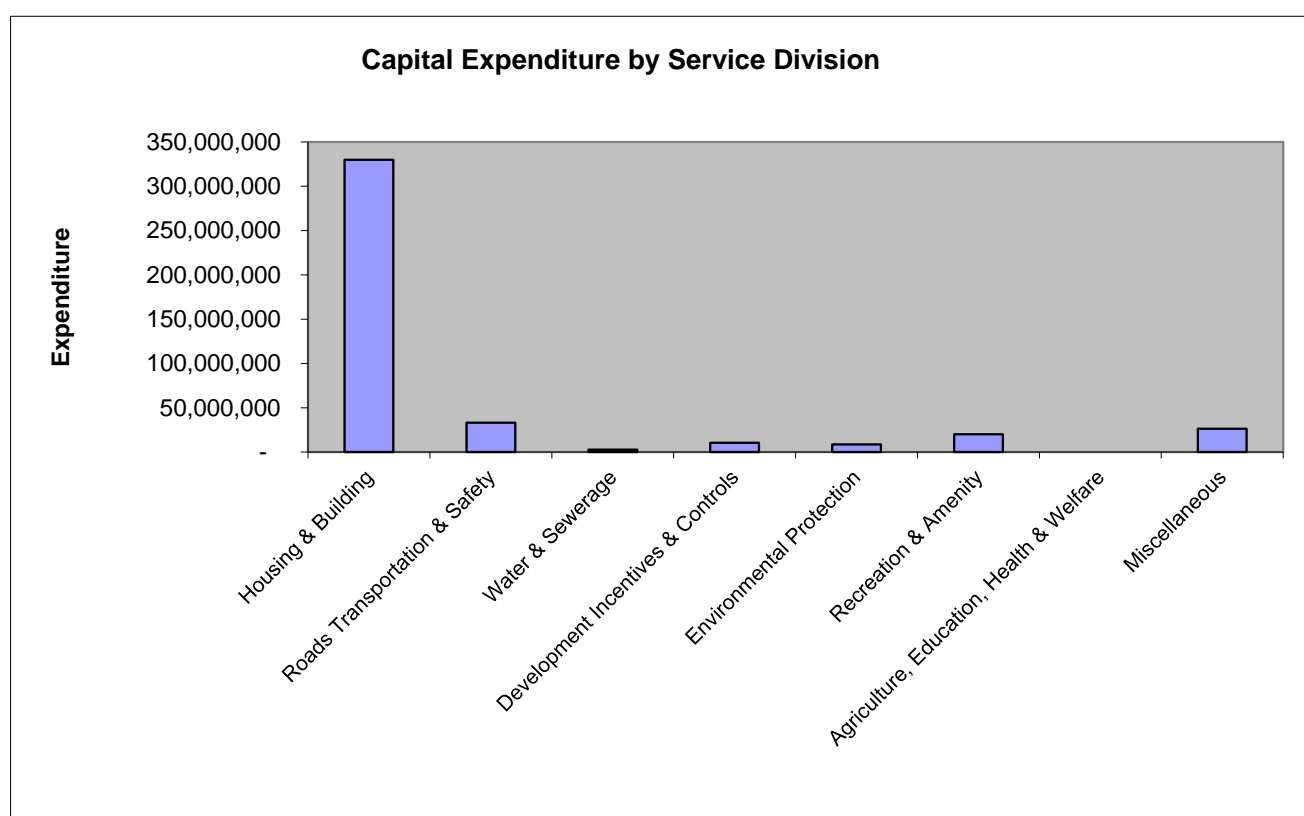


Capital Expenditure by Service Division

	2019 €
Housing & Building	329,779,055
Roads Transportation & Safety	33,204,961
Water & Sewerage	2,577,244
Development Incentives & Controls	10,348,482
Environmental Protection	8,411,465
Recreation & Amenity	20,112,709
Agriculture, Education, Health & Welfare	-
Miscellaneous	26,315,498

430,749,414

As per Appendix 6



STATEMENT OF ACCOUNTING POLICIES

1. General

The accounts have been prepared in accordance with the Accounting Code of Practice ACoP on local authority accounting, as revised by the Department of Housing, Planning and Local Government (DHPLG) at 31st December 2019. Non-compliance with accounting policies as set out in ACoP must be stated in the Policies and Notes to the Accounts

2. Statement of Funds Flow

A Statement of Funds Flow has been introduced as part of AFS 2011. While the guidance of International Accounting Standard 7 Statement of Cash Flows has been followed, the business of local authorities is substantially different to most private sector organisations and therefore some minor changes to the format have been agreed to ensure the data displayed is meaningful and useful within the local government sector. For this reason the statement is being referred to as a 'Statement of Funds Flow'. The financial accounts now include a Statement of Funds Flow shown after the Statement of Financial Position (Balance Sheet). Notes 17 – 22 relate to the Statement of Funds Flow and are shown in the Notes on and forming part of the Accounts section of the AFS. Note 19 details Project/Non Project/Affordable/Voluntary balances, which can be either a debit or a credit balance. The funds flow assumes that these are debit balances and bases the (Increase)/Decrease description on this.

3. Accruals

The revenue and capital accounts have been prepared on an accrual basis in accordance with the Code of Practice.

4. Interest Charges

Loans payable can be divided into the following two categories:

- Mortgage related loans
- Non-mortgage related loans

4.1 Mortgage Related Loans

Mortgage related loans have a corresponding stream of income from long term advances (i.e. monies lent by the local authorities to borrowers), for the purchase of houses. Only the interest element is charged or credited to the Statement of Comprehensive Income (Income and Expenditure Statement).

4.2 Non-Mortgage Related Loans

Note 7 to the accounts sets out the types of borrowing under this heading. Loans relating to assets/grants, revenue funding will not have a corresponding stream of income. Bridging finance will eventually become part of permanent funding. Loans in respect of the other headings will have a corresponding value in Note 3.

5. Pensions

Payments in respect of pensions and gratuities are charged to the revenue account in the accounting period in which the payments are made. The cost of salaries and wages in the accounts includes deductions in respect of pension contributions (including Widows and Orphans) benefits under the Local Government Superannuation Scheme and the Single Public Service Pension Scheme. The Single Public Service Pension Scheme ("Single Scheme") commenced with effect from 1 January 2013. Employee contributions for the Single Scheme continue to be deducted by local authorities but are remitted centrally to DPER.

6. Agency and Other Services

Expenditure on services provided or carried out on behalf of other local authorities is recouped at cost or in accordance with specific agreements.

7. Provision for Bad & Doubtful Debt

Provision has been made in the relevant accounts for bad & doubtful debts.

8. Fixed Assets

8.1 Classification of Assets

Fixed assets are classified into categories as set out in the Statement of Financial Position (Balance Sheet). A further breakdown by asset type is set out in note 1 to the accounts.

8.2 Recognition

All expenditure on the acquisition or construction of fixed assets is capitalised on an accrual basis.

8.3 Measurement

A Statement of Financial Position (Balance Sheet) incorporating all of the assets of the local authority was included for the first time in the Annual Financial Statement for 2003. The assets were valued based on the 'Valuation Guideline' issued by the DHPLG. All assets purchased or constructed from 1/1/2004 have been included at historical cost. Accounting policies relating to leases are currently being developed and will be reflected in the financial statements at a future date.

8.4 Revaluation

As set out in a revision to the Accounting Code of Practice it is policy to show fixed assets at cost. Maintenance and enhancement costs associated with Infrastructure assets are not currently included in fixed assets but will be reviewed at a future date. Due to their physical nature the vast majority of assets are unique to local authorities and are not subject to disposal. Any loss or gain associated with the net realisable value of the remaining general assets subject to disposal, are accounted for at time of disposal.

8.5 Disposals

In respect of disposable assets, income is credited to a specific reserve and is generally applied in the purchase of new assets. Proceeds of the sale of local authority houses are to be applied as directed by the DHPLG.

8.6 Depreciation

Under the current method of accounting, the charge for depreciation is offset by the amortisation of the source of funding the asset. This method has a neutral impact on Income & Expenditure and consequently the charge for depreciation and the corresponding credit from amortisation is excluded from the Statement of Comprehensive Income (Income & Expenditure Statement).

The policies applied to assets subject to depreciation are as follows

Asset Type	Bases	Depreciation Rate
Plant & Machinery		
- Long life	S/L	10%
- Short life	S/L	20%
Equipment	S/L	20%
Furniture	S/L	20%
Heritage Assets		Nil
Library Books		Nil
Playgrounds	S/L	20%
Parks	S/L	2%
Landfill sites (*See note)		
Water Assets		
- Water schemes	S/L	Asset life over 70 years
- Drainage schemes	S/L	Asset life over 50 years

The Council does not charge depreciation in the year of disposal and will charge a full year's depreciation in the year of acquisition.

*** The value of landfill sites has been included in note 1 under land. Depreciation represents the depletion of the landfill asset.**

9. Government Grants

Government grants are accounted for on an accrual basis. Grants received to cover day-to-day operations are credited to the Statement of Comprehensive Income (Income & Expenditure Statement). Grants received, relating to the construction of assets, are shown as part of the income of work-in-progress. On completion of the project the income is transferred to a capitalisation account.

10. Development Debtors & Income

Short term development levy debtors are included in note 5. Income from development contributions not due to be paid within the current year is deferred and not separately disclosed in the financial statements.

11. Debt Redemption

The proceeds from the early redemption of loans by borrowers, are applied to the redemption of mortgage related borrowings from the HFA and OPW.

12. Lease Schemes

Rental payments under operating leases are charged to the Statement of Comprehensive Income (Income & Expenditure Statement). Assets acquired under a finance lease are included in fixed assets. The amount due on outstanding balances is shown under current liabilities and long-term creditors.

13. Stock

Stocks are valued on an average cost basis.

14. Work-in-Progress & Preliminary Expenditure

Work-in progress and preliminary expenditure is the accumulated historical cost of various capital related projects. The income accrued in respect of these projects is shown in the Statement of Financial Position (Balance Sheet) as 'Income WIP'.

15. Interest in Local Authority Companies

The interest of Dublin City Council in companies is listed in Appendix 8.

16. Related Parties

A related party transaction is a transfer of resources, services or obligations between the local authority and a related party. The main related parties for a local authority include the following:

- i. Management and Personnel
- ii. Council members
- iii. Government Departments
- iv. Local Authority Companies

Local Authority council members and key personnel are bound under the relevant sections of the Local Government Act 2001 and subsequent amending legislation to:

- a. furnish an annual declaration of 'declarable interests' set out in section 175 of the Act;
- b. disclose under sections 167, 178 and 179 any beneficial interests that they or a connected person has; and
- c. follow a code of conduct issued by the Minister for the Environment and Local Government under section 169 of the Local Government Act 2001 in 2004.

'Declarable interests' cover both financial and certain other interests such as land etc.

Local authority management and personnel salary and remuneration is determined by the Department of Housing, Planning and Local Government in line with central government policy on rates of pay.

Local Authority interests in companies and joint ventures are disclosed in Appendix 8 to the Annual Financial Statements. Local Authority transactions with government departments are governed by central government controls and procedures driven by government accounting rules.

FINANCIAL ACCOUNTS

STATEMENT OF COMPREHENSIVE INCOME (INCOME & EXPENDITURE ACCOUNT STATEMENT) FOR YEAR ENDING 31st DECEMBER 2019

The Income and Expenditure Account Statement brings together all the revenue related income and expenditure. It shows the surplus/(deficit) for the year. Transfers to/from reserves are shown separately and not allocated by service division. Note 16 allocates transfers by service division in the same format as Table A of the adopted Local Authority budget.

Expenditure by Division

		Gross Expenditure	Income	Net Expenditure	Net Expenditure
		2019	2019	2019	2018
	Notes	€	€	€	€
Housing & Building		377,556,305	338,153,410	39,402,894	42,837,336
Roads Transportation & Safety		109,902,006	56,443,693	53,458,313	45,957,860
Water Services		53,851,643	43,497,296	10,354,347	9,441,351
Development Management		47,650,575	22,089,897	25,560,679	27,103,043
Environmental Services		197,755,467	94,716,810	103,038,657	100,417,523
Recreation & Amenity		97,502,148	14,633,104	82,869,044	75,505,861
Agriculture, Education, Health & Welfare		1,780,840	686,264	1,094,576	1,065,972
Miscellaneous Services		37,075,995	43,038,725	(5,962,730)	(2,679,747)
Total Expenditure/Income	15	923,074,979	613,259,199	309,815,780	299,649,199
Net cost of Divisions to be funded from Rates & Local Property Tax					
Rates				338,299,502	324,255,552
Local Property Tax				23,098,626	23,085,069
Surplus/(Deficit) for Year before Transfers	16			51,582,348	47,691,422
Transfers from/(to) Reserves	14			(49,439,238)	(49,289,983)
Overall Surplus/(Deficit) for Year				2,143,110	(1,598,561)
General Reserve @ 1st January 2019				21,641,583	23,240,144
General Reserve @ 31st December 2019				23,784,693	21,641,583

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AT 31st DECEMBER 2019

	Notes	2019 €	2018 €
Fixed Assets	1		
Operational		6,707,346,614	6,747,257,482
Infrastructural		2,921,647,391	2,921,951,261
Community		234,242,182	233,859,415
Non-Operational		476,605,557	471,935,557
		10,339,841,744	10,375,003,715
Work in Progress and Preliminary Expenses	2	169,832,062	184,804,571
Long Term Debtors	3	515,541,228	481,146,447
Current Assets			
Stocks	4	5,975,935	5,204,205
Trade Debtors & Prepayments	5	256,690,495	221,955,333
Bank Investments		154,033,669	126,276,479
Cash at Bank		-	-
Cash in Transit		-	-
		416,700,099	353,436,017
Current Liabilities (Amounts falling due within one year)			
Bank Overdraft		5,515,532	4,200,242
Creditors & Accruals	6	204,316,761	184,954,549
Finance Leases		-	-
		209,832,293	189,154,791
Net Current Assets / (Liabilities)		206,867,806	164,281,226
Creditors (Amounts falling due after more than one year)			
Loans Payable	7	516,167,378	476,508,822
Finance Leases		-	-
Refundable deposits	8	14,013,243	12,268,211
Other		102,191,540	76,714,218
		632,372,161	565,491,251
Net Assets		10,599,710,679	10,639,744,707
Represented by			
Capitalisation Account	9	10,339,841,744	10,375,003,715
Income WIP	2	146,594,675	165,490,096
Specific Revenue Reserve		29,013,652	29,013,652
General Revenue Reserve		23,784,693	21,641,583
Other Balances	10	60,475,915	48,595,661
Total Reserves		10,599,710,679	10,639,744,707

STATEMENT OF FUNDS FLOW (FUNDS FLOW STATEMENT)
AS AT 31ST DECEMBER 2019

	Note	2019 €	2019 €
REVENUE ACTIVITIES			
Net Inflow/(outflow) from operating activities	17	<u>(14,001,571)</u>	
CAPITAL ACTIVITIES			
Returns on Investment & Servicing of Finance			
Increase/(Decrease) in Fixed Asset Capitalisation Funding		(35,161,971)	
Increase/(Decrease) in WIP/Preliminary Funding		(18,895,421)	
Increase/(Decrease) in Reserves Balances	18	<u>31,233,768</u>	
Net Inflow/(Outflow) from Returns on Investment and Servicing of Finance		(22,823,624)	
Capital Expenditure & Financial Investment			
(Increase)/Decrease in Fixed Assets		35,161,971	
(Increase)/Decrease in WIP/Preliminary Funding		14,972,509	
(Increase)/Decrease in Other Capital Balances	19	<u>11,054,159</u>	
Net Inflow/(Outflow) from Capital Expenditure and Financial Investment		61,188,639	
Financing			
Increase/(Decrease) in Loan Financing	20	30,741,097	
(Increase)/Decrease in Reserve Financing	21	<u>(30,407,674)</u>	
Net Inflow/(Outflow) from Financing Activities		333,424	
Third Party Holdings			
Increase/(Decrease) in Refundable Deposits		1,745,032	
Net Increase/(Decrease) in Cash and Cash Equivalents	22	26,441,900	<u><u>26,441,900</u></u>

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. Fixed Assets

	Land	Parks	Housing	Buildings	Plant & Machinery (Long & Short Life)	Computers, Furniture & Equipment	Heritage	Roads & Infrastructure	Water & Sewerage Network	Total
	€	€	€	€	€	€	€	€	€	€
Costs										
Accumulated Costs @ 1/1/2019	163,138,300	44,588,127	6,052,798,614	994,892,819	29,497,775	15,863,729	202,241,112	2,478,520,075	819,218,158	10,800,758,709
Additions										
- Purchased	-	-	177,640,055	6,105,000	2,345,117	82,345	71,484	-	-	186,244,001
- Transfers WIP	-	1,104,029	40,849,898	11,922,118	-	3,253,096	-	3,840,039	-	60,969,180
Disposals\Statutory Transfers	-	-	(10,332,103)	(1,441,000)	(1,510,941)	(603,014)	-	-	-	(13,887,058)
Revaluations	-	-	(263,000,000)	-	-	-	60,000	-	-	(262,940,000)
Historical Cost Adjustments	-	(673,188)	-	-	-	-	-	-	-	(673,188)
Accumulated Costs @ 31/12/2019	163,138,300	45,018,968	5,997,956,464	1,011,478,937	30,331,951	18,596,156	202,372,596	2,482,360,114	819,218,158	10,770,471,644
Depreciation										
Depreciation @ 1/1/2019	-	12,969,824	-	-	21,676,322	15,321,876	-	-	375,786,972	425,754,994
Provision for Year	-	179,558	-	-	1,428,583	921,771	-	-	4,143,909	6,673,821
Disposals\Statutory Transfers	-	-	-	-	(1,205,698)	(593,217)	-	-	-	(1,798,915)
Accumulated Depreciation @ 31/12/2019	-	13,149,382	-	-	21,899,207	15,650,430	-	-	379,930,881	430,629,900
Net Book Value @ 31/12/2019	163,138,300	31,869,586	5,997,956,464	1,011,478,937	8,432,744	2,945,726	202,372,596	2,482,360,114	439,287,277	10,339,841,744
Net Book Value @ 31/12/2018	163,138,300	31,618,303	6,052,798,614	994,892,819	7,821,453	541,853	202,241,112	2,478,520,075	443,431,186	10,375,003,715
Net Book Value by Category										
Operational	-	-	5,997,956,464	698,011,681	8,432,743	2,945,726	-	-	-	6,707,346,614
Infrastructural	-	-	-	-	-	-	-	2,482,360,114	439,287,277	2,921,647,391
Community	-	31,869,586	-	-	-	-	202,372,596	-	-	234,242,182
Non-Operational	163,138,300	-	-	313,467,257	-	-	-	-	-	476,605,557
Net Book Value @ 31/12/2019	163,138,300	31,869,586	5,997,956,464	1,011,478,938	8,432,743	2,945,726	202,372,596	2,482,360,114	439,287,277	10,339,841,744

NOTES TO AND FORMING PART OF THE ACCOUNTS

2. Work in Progress and Preliminary Expenses

A summary of work in progress and preliminary expenditure by asset category is as follows:

	Funded 2019 €	Unfunded 2019 €	Total 2019 €	Total 2018 €
Expenditure				
Work in Progress	142,423,949	-	142,423,949	177,104,931
Preliminary Expenses	27,408,113	-	27,408,113	7,699,640
	169,832,062	-	169,832,062	184,804,571
Income				
Work in Progress	123,180,133	-	123,180,133	159,888,736
Preliminary Expenses	23,414,542	-	23,414,542	5,601,360
	146,594,675	-	146,594,675	165,490,096
Net Expended				
Work in Progress	19,243,816	-	19,243,816	17,216,195
Preliminary Expenses	3,993,571	-	3,993,571	2,098,280
Net Over/(Under) Expenditure	23,237,387	-	23,237,387	19,314,475

3. Long Term Debtors

A breakdown of the long-term debtors is as follows:

	Balance @ 1/1/2019 €	Loans Issued €	Principal Repaid €	Early Redemptions €	Other Adjustments €	Balance @ 31/12/2019 €	Balance @ 31/12/2018 €
Long Term Mortgage Advances*	192,737,151	48,690,683	10,915,336	9,749,792	-	220,762,706	192,737,151
Tenant Purchases Advances	1,457,169	-	653,570	-	-	803,599	1,457,169
Shared Ownership Rented Equity	35,303,875	-	1,478,933	4,951,723	-	28,873,219	35,303,875
	229,498,195	48,690,683	13,047,839	14,701,515	-	250,439,524	229,498,195
Recoupable Loan Advances						205,610,165	217,634,033
Capital Advance Leasing Facility						102,191,538	76,714,219
Long-term Investments						-	-
Cash						-	-
Interest in associated companies						(29,700,000)	(29,700,000)
Other							
						528,541,228	494,146,447
Less: Amounts falling due within one year (Note 5)						(13,000,000)	(13,000,000)
Total Amounts falling due after more than one year						515,541,228	481,146,447

* Includes HFA Agency Loans

NOTES TO AND FORMING PART OF THE ACCOUNTS

4. Stocks

A summary of stock is as follows:

	2019 €	2018 €
Central Stores	-	-
Other Depots	5,975,935	5,204,205
Total	5,975,935	5,204,205

5. Trade Debtors & Prepayments

A breakdown of debtors and prepayments is as follows:

	2019 €	2018 €
Government Debtors	197,266,443	148,271,098
Commercial Debtors	49,825,514	75,793,683
Non-Commercial Debtors	44,839,724	39,981,187
Development Levy Debtors	39,390,531	39,402,386
Other Services	9,770,230	8,192,949
Other Local Authorities	6,735,340	13,082,029
Revenue Commissioners	-	-
Other	-	-
Add: Amounts falling due within one year (Note 3)	13,000,000	13,000,000
Total Gross Debtors	360,827,782	337,723,333
Less: Provision for Doubtful Debts	(114,232,580)	(121,103,465)
Total Trade Debtors	246,595,202	216,619,868
Prepayments	10,095,293	5,335,465
	256,690,495	221,955,333

NOTES TO AND FORMING PART OF THE ACCOUNTS

6. Creditors and Accruals

A breakdown of creditors and accruals is as follows:

	2019 €	2018 €
Trade creditors	30,099,698	46,258,680
Grants	-	-
Revenue Commissioners	20,107,413	16,994,650
Other Local Authorities	214,255	1,139,827
Other Creditors	3,222,267	4,967,639
	53,643,633	69,360,795
Accruals	70,591,999	43,198,642
Deferred Income	56,081,129	47,395,112
Add: Amounts falling due within one year (Note 7)	24,000,000	25,000,000
	204,316,761	184,954,549

7. Loans Payable

(a) Movement in Loans Payable

	HFA	OPW	Other	Balance @ 31/12/2019	Balance @ 31/12/2018
	€	€	€	€	€
Balance @ 1/1/2019	490,787,937	-	10,720,885	501,508,822	523,689,169
Borrowings	79,301,328	-	-	79,301,328	37,782,997
Repayment of Principal	(22,628,731)	-	(1,675,077)	(24,303,807)	(25,359,267)
Early Redemptions	(16,338,965)	-	-	(16,338,965)	(34,604,076)
Other Adjustments	-	-	-	-	-
Balance @ 31/12/2019	531,121,570	-	9,045,808	540,167,378	501,508,822
Less: Amounts falling due within one year (Note 6)				(24,000,000)	(25,000,000)
Total Amounts falling due after more than one year				516,167,378	476,508,822

(b) Application of Loans

An analysis of loans payable is as follows:

	HFA	OPW	Other	Balance @ 31/12/2019	Balance @ 31/12/2018
	€	€	€	€	€
Mortgage loans*	198,200,825	-	-	198,200,825	169,593,030
Non-Mortgage loans					
Asset/Grants	36,097,500	-	-	36,097,500	5,803,115
Revenue Funding	-	-	-	-	-
Bridging Finance	73,872,753	-	-	73,872,753	73,872,753
Recoupable	196,564,357	-	9,045,808	205,610,165	217,634,033
Shared Ownership – Rented Equity	26,386,135	-	-	26,386,135	34,605,891
	531,121,570	-	9,045,808	540,167,378	501,508,822
Less: Amounts falling due within one year (Note 6)				(24,000,000)	(25,000,000)
Total Amounts falling due after more than one year				516,167,378	476,508,822

* Includes HFA Agency Loans

NOTES TO AND FORMING PART OF THE ACCOUNTS

8. Refundable Deposits

The movement in refundable deposits is as follows:

	2019 €	2018 €
Opening Balance at 1 January	12,268,211	8,925,527
Deposits received	1,764,823	3,409,984
Deposits repaid	(19,791)	(67,301)
Closing Balance at 31 December	14,013,243	12,268,211

Note: Short Term Refundable Deposits are included as part of Cash Investments on the Balance sheet

9. Capitalisation Account

The capitalisation account shows the funding of the assets as follows:

	Balance @ 1/1/2019 €	Purchased €	Transfers WIP €	Disposals\Statutory Transfers €	Revaluations €	Historical Cost Adj €	Balance @ 31/12/2019 €	Balance @ 31/12/2018 €
Grants	2,344,313,931	179,067,218	56,989,056	(6,488,518)	-	-	2,573,881,687	2,344,313,931
Loans	-	-	-	-	-	-	-	-
Revenue funded	20,333,024	1,044,813	-	(1,757,240)	-	-	19,620,597	20,333,024
Leases	-	-	-	-	-	-	-	-
Development Levies	8,901,997	-	110,885	-	-	-	9,012,882	8,901,997
Tenant Purchase Annuities	(17,927,939)	-	-	(4,206,300)	-	-	(22,134,239)	(17,927,939)
Unfunded	-	-	-	-	-	-	-	-
Historical	7,767,248,974	-	-	-	(263,000,000)	(673,188)	7,503,575,786	7,767,248,974
Other	677,888,722	6,131,970	3,869,239	(1,435,000)	60,000	-	686,514,931	677,888,722
Total Gross Funding	10,800,758,709	186,244,001	60,969,180	(13,887,058)	(262,940,000)	(673,188)	10,770,471,644	10,800,758,709
Less: Amortised							(430,629,900)	(425,754,994)
Total *							10,339,841,744	10,375,003,715

* Must agree with note 1

NOTES TO AND FORMING PART OF THE ACCOUNTS

10. Other Balances

A breakdown of other balances is as follows:

		Balance @ 1/1/2019 €	Capital re-classification * €	Expenditure €	Income €	Net Transfers €	Balance @ 31/12/2019 €	Balance @ 31/12/2018 €
Development Levies balances	(i)	105,593,043	-	(1,794,182)	45,336,912	(25,875,354)	123,260,418	105,593,043
Capital account balances including asset formation and enhancement	(ii)	(84,930,705)	(1,748,838)	(322,903,984)	299,724,084	29,769,032	(80,090,411)	(84,930,705)
Voluntary & Affordable Housing Balances	(iii)							
- Voluntary Housing		36,834	-	(25,632,338)	25,539,859	-	(55,644)	36,834
- Affordable Housing		(12,395,391)	-	(928,897)	7,235,241	-	(6,089,047)	(12,395,391)
Reserves created for specific purposes	(iv)	94,383,879	(1,205,823)	(944,334)	2,825,947	12,890,603	107,950,272	94,383,879
A. Net Capital Balances		102,687,660	(2,954,661)	(352,203,735)	380,662,043	16,784,281	144,975,587	102,687,660
Balance Sheet accounts relating the loan principal outstanding (including Unrealised TP Annuities)	(v)						(84,499,672)	(54,091,999)
Interest in Associated Companies	(vi)						-	-
B. Non Capital Balances							(84,499,672)	(54,091,999)
Total Other Balances							60,475,915	48,595,661

*(i) Denotes Debit Balances

- (i) This represents the cumulative balance of development levies i.e. income less expenditure and transfers to date.
- (ii) This represents the cumulative position on funded and unfunded capital jobs consisting of project (completed assets) and non-project (enhancement of assets) balances. Debit balances will require sources of funding to clear.
- (iii) This represents the cumulative position on voluntary and affordable housing projects.
- (iv) Relates to reserves and advance funding for future Local Authority assets, insurance liabilities, other purposes and includes realised tenant purchase annuities.
- (v) Loan related balances including outstanding principal on leases and non-mortgage loans remaining to be funded, historical mortgage funding gap, unrealised principal on tenant purchase annuities to be repaid in the future and shared ownership rented equity.
- (vi) Represents the local authority's interest in associated companies.

NOTES TO AND FORMING PART OF THE ACCOUNTS

11. Capital Account Analysis

The capital account has been de-aggregated and is comprised of the following accounts in the balance sheet:

	2019 €	2018 €
Net WIP & Preliminary Expenses (Note 2)	(23,237,387)	(19,314,475)
Net Capital Balances (Note 10)	144,975,587	102,687,660
Capital Balance Surplus/(Deficit) @ 31 December	121,738,200	83,373,185

A summary of the changes in the Capital account (see Appendix 6) is as follows:

	2019 €	2018 €
Opening Balance @ 1 January	83,373,185	31,019,425
Expenditure	430,749,414	384,914,083
Income		
- Grants	292,848,443	290,981,601
- Loans	30,475,770	157,423
- Other	108,386,285	109,805,218
Total Income	431,710,498	400,944,242
Net Revenue Transfers	37,403,930	36,323,601
Closing Balance @ 31 December	121,738,199	83,373,185

12. Mortgage Loan Funding Surplus/(Deficit)

The mortgage loan funding position on the balance sheet is as follows:

	2019 Loan Annuity €	2019 Rented Equity €	2019 Total €	2018 Total €
Mortgage Loans/Equity Receivable (LT Mortgage Shared Own Note 3)	220,762,706	28,873,219	249,635,925	228,041,026
Mortgage Loans/Equity Payable (Mort Loans Shared Own Note 7)	(198,200,825)	(26,386,135)	(224,586,959)	(204,198,921)
Surplus/(Deficit) in Funding @ 31st December	22,561,881	2,487,085	25,048,966	23,842,105

NOTE: Cash on Hand relating to Redemptions and Relending

€
(6,665,059) *

* Cash on hand relating to Redemptions and Relending is €2,278,266. Loans issued awaiting borrowing is €8,943,325 resulting in a negative cash balance of (€6,665,059).

13. Summary of Plant & Materials Account

A summary of the operations of the Plant & Machinery account is as follows:

	2019 Plant & Machinery €	2019 Materials €	2019 Total €	2018 Total €
Expenditure	-	-	-	-
Charged to Jobs	-	-	-	-
Transfers from/(to) Reserves	-	-	-	-
Surplus/(Deficit) for the Year	-	-	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

14. Transfers from/(to) Reserves

A summary of transfers to/from Reserves is as follows:

	2019 Transfers from Reserves €	2019 Transfers to Reserves €	2019 Net €	2018 €
Principal Repayments of Non-Mortgage Loans (Own Asset)	-	181,386	181,386	1,262,473
Principal Repayments of Non-Mortgage Loans (Recoupable Non Asset)	-	11,853,921	11,853,921	11,703,910
Principal Repayments of Finance Leases	-	-	-	-
Transfers to Other Balance Sheet Reserves	-	-	-	-
Transfers to/from Capital Account	(3,409,519)	40,813,449	37,403,930	36,323,600
Surplus/(Deficit) for Year	(3,409,519)	52,848,757	49,439,238	49,289,983

15. Analysis of Revenue Income

A summary of the major sources of revenue income is as follows:

	Appendix No	2019		2018	
		€	%	€	%
Grants & Subsidies	3	291,700,584	30%	247,606,065	27%
Contributions from other local authorities		71,019,425	7%	68,094,671	7%
Goods & Services	4	250,539,190	26%	251,314,684	28%
		613,259,199	63%	567,015,420	62%
Local Property Tax		23,098,626	2%	23,085,069	3%
Rates		338,299,502	35%	324,255,552	35%
Total Income		974,657,327	100%	914,356,041	100%

From 2017 onwards, local authorities no longer retain PRD locally. Accordingly, an upward adjustment was made to the LPT baseline of each local authority, to include an additional amount equivalent to the PRD income retained by local authorities in 2014. Dublin City Council PRD in 2014 was €16,428,262.

NOTES TO AND FORMING PART OF THE ACCOUNTS

16. Over/Under Expenditure

The following table shows the difference between the adopted estimates and the actual outturn in respect of both expenditure and income:

	EXPENDITURE				
	Excluding Transfers 2019 €	Transfers 2019 €	Including Transfers 2019 €	Budget 2019 €	(Over)/Under Budget 2019 €
Housing & Building	377,556,305	23,946,427	401,502,732	380,546,477	(20,956,255)
Roads Transportation & Safety	109,902,006	5,021,472	114,923,478	117,046,880	2,123,402
Water Services	53,851,643	2,371,912	56,223,555	62,117,093	5,893,538
Development Management	47,650,575	1,887,894	49,538,469	50,334,159	795,690
Environmental Services	197,755,467	4,452,009	202,207,476	200,785,245	(1,422,231)
Recreation & Amenitv	97,502,148	2,906,729	100,408,877	102,786,965	2,378,088
Aariculture. Education. Health & Welfare	1,780,840	-	1,780,840	2,317,746	536,906
Miscellaneous Services	37,075,995	12,262,314	49,338,309	54,989,157	5,650,848
Total Divisions	923,074,979	52,848,757	975,923,736	970,923,722	(5,000,014)
Local Property Tax					
Rates					
Dr/Cr Balance					
(Deficit)/Surplus for Year	923,074,979	52,848,757	975,923,736	970,923,722	(5,000,014)

	INCOME				
	Excluding Transfers 2019 €	Transfers 2019 €	Including Transfers 2019 €	Budget 2019 €	Over/(Under) Budget 2019 €
	338,153,410	466,316	338,619,726	313,353,120	25,266,606
	56,443,693	12,272	56,455,965	55,637,259	818,706
	43,497,296	-	43,497,296	48,232,837	(4,735,541)
	22,089,897	302,000	22,391,897	21,938,867	453,030
	94,716,810	715,004	95,431,814	93,746,759	1,685,055
	14,633,104	428,535	15,061,639	15,111,921	(50,282)
	686,264	-	686,264	795,850	(109,587)
	43,038,725	1,485,392	44,524,117	41,340,635	3,183,482
	613,259,199	3,409,519	616,668,717	590,157,248	26,511,469
	23,098,626	-	23,098,626	23,098,626	-
	338,299,502	-	338,299,502	338,194,241	105,261
	974,657,327	3,409,519	978,066,845	951,450,115	26,616,730

NET
(Over)/Under Budget 2019 €
4,310,352
2,942,108
1,157,997
1,248,719
262,824
2,327,806
427,320
8,834,330
21,511,456
-
105,261
(19,473,607)
2,143,110

NOTES TO AND FORMING PART OF THE ACCOUNTS

2019

€

17. Net Cash Inflow/(Outflow) from Operating Activities

Operating Surplus/(Deficit) for Year	2,143,110
(Increase)/Decrease in Stocks	(771,730)
(Increase)/Decrease in Trade Debtors	(34,735,163)
Increase/(Decrease) in Creditors Less than One Year	19,362,212
	<u>(14,001,571)</u>

18. Increase/(Decrease) in Reserve Balances

Increase/(Decrease) in Development Levies balances	17,667,376
Increase/(Decrease) in Other Reserve Balances	13,566,392
	<u>31,233,768</u>

19. (Increase)/Decrease in Other Capital Balances

(Increase)/Decrease in Capital account balances including asset formation and enhancement	4,840,294
(Increase)/Decrease in Voluntary Housing Balances	(92,478)
(Increase)/Decrease in Affordable Housing Balances	6,306,344
	<u>11,054,159</u>

20. Increase/(Decrease) in Loan Financing

(Increase)/Decrease in Long Term Debtors	(34,394,781)
Increase/(Decrease) in Mortgage Loans	28,607,795
Increase/(Decrease) in Asset/Grant Loans	30,294,386
Increase/(Decrease) in Revenue Funding Loans	-
Increase/(Decrease) in Bridging Finance Loans	-
Increase/(Decrease) in Recoupable Loans	(12,023,868)
Increase/(Decrease) in Shared Ownership Rented Equity Loans	(8,219,756)
Increase/(Decrease) in Finance Leasing	-
(Increase)/Decrease in Portion Transferred to Current Liabilities	1,000,000
Increase/(Decrease) in Other Creditors - Deferred Income	25,477,321
	<u>30,741,097</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS

2019
€

21. (Increase)/Decrease in Reserve Financing

(Increase)/Decrease in Specific Revenue Reserve	-
(Increase)/Decrease in Balance Sheet accounts relating the loan principal outstanding (including Unrealised TP Annuities)	(30,407,674)
(Increase)/Decrease in Reserves in Associated Companies	-
	<u>(30,407,674)</u>

22. Analysis of Changes in Cash & Cash Equivalents

Increase/(Decrease) in Bank Investments	27,757,190
Increase/(Decrease) in Cash at Bank/Overdraft	(1,315,290)
Increase/(Decrease) in Cash in Transit	-
	<u>26,441,900</u>

23. Post Balance Sheet (Non Adjusting)Event

At the financial year end on 31/12/2019 initial reports were emerging from China about Covid-19.

In the interim the WHO has declared it a pandemic which has resulted in unprecedented restrictions on travel and movement.

This health crisis has, in a short space of time, resulted in effectively locking down economic activity within the county and country for the vast majority of businesses, and brings with it financial uncertainty and consequences that will be of proportions impossible to estimate effectively at this time.

The global economic shock created by the COVID 19 pandemic has been faster and more severe than the 2008 financial crash. It is clear, however, even at this point of the crisis that the financial impact will be significant but an estimate of such costs both in terms of dealing with the crisis and the direct impact on other Income and Expenditure for the local authority cannot be estimated at this time as the crisis is ongoing.

APPENDICES

APPENDIX 1
ANALYSIS OF EXPENDITURE
FOR YEAR ENDED 31st DECEMBER 2019

	2019 €	2018 €
Payroll Expenses		
Salary & Wages	294,907,093	285,010,091
Pensions (incl Gratuities)	96,924,873	95,847,676
Other costs	9,129,618	7,374,218
Total	400,961,584	388,231,985
Operational Expenses		
Purchase of Equipment	2,498,340	1,432,748
Repairs & Maintenance	16,726,656	15,520,990
Contract Payments	52,271,420	52,504,691
Agency services	2,943,348	3,059,887
Machinery Yard Charges incl Plant Hire	8,364,899	9,247,804
Purchase of Materials & Issues from Stores	20,415,446	20,414,336
Payment of Grants	19,544,266	20,250,954
Members Costs	532,840	549,662
Travelling & Subsistence Allowances	11,317,452	11,070,578
Consultancy & Professional Fees Payments	8,001,503	7,775,683
Energy / Utilities Costs	13,736,346	13,754,769
Other	64,954,413	62,516,226
Total	221,306,930	218,098,328
Administration Expenses		
Communication Expenses	4,565,638	4,985,098
Training	2,741,688	2,278,852
Printing & Stationery	2,697,532	2,423,028
Contributions to other Bodies	178,363,281	151,735,342
Other	15,988,049	14,618,119
Total	204,356,189	176,040,439
Establishment Expenses		
Rent & Rates	44,516,638	30,754,661
Other	15,093,052	13,067,242
Total	59,609,690	43,821,903
Financial Expenses	33,579,099	37,761,857
Miscellaneous Expenses	3,261,487	2,710,107
Total Expenditure	923,074,979	866,664,619

**APPENDIX 2
SERVICE DIVISION A
HOUSING and BUILDING**

		EXPENDITURE	INCOME			
DIVISION		TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
A01	Maintenance/Improvement of LA Housing	72,543,419	460,474	893,070	-	1,353,544
A02	Housing Assessment, Allocation and Transfer	7,385,185	1,138,012	418,279	-	1,556,291
A03	Housing Rent and Tenant Purchase Administration	9,557,860	-	89,677,506	-	89,677,506
A04	Housing Community Development Support	23,075,395	20,000	214,607	-	234,607
A05	Administration of Homeless Service	175,569,300	148,979,762	468,377	7,712,408	157,160,546
A06	Support to Housing Capital & Affordable Prog.	29,409,874	13,584,479	263,320	-	13,847,799
A07	RAS Programme	45,753,943	41,813,789	3,061,010	-	44,874,800
A08	Housing Loans	10,841,094	141,323	6,878,094	-	7,019,416
A09	Housing Grants	12,418,243	6,850,734	-	-	6,850,734
A11	Agency & Recoupable Services	10,613	-	2,330,697	-	2,330,697
A12	HAP Programme	14,937,806	13,713,787	-	-	13,713,787
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		401,502,731	226,702,359	104,204,959	7,712,408	338,619,726
Less Transfers to/from Reserves		23,946,427		466,316		466,316
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		377,556,305		103,738,643		338,153,410

APPENDIX 2

**SERVICE DIVISION B
ROAD TRANSPORTATION and SAFETY**

		EXPENDITURE	INCOME			
DIVISION		TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
B01	NP Road - Maintenance and Improvement	-	-	-	-	-
B02	NS Road - Maintenance and Improvement	-	-	-	-	-
B03	Regional Road - Maintenance and Improvement	10,106,503	-	-	-	-
B04	Local Road - Maintenance and Improvement	40,632,974	5,780,600	1,308,263	-	7,088,863
B05	Public Lighting	10,455,250	-	55,233	-	55,233
B06	Traffic Management Improvement	30,502,902	292,379	11,497,608	361,413	12,151,400
B07	Road Safety Engineering Improvement	-	-	-	-	-
B08	Road Safety Promotion/Education	4,003,830	31,700	1,999	-	33,699
B09	Maintenance & Management of Car Parking	13,810,596	-	35,466,901	-	35,466,901
B10	Support to Roads Capital Prog.	3,832,791	5,668	12,272	-	17,940
B11	Agency & Recoupable Services	1,578,630	283,751	1,364,177	(6,000)	1,641,928
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		114,923,477	6,394,099	49,706,453	355,413	56,455,965
Less Transfers to/from Reserves		5,021,472		12,272		12,272
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		109,902,006		49,694,181		56,443,693

**APPENDIX 2
SERVICE DIVISION C
WATER SERVICES**

		EXPENDITURE	INCOME			
DIVISION		TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
C01	Operation and Maintenance of Water Supply	28,527,203	1,724,574	26,823,225	-	28,547,798
C02	Operation and Maintenance of Waste Water Treatment	11,320,623	-	11,320,623	-	11,320,623
C03	Collection of Water and Waste Water Charges	-	-	-	-	-
C04	Operation and Maintenance of Public Conveniences	286,207	-	1,770	-	1,770
C05	Admin of Group and Private Installations	-	-	-	-	-
C06	Support to Water Capital Programme	-	-	-	-	-
C07	Agency & Recoupable Services	3,586,374	-	3,117,048	280,565	3,397,614
C08	Local Authority Water and Sanitary Services	12,503,148	1,800	227,691	-	229,491
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		56,223,555	1,726,374	41,490,357	280,565	43,497,296
Less Transfers to/from Reserves		2,371,912		-		-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		53,851,643		41,490,357		43,497,296

APPENDIX 2

**SERVICE DIVISION D
DEVELOPMENT MANAGEMENT**

		EXPENDITURE	INCOME			
DIVISION		TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
D01	Forward Planning	5,831,310	-	95,393	-	95,393
D02	Development Management	8,593,031	60,000	3,084,189	1,500	3,145,689
D03	Enforcement	2,453,838	80,062	142,282	-	222,344
D04	Op & Mtce of Industrial Sites & Commercial Facilities	11,181,914	-	5,165,559	585,492	5,751,051
D05	Tourism Development and Promotion	60,801	-	-	-	-
D06	Community and Enterprise Function	8,514,285	5,951,599	148,117	-	6,099,716
D07	Unfinished Housing Estates	-	-	-	-	-
D08	Building Control	3,544,454	-	1,205,982	1,600,000	2,805,982
D09	Economic Development and Promotion	6,141,481	2,287,869	105,656	198,000	2,591,526
D10	Property Management	287,580	-	391,788	-	391,788
D11	Heritage and Conservation Services	2,934,973	512,000	234,202	-	746,202
D12	Agency & Recoupable Services	(5,197)	-	542,206	-	542,206
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		49,538,469	8,891,530	11,115,374	2,384,992	22,391,897
Less Transfers to/from Reserves		1,887,894		302,000		302,000
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		47,650,575		10,813,374		22,089,897

**APPENDIX 2
SERVICE DIVISION E
ENVIRONMENTAL SERVICES**

		EXPENDITURE	INCOME			
DIVISION		TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
E01	Operation, Maintenance and Aftercare of Landfill	1,436,428	-	-	35,964	35,964
E02	Op & Mtce of Recovery & Recycling Facilities	4,081,060	30,852	1,309,249	-	1,340,101
E03	Op & Mtce of Waste to Energy Facilities	-	-	-	-	-
E04	Provision of Waste to Collection Services	1,781,836	-	(8,308)	-	(8,308)
E05	Litter Management	4,520,618	90,746	52,548	-	143,294
E06	Street Cleaning	43,935,362	-	374,873	-	374,873
E07	Waste Regulations, Monitoring and Enforcement	5,828,039	990,950	5,175,296	172,055	6,338,301
E08	Waste Management Planning	1,376,607	758,902	116,532	281,612	1,157,046
E09	Maintenance and Upkeep of Burial Grounds	4,480	-	2,411	-	2,411
E10	Safety of Structures and Places	3,856,818	429,267	2,667,997	463,859	3,561,123
E11	Operation of Fire Service	129,029,489	7,094,216	14,210,713	59,066,812	80,371,741
E12	Fire Prevention	3,252,129	14,145	-	-	14,145
E13	Water Quality, Air and Noise Pollution	968,080	1,895	1,770	8,800	12,465
E14	Agency & Recoupable Services	1,293,755	-	1,257,426	-	1,257,426
E15	Climate Change and Flooding	842,774	706,798	100,000	24,435	831,232
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		202,207,476	10,117,771	25,260,507	60,053,536	95,431,814
Less Transfers to/from Reserves		4,452,009		715,004		715,004
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		197,755,467		24,545,503		94,716,810

APPENDIX 2

**SERVICE DIVISION F
RECREATION and AMENITY**

		EXPENDITURE	INCOME			
DIVISION		TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
F01	Operation and Maintenance of Leisure Facilities	10,854,013	19,492	3,210,136	-	3,229,628
F02	Operation of Library and Archival Service	25,919,651	661,589	472,880	42,398	1,176,867
F03	Op, Mtce & Imp of Outdoor Leisure Areas	25,466,611	3,650	1,202,754	72,000	1,278,404
F04	Community Sport and Recreational Development	20,555,923	3,636,713	2,211,687	-	5,848,400
F05	Operation of Arts Programme	17,612,678	240,600	1,738,580	-	1,979,180
F06	Agency & Recoupable Services	-	-	1,549,160	-	1,549,160
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		100,408,877	4,562,044	10,385,197	114,398	15,061,639
Less Transfers to/from Reserves		2,906,729		428,535		428,535
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		97,502,148		9,956,662		14,633,104

APPENDIX 2
SERVICE DIVISION G
AGRICULTURE, EDUCATION, HEALTH and WELFARE

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
		€	€	€	€	€
G01	Land Drainage Costs	-	-	-	-	-
G02	Operation and Maintenance of Piers and Harbours	-	-	-	-	-
G03	Coastal Protection	-	-	-	-	-
G04	Veterinary Service	704,794	30,725	256,368	-	287,093
G05	Educational Support Services	1,076,046	399,171	-	-	399,171
G06	Agency & Recoupable Services	-	-	-	-	-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		1,780,840	429,896	256,368	-	686,264
Less Transfers to/from Reserves		-		-		-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		1,780,840		256,368		686,264

APPENDIX 2
SERVICE DIVISION H
MISCELLANEOUS SERVICES

		EXPENDITURE	INCOME			
DIVISION		TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
H01	Profit/Loss Machinery Account	-	-	-	-	-
H02	Profit/Loss Stores Account	-	-	-	-	-
H03	Adminstration of Rates	26,031,006	14,421,635	1,519,319	-	15,940,954
H04	Franchise Costs	1,268,454	-	726,493	-	726,493
H05	Operation of Morgue and Coroner Expenses	128,386	62,683	-	22,982	85,664
H06	Weighbridges	-	-	-	-	-
H07	Operation of Markets and Casual Trading	1,126,313	-	415,204	-	415,204
H08	Malicious Damage	9,071	6,725	-	-	6,725
H09	Local Representation/Civic Leadership	6,014,675	-	300,594	-	300,594
H10	Motor Taxation	5,652,416	-	-	-	-
H11	Agency & Recoupable Services	9,107,988	18,385,470	8,567,883	95,131	27,048,483
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		49,338,309	32,876,512	11,529,493	118,113	44,524,117
Less Transfers to/from Reserves		12,262,314		1,485,392		1,485,392
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		37,075,995		10,044,101		43,038,725
TOTAL ALL DIVISIONS		923,074,979	291,700,584	250,539,190	71,019,425	613,259,199

APPENDIX 3

ANALYSIS OF INCOME FROM GRANTS AND SUBSIDIES

	2019 €	2018 €
Department of Housing, Planning and Local Government		
Housing Grants & Subsidies	226,506,000	189,799,674
Local Improvement Schemes	-	-
Road Grants	5,780,600	5,780,600
Water Services Group Schemes	1,726,374	1,726,374
Environmental Protection/Conservation Grants	6,960,378	5,922,715
Library Services	-	156,750
Urban and Village Renewal Schemes	840,139	1,246,749
Miscellaneous	28,748,801	26,165,632
	270,562,292	230,798,493
Other Departments and Bodies		
Road Grants	581,798	743,336
Local Enterprise Office	2,065,861	1,843,013
Community Employment Schemes	-	-
Civil Defence	429,267	409,891
Higher Education Grants	-	-
Miscellaneous	18,061,366	13,811,332
	21,138,292	16,807,572
Total	291,700,584	247,606,065

APPENDIX 4

ANALYSIS OF INCOME FROM GOODS AND SERVICES

	2019 €	2018 €
Rents from Houses	93,271,252	87,271,529
Housing Loans Interest & Charges	6,864,558	6,528,502
Domestic Water	-	-
Commercial Water	-	-
Irish Water	40,105,115	41,631,500
Domestic Refuse	81,379	75,900
Commercial Refuse	5,888,667	5,072,641
Domestic Sewerage	-	-
Commercial Sewerage	-	-
Planning Fees	4,420,155	3,844,488
Parking Fines/Charges	41,052,656	38,636,647
Recreation & Amenity Activities	8,561,343	8,828,171
Library Fees/Fines	3,564	86,930
Agency Services	9,182,000	9,182,000
Pension Contributions	11,072,794	11,419,504
Property Rental & Leasing of Land	6,361,790	6,252,181
Landfill Charges	-	-
Fire Charges	2,586,014	2,602,959
NPPR	6,330,903	6,774,750
Misc. (Detail)	14,756,999	23,106,982
	250,539,190	251,314,684

APPENDIX 5

SUMMARY OF CAPITAL EXPENDITURE AND INCOME

	2019	2018
	€	€
EXPENDITURE		
Payment to Contractors	181,521,918	150,205,134
Purchase of Land	1,175,679	3,852,677
Purchase of Other Assets/Equipment	133,410,701	114,510,870
Professional & Consultancy Fees	13,949,551	15,499,884
Other	100,691,564	100,845,519
Total Expenditure (Net of Internal Transfers)	430,749,414	384,914,083
Transfers to Revenue	3,409,519	1,128,770
Total Expenditure (Incl Transfers) *	434,158,933	386,042,854
INCOME		
Grants and LPT	292,848,443	290,981,601
Non - Mortgage Loans	30,475,770	157,423
Other Income		
(a) Development Contributions	45,336,912	40,909,196
(b) Property Disposals		
- Land	6,847,555	2,584,826
- LA Housing	4,218,789	4,850,581
- Other property	22,671,687	-
(c) Purchase Tenant Annuities	612,785	938,887
(d) Car Parking	6,033,124	5,977,507
(e) Other	22,665,432	54,544,221
Total Income (Net of Internal Transfers)	431,710,498	400,944,243
Transfers from Revenue	40,813,449	37,452,371
Total Income (Incl Transfers) *	472,523,947	438,396,613
Surplus\Deficit) for year	38,365,014	52,353,760
Balance (Debit)\Credit @ 1 January	83,373,185	31,019,425
Balance (Debit)\Credit @ 31 December	121,738,199	83,373,185

* Excludes internal transfers, includes transfers to and from Revenue account

APPENDIX 6
ANALYSIS OF EXPENDITURE AND INCOME ON CAPITAL ACCOUNT

	BALANCE @	EXPENDITURE	INCOME				TRANSFERS			BALANCE @
	1/1/2019		Grants and LPT	Non-Mortgage Loans*	Other	Total Income	Transfer from Revenue	Transfer to Revenue	Internal Transfers	31/12/2019
	€	€	€	€	€	€	€	€	€	€
Housing & Building	(59,145,680)	329,779,055	270,201,021	30,475,770	37,817,827	338,494,618	13,459,020	428,127	455,057	(36,944,167)
Road Transportation & Safety	37,873,388	33,204,961	17,053,871	-	7,312,408	24,366,279	5,075,412	209,221	-	33,900,897
Water Services	5,275,370	2,577,244	588,467	-	2,013,920	2,602,387	49,000	-	-	5,349,513
Development Management	68,838,221	10,348,482	275,446	-	38,288,842	38,564,288	1,947,708	127,000	(1,449,534)	97,425,201
Environmental Services	(17,417,124)	8,411,465	737,594	-	7,420,559	8,158,153	4,858,725	80,004	251,430	(12,640,285)
Recreation & Amenity	9,164,259	20,112,709	2,955,947	-	15,327,586	18,283,533	4,249,613	865,810	720,053	11,438,939
Agriculture, Education, Health & Welfare	-	-	-	-	-	-	-	-	-	-
Miscellaneous Services	38,784,751	26,315,498	1,036,097	-	205,143	1,241,240	11,173,971	1,699,357	22,994	23,208,101
TOTAL	83,373,185	430,749,414	292,848,443	30,475,770	108,386,285	431,710,498	40,813,449	3,409,519	-	121,738,199

Note: Mortgage-related transactions are excluded

APPENDIX 7

Summary of Major Revenue Collections for 2019

A Debtor type	B Incoming arrears @ 1/1/2019	C Accrued - current year debit (Gross)	D Vacant property adjustments	E Write offs	F Waivers	G Total for collection =(B+C-D-E-F)	H Amount collected	I Closing arrears @ 31/12/2019 = (G-H)	J Specific doubtful arrears*	K % Collected = (H)/(G-J)
	€	€	€	€	€	€	€	€	€	
Rates	27,761,895	338,299,503	7,559,908	15,349,723	-	343,151,767	320,093,620	23,058,147	2,036,003	94%
Rents & Annuities	27,830,725	92,067,554	-	1,061,190	-	118,837,089	87,263,690	31,573,399	-	73%
Housing Loans	9,071,074	19,281,079	-	-	-	28,352,153	21,160,708	7,191,446	-	75%

*Specific doubtful arrears = (i) Vacancy applications pending/criteria not met & (ii) Accounts in examinership/receivership/liquidation and no communication regarding likely outcome

APPENDIX 8

INTEREST OF LOCAL AUTHORITY IN COMPANIES AND JOINT VENTURES

Where a local authority as a corporate body or its members or officers, by virtue of their office, have an interest in a company (controlled, jointly controlled and associated), the following disclosures should be made for each entity:

Name of Company or Entity	Voting Power %	Classification: Subsidiary / Associate / Joint Venture	Total Assets	Total Liabilities	Revenue Income	Revenue Expenditure	Cumulative Surplus/Deficit	Currently Consolidated Y / N	Date of Financial Statements
Ballymun Regeneration Limited	100%	Subsidiary	-	-	-	-	-	Y	31/12/2019
Poppintree Neighbour Centre Management Company Limited	6%	Associate	55,845	3,066	55,363	56,094	(5,030)	N	31/12/2019
Coultry Neighbourhood Centre Management Company Limited	12%	Associate	50,658	3,505	44,922	45,708	6,153	N	31/12/2019
Shangan Neighbourhood Centre Management Company Limited	43%	Associate	43,293	11,919	53,715	63,296	(19,096)	N	31/12/2019
Forestwood Management Company Limited	67%	Subsidiary	11,461	13,960	20,321	39,357	(22,629)	N	31/05/2019
City of Dublin Energy Management Agency (CODEMA) Limited	60%	Subsidiary	532,632	272,361	2,969,657	2,928,692	260,144	N	31/12/2019
Hugh Lane Gallery Trust Limited	100%	Subsidiary	2,354	2,354	-	-	-	Y	31/12/2017
Temple Bar Cultural Trust Limited	100%	Subsidiary	51,923,368	31,365,131	999,905	915,365	8,744,691	N	31/12/2018
Fishamble Music Limited	100%	Subsidiary	1,270,555	316,667	25,786	42,790	(151,922)	N	31/12/2018
Irish Film Centre Development Limited	100%	Subsidiary	176,493	176,490	56,492	56,492	-	N	31/12/2018
Dublin City Sports and Leisure Services Limited	100%	Subsidiary	2,840,210	387,219	2,609,397	2,395,692	2,384,991	N	31/12/2019
Parnell Square Foundation Limited	50%	Subsidiary	27,746	7,527	1,000,000	1,109,113	20,219	N	31/12/2018
PSQ Development Ltd	50%	Subsidiary	3,584,026	3,621,646	-	21,116	(37,621)	N	31/12/2018
The Ringsend Toll Bridge Designated Activity Company	100%	Subsidiary	2,468,000	1,274,000	2,821,000	2,521,000	1,192,000	N	31/12/2019
Plato Dublin Business Support Limited	33%	Joint Venture	17,063	16,897	149,425	149,259	166	N	31/12/2019
Dublin Enterprise & Technology Centre CLG	11%	Associate	5,018,349	3,003,861	1,478,328	1,362,149	1,206,760	N	31/12/2018
Dublin City Council Culture Company CLG	100%	Subsidiary	182,881	120,069	1,623,002	1,564,727	62,812	N	31/12/2019

Glossary of Terms

Accruals (Matching)

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure that adds to and not merely maintains the value of an existing fixed asset.

Community Assets

Assets that the local authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Contingency

A condition which exists at the balance sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

Corporate and Democratic Services

The corporate and democratic services comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

Deferred Charges

Expenditure which may properly be deferred, but which does not result in, or remain matched with, tangible assets. Examples of deferred charges are expenditure on items such as preliminary expenses on proposed capital schemes.

Depreciation

The measure of the wearing out, consumption, or other

reduction in the useful economic life of a fixed asset, whether arising from use, effluxion of time or obsolescence through technological or other changes.

Exceptional Items

Material items which arise from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts. Example - redundancies, uninsured damage, uninsured structural failure of operational buildings, deficits arising on the settlement of uninsured claims, cost of industrial action and losses on investments.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

Fixed Assets

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

Going Concern

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

Infrastructure Assets

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Investments

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments which do not meet the above criteria should be classified as current assets.

Investment Properties

Interest in land and/or buildings:

(a) in respect of which construction work and development have been completed; and

(b) which is held for its investment potential, any rental income being negotiated at arm's length.

Long-Term Contracts

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be

accounted for as long-term contracts if they are sufficiently material to the activity of the period.

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation. Current value can be either "net current replacement cost" or "net realisable value".

Net Current Replacement Cost

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non-Operational Assets

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Operating Leases

A lease other than a finance lease.

Operational Assets

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Post Balance Sheet Events

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the AFS is

signed by the responsible financial officer.

Prior Year Adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors.

Prudence

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

Stocks

Comprise the following categories:

- (a) goods or other assets purchased for resale;
- (b) consumable stores;
- (c) raw materials and components purchased for incorporation into products for sale;

Useful Life

The period over which the local authority will derive benefits from the use of a fixed asset.



Rialtas na hÉireann
Government of Ireland

LOCAL GOVERNMENT AUDIT SERVICE

Statutory Audit Report

to the

Members of Dublin City Council

for the

Year Ended 31 December 2019

Department of Housing, Local Government and Heritage

housing.gov.ie

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AUDITOR'S REPORT TO THE MEMBERS OF DUBLIN CITY COUNCIL

1 Introduction

I have audited the Annual Financial Statement (AFS) of Dublin City Council for the year ended 31 December 2019, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Funds Flow Statement and notes to and forming part of the accounts. The financial reporting framework that has been applied in its preparation is the Code of Practice and Accounting Regulations for Local Authorities, as prescribed by the Minister for Housing, Local Government and Heritage.

My main statutory responsibility, following completion of the audit work, is to express my independent audit opinion on the AFS of the Council, as to whether it presents fairly the financial position at 31 December 2019 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 8 of the AFS.

The Council is by law, responsible for the maintenance of all accounting records including the preparation of the AFS. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion. I conducted my audit in accordance with the Code of Audit Practice. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the AFS. It also includes an assessment of the significant estimates and judgments made by the Council's management in the preparation of the AFS, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations, which I considered necessary to provide sufficient evidence to give reasonable assurance that the financial statement is free from material misstatement, whether caused by fraud or error.

This report is prepared in accordance with Section 120(1) (c) of the Local Government Act, 2001 and should be read in conjunction with the audited AFS.

2 Non – adjusting post balance sheet event – COVID-19

In accordance with Circular Fin 05/2020, the local authority has included a note in their Annual Financial Statements (see note 23) in relation to COVID-19. This note refers to the impact of COVID-19, a non-adjusting post balance sheet event, and describes the uncertainty faced by the local authority as a result.

Whilst my opinion is not qualified as a result of the uncertainty, I have included an Emphasis of Matter paragraph.

The COVID-19 outbreak and the emergency measures taken to mitigate it have had a significant impact on the finances of local authorities in 2020. This has resulted in a reduction in, and uncertainty of, various income sources.

Chief Executive's Response

The challenges posed by the COVID-19 outbreak in March 2020 has resulted in a reduction in income for the Council along with an increase in expenditure on measures necessary for service provision during the pandemic. While income has been reduced, it has not impacted on our ability to continue delivering services. The preparation of the 2020 revised budget and the 2021 draft budget has taken into account all factors associated with COVID-19. The budget is framed to ensure key service delivery in 2021 having regard to written assurances from

Government around 2021 non-rates income and additional COVID related expenditure.

3 Financial Standing

3.1 Statement of Comprehensive Income

The Council recorded a surplus of €2.1m in 2019 (2018, (€1.69m) deficit), showing an improvement of €3.8m in last year's deficit. This figure is after net transfers to reserves of €49.4m in 2019 (2018, €49.3m) an increase of €0.1m on last year's figures.

The main variances between the adopted budget and the AFS are reflected in Note 16 of the AFS. The variances were approved by the members at their meeting on the 11 May 2020, pursuant to S104 of the Local Government Act, 2001.

3.2 Government Debtors

Note 5 to the AFS states Dublin City Council's gross debtors at €360.8m. Government debtors are stated at €197.2m (2018; €148.2m) in the 2019 AFS, showing an increase year on year of 33%. The debtors' figures comprise of debtors of €109.4m and accruals of €87.8m. The figure for debtors is the amount owing at year-end while the figure for accruals represent amounts for work not yet claimed but accrued for year 2019.

Chief Executive's Response

The Council proactively deal with the Department of Housing, Local Government and Heritage to secure payment of claims outstanding. Following a number of meeting in early 2020 the government debtor figure was reduced by €50m to €147m at the end of March 2020. It is a priority for the Council to secure funding for all monies expended.

4 Income Collection

4.1 Summary of Income Collection

A summary of the revenue collections are as follows

Income	Yield			Debtors		
	2019	2018	2017	2019	2018	2017
	%	%	%	€m	€m	€m
Rates	94	92	91	23.0	27.7	32.4
Rents & Annuities	73	76	76	31.5	27.8	26.2
Housing Loans	75	69	66	7.2	9.1	10.8

4.2 Rates

The rates collection yield shows a further improvement of 2% reflecting a reduction in the arrears figure from €27.7m in 2018 to €23m in 2019. The cash collected increased by

€13.4m in the year. The following table shows an aged analysis of the arrears as at year-end 2019.

Arrears Rates	2019 €11m	2018 €4.6m	2017 €2.7m	2016 €1.8m	2015 €1.1m	Pre2015 €1.8m
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In July 2020, a review of the arrears outstanding at 31 December 2019 was undertaken to ascertain the level of debt which had been collected since the year-end, and showed that €19.1m (83%) relating to 2019 debtors remained outstanding.

A bad debt provision of €20.75m representing 90% of net debtors is in place.

Chief Executive's Response

Commercial rates account for 35% of revenue income in 2019 and is a critical source of funding for revenue services. This year has seen a continued improvement in the collection rate from 92% to 94% due to the diligent and proactive work of the Rates Office staff in maximising the collection and actively managing the arrears.

4.3 Rents & Annuities

The arrears figure has increased from €27.8m to €31.5m (increase of €3.7m) and a reduced yield of 3% in 2019. This increase in arrears is significant, given the size of the current arrears, the number of accounts in arrears and the change in court proceedings.

The audit has highlighted the following weaknesses:

- Rent arrears are increasing significantly and presents a financial risk for Dublin City Council. The actions taken on arrears do not appear effective.
- Of the twenty six thousand rental accounts held by the Council, circa eighteen thousand (69%) of these are in arrears at year-end.
- A detailed analysis of rent arrears is required and strategies identified as to how to address this continuing deterioration.
- A delay in the assessments has given rise to large retrospective debits being added to tenant accounts. The real possibility of collecting these additional arrears on top of existing arrears given the current weaknesses is challenging.
- More effective and agile reports are required to inform, monitor and provide clear succinct analysis for all users.

This area requires significant work to prevent further decline and financial risk.

Chief Executive's Response

General social housing stock owned by Dublin City Council, accounts for 24,800 rented properties and there are approximately 60% of the accounts in arrears. Of the accounts in arrears 57% have arrears under €500 and we have put in place early intervention measures to address these:

- New arrangements for signings so that tenants are not automatically starting in arrears. Tenants will be notified to bring 2 week' rent in advance.
- The tenancy agreement is being revised to provide for household budget and direct debit at the commencement of tenancy.

- We are developing a first missed debit text alert.

We have significant challenges in recovering the accrued arrears and we will monitor the outcome of each intervention to determine its effect.

- Housing Finance will undertake an aged debt analysis to assist us in setting up realistic recovery targets.
- Maintenance and allocations sections will work closely with rents to support the arrears recovery process and to redirect tenants to the rent section until the Executive Housing Officer (EHO) is satisfied there is meaningful engagement or in the case of transfers, zero arrears on the account.
- It has not been possible for us to achieve substantial legal enforcement given court arrangements for 2020. Nonetheless the files are prepared and we will take court proceedings to seek Possession Orders for serious arrears cases where DCC is satisfied that there are no circumstances *outside the control of the household which prevent the repayment of arrears*.
- The new Local Authority Verification Application(LAVA) has been developed in conjunction with the Department of Employment Affairs and Social Protection. This application provides DCC with access to full income details of an individual tenants. To date, the completion of an accurate rent assessment relied on the tenant providing evidence of changes in their household income. Direct access to household income will eliminate the need to apply assumed income (and substantial retrospective debits) in most cases. A review of all accounts with assumed incomes applied will take place in the first half of 2021, resulting in a more accurate determination of the rent charge and arrears.

The upgraded housing management system is scheduled for implementation and we will develop alerts across all platforms to ensure arrears are highlighted with social housing tenants at the point of contact, irrespective of department.

4.4 Loans

The collection yield for housing loans has increased from 69% in 2018 to 75% in 2019, representing a significant net improvement of 6% year on year. This increase is reflective of the implementation of the MARP process, Mortgage to Rent policy and Shared Ownership loans restructure program.

Thirty-six Shared Ownership loans were restructured and one hundred and ninety one Rebuilding Ireland loans were advanced in 2019. The increase in percentage yield is acknowledged.

4.5 Bad Debts Provision

The bad debt provision for trade debtors comprise of 16 account codes, which total €114m in 2019. Included in this figure are account code provisions for rates of €20.75m, loans of €7m and rents of €21.9m representing 90%, 97% and 69% respectively of their respective net debtors.

From the review carried out at audit, the provision for doubtful debts is satisfactory. However, it is recommended that several of the account codes would benefit from a more systematic process in determining an appropriate provision for doubtful debts each year. Consequently, management should prioritise the implementation of such a process as part of the AFS 2020 work programme.

Chief Executive's Response

A detailed review of our bad debt provision is carried out both centrally and at local level each year. The budget process also looks at the budgetary requirement around correct provisioning. As part of the preparation of the AFS 2020 the account codes will be further reviewed.

5 Transfer of Water and Waste Water Functions to Irish Water

5.1 Transfer to Irish Water

Several meetings were held in 2019 with Irish Water regarding thirty-five over-ground assets which are still yet to be transferred. These were at various stages of assessment. All of these assets required registration with the PRAI or the resolution of a third party. Some of these also included lands registered with some of the other Dublin local authorities. This was further complicated by the retirement of the solicitor handling these cases in 2020. However, a new senior executive solicitor was appointed in October 2020 and work has resumed on completing the land registration process.

6 Fixed Asset Housing Register

The Fixed Asset Register for housing stock does not reconcile to the figures in the AFS. Over the last three years, substantial data cleansing has been undertaken in the OHMS database to ensure that the figures reflect the current housing stock on hand. This cleansing exercise has identified differences relating to asset inaccuracies, duplications and properties that were demolished among other items that should have been updated on the Fixed Asset Register. This exercise is in its final stage of cleansing and has resulted in a significant cumulative difference of circa €263m being estimated. A provision for this amount has been included under Revaluations in Note 1 to the AFS.

Chief Executive's Response

Dublin City Council's Housing Department have carried out extensive work in reviewing data held on OHMS in respect of housing fixed assets. It is accepted that through various issues such as duplicate entries, demolished housing units etc. the value of housing fixed assets held on OHMS required a full review so as to correct historical errors. The working group established to address this matter has made substantial progress. However it is not yet possible to definitively conclude the issue as the unit stock valuation details and the financial validation process has not yet been completed. In order to ensure that our accounts accurately reflect the value of Fixed Assets, a provision of €263m has been made against the Revaluation Reserve in the AFS 2019. This provision should account for the majority of the adjustment required. When the process is complete, and if further adjustments are required they will be made in the 2020 AFS. Dublin City Council has worked closely with the Local Government Auditor in reaching what will be a successful conclusion on this matter. Dublin City Council wishes to acknowledge the diligent work of the Local Government Auditor on this matter.

7 Loans Payable

7.1 Affordable Housing

There are three hundred and thirty-four housing units originally acquired for resale under the affordable housing scheme. The Council's Affordable housing loans are recorded in Note 7 to the AFS at a figure of €73.8m (2018, €73.8m). These loans were due to mature in 2018, but now been rolled over for a further three years to June 2021 with the agreement of the Department.

8 Development Contributions

Considerable work is required in this area to ensure that all figures recorded in APAS financials are reflected correctly and in accordance with the conditions outlined in the planning permissions granted.

The Oracle system for debtors needs to identify the amounts due, paid and outstanding so that a full reconciliation is possible between the financial management system, debtors control system, APAS financials and the conditions of all planning permissions granted. This ensures that levies are correctly calculated, collected and monitored closely.

Chief Executive's Response

Reconciliation between APAS Financials and Oracle debtors is currently completed manually as an IT solution between both systems was not identified. The conditions of planning permissions show a different amount due than APAS Financials where indexation or a new scheme changes development contribution rates or where there is only a partial activation of a granted permission. Since last year's annual audit, changes in procedure in decisions for calculation and recalculation of levies and in contributions for indexation require 2 people to sign off.

Going forward, where there has been a change in indexation, a new scheme or partial activation of a planning permission in order to ensure all figures recorded in APAS Financials are correctly calculated and reflect the planning permission granted and activated, a new contributions sheet will be prepared by staff and will then be checked by the Administrative Officer. This sheet will be retained on Anite with all the planning permission documentation. Furthermore, a hard copy will be retained on the contributions file.

The manual reconciliation between APAS Financials and the Oracle suite which was completed in December 2019 will again take place before year end. Discussions will recommence with the Finance Department with a view to seeking an IT solution for this reconciliation. The weekly and quarterly Building Control Management System (BCMS) review and check will continue in order to ensure that planning permissions for which commencement notices for construction have been submitted, are checked for development contribution requirements. The generation of reports on expired permissions will also continue so that inspections can continue to ensure any developments that have failed to submit commencement notices are billed for contributions where applicable.

This office is fully committed to ensuring robust processes for the raising, collection and monitoring of development contributions and will continue to direct resources to ensuring maximum collection and accuracy. Securing and maintaining sufficient resources has been a challenge for a considerable time and efforts are continuing to ensure both Contributions and Decisions Sections are prioritised for resource allocation.

9 Dublin Fire Brigade Time and Attendance

The current records for Dublin Fire Brigade system for time and attendance lack clarity and are not effective in the control of this area. There are a number of spreadsheets, databases and stand-alone software systems that do not interface with each other, are complex and inefficient. They are subject to extensive manual intervention, human error, and do not provide a clear picture of the hours worked, leave entitlement and rotas among other important requirements. The current system is resource intensive and does not lend itself to analysis easily. This area represents a control issue for the Council and needs to be prioritised.

Chief Executive's Response

Dublin Fire Brigade have a time and attendance system called Rollcall that was a customised version of Optimum built for Dublin Fire Brigade a number of years ago. There is some functionality for recording leave within Rollcall but it does not provide the functionality to apply and approve leave, allocate leave in blocks, calculate entitlements, manning levels etc. hence there is a number of spreadsheets in use to record such information. A requirement for a fully integrated time and attendance, rostering and leave system has been identified and Dublin Fire Brigade have been working on a definition of the system requirements as well as the setting up of workshops to streamline the business processes with the intention of going to tender for a new system. This proposal was delayed due to COVID-19.

There is also a requirement to replace the mobi-dialer system, which is used to contact and allocate staff for overtime. Definition of requirements of the new mobi-dialer system is complete, however, ideally a custom built solution would be built on a new rostering system which would allow overtime staffing levels to be calculated, contacted and recorded on one system. Implementation of such a system is dependent on industrial relations negotiations.

Dublin Fire Brigade operates a Minimum Manning Level (Historical) that allows for staffing levels in Operations and in the East Region Communications Centre (ERCC). Dublin Fire Brigade/Dublin City Council management have been in negotiations with Trade Unions since 2019 on revised manning levels and on a Staff Restructuring Model for the ERCC. Dublin Fire Brigade has become reliant on overtime particularly in the ERCC, pending agreement being reached on these proposals. These issues were referred to the Work Relations Commission (WRC) and subsequently Dublin City Council/Dublin Fire Brigade requested both of the above issues be referred to the Labour Court for a binding decision.

The WRC responded with a request to hold a further conciliation conference which is due to be held on the 4th November, 2020.

10 Capital Account

10.1 Capital Account Overview

In 2019, the Council recorded a credit balance of €121.7m on the capital account, representing an increase of €38.4m on last year's figure of €83.3m. This increase is mainly comprised of capital expenditure of €430.7m and income of €469.1m including net transfers of €37.4m.

The significant improvement in the closing balance in 2019 is mainly attributed to:

- Development contribution receipts
- East Link Toll
- Reserves

10.2 Capital Account Debit Balances

There are 220 job codes in the capital account with debit balances totalling €160.3m. Of these, there are 58 job codes totalling €54.7m where no movement in balances has been identified for a number years. The following table displays the total debit balances by departments.

Department	Amount
Housing	€72.1m
Development Management	€48.1m
Environmental Services	€24.6m
Miscellaneous	€15.5m

Of the above departments, the following jobs represent some of the larger outstanding debit balances where no movement is evident.

- Land Acquisition Loan Redemptions €29.3m
- Dublin District Heating Project €10.9m

10.3 Land Acquisition Loan Redemptions Debit Balances

The debit balance of €29.3m represents HFA loan redemptions where no corresponding income existed in the capital account. This figure forms part of the 58 jobs totalling €54.7m with outstanding debit balances showing no movement or indication that they are being addressed. It is recommended that where no source of funding is identified, arrangements be put in place to reduce this debit balance over a planned period of time.

Chief Executive's Response

The debit balance of €29.3m relates to the purchase of land. Part of the land was included in a bundle of PPP and in 2020 €6.3m was received from the Department of Housing, Local Government and Heritage as a contribution to the cost of the land used. This has reduced the debit balance on the cost centre to €23m. As the land is developed / sold, the proceeds will be used to reduce the debit balance.

10.4 Dublin District Heating Project

This expenditure relates to phase 1 of the Dublin District Heating Project. The capital account has an overall debit balance of €10.9m, which is primarily associated with the delivery of district heating infrastructure within the North and Grand Canal Dock SDZ. Dublin City Council are currently finalising a commercial delivery model for the development of district heating, within the North and Grand Canal Dock SDZ. It is recommended that funding be sourced for this project.

Chief Executive's Response

Dublin City Council has secured grant funding from the Climate Action Fund of up to €20m from the Department of Environment, Climate and Communication (formerly the Department of Communication, Climate Action and Environment). It is planned that Dublin City Council will achieve an appropriate return for any investment in the District Heating Network, which will allow for the funding of the previous investment undertaken as part of Phase 1 of the Dublin District Heating Project.

11 Dublin Docklands Development Authority

In 2016, the Dublin Docklands Development Authority (DDDA) was dissolved, pursuant to the Docklands Development Authority (Dissolution) Act 2015. Net Assets were brought into Dublin City Council's accounts in 2017. A number of provisions were put in place for certain legacy issues that remain outstanding.

The issue of DDDA pensions is still under review with a decision pending. Consequently, these pensions are not included in the AFS.

Chief Executive's Response

The Docklands Office continues to work on bringing the remaining legacy issues of the DDDA to a satisfactory conclusion, however, many of these items involve complex legal issues that have taken longer than expected to resolve. It is anticipated that further progress will be made during 2020 and that any outstanding items at the end of 2020 will involve litigations that are before the courts.

The future of the DDDA pensions has been raised with the Department of Housing, Local Government and Heritage. These discussions will continue until a satisfactory outcome is reached.

12 Local Authority Companies

12.1 Local Authority Companies

Appendix 8 to the AFS records the local authority's interest in seventeen companies and joint ventures. The table shows the percentage control exercised by the Council, whether or not the transactions are included in the Council's AFS and brief financial details of each company. Ballymun Regeneration Limited and Hugh Lane Gallery Trust are the only two companies consolidated in the Council's AFS.

At the time of audit, only two of the seventeen companies' financial statements for year ended 2019 were available for review, one being dated 2017 with the remaining fourteen accounts dated 2018. It is important that local authority controlled companies identified in Appendix 8 present financial statements for the year under audit to ensure that all risks are identified and mitigated if applicable.

Chief Executive's Response

Every effort is made to ensure that all accounts are received within the statutory deadline for filing of accounts with the Company's Office. It is difficult for our companies to have their

accounts available for the Local Government Audit timeframe, which is earlier than the CRO filing date.

12.2 Temple Bar Cultural Trust Designated Activity Company (TBCTDAC)

While a decision was made to dissolve the company in 2013 and transfer it into Dublin City Council's ownership, this process has not yet begun. The commencement of this transfer is subject to the approval of the Planning and Development (No.2) Bill and a commencement order. The company acts as property and cultural managers of the Temple Bar district; it owns and manages buildings and public spaces for both commercial use and for the arts. The company also provides cultural services in Dublin for public and civic benefit. In reviewing the 2018 latest accounts made available at audit, the company made a loss for the year after tax of €79k compared with a profit of €1.139m in 2017. The profit in 2017 is reflective of a gain on the sale of properties included in the Profit and Loss account of €1.8m.

The net assets are stated at €20.5m in the 2018 annual financial statements. The company has entered into agreements with third party buyers to sell investment properties for a combined consideration of €925k reflecting the fair value noted in the company's financial statements. Temple Bar Cultural Trust DAC is not consolidated in the Council's annual financial statement. The 2019 accounts were not available and consequently, I am unable to ascertain the financial circumstances pertaining thereto in that year.

Chief Executive's Response

The 2019 accounts for Temple Bar Cultural Trust DAC will be completed within the next three weeks and will be furnished to the Local Government Auditor then.

12.3 Plato Business Support Company Limited

This company provides practical training, business counselling and support so that an individual can acquire the skills necessary to help their business grow and prosper. It provides an environment for owner managers to learn from one another and share their experiences at a two-hour meeting twice a month for 9 months. It also provides access to large company expertise and knowledge.

While the auditor's opinion is unqualified, they have included an emphasis of matter in relation to conditions present in the company that indicate the existence of a material uncertainty that casts significant doubt as to whether the company can continue as a going concern without the support of its parents and the directors. The company has historically traded as a break-even company and as such has not built up a reserve on its Statement of Financial Position. These conditions along with other matters has led the auditor to include an emphasis of matter.

Chief Executive's Response

Plato Dublin Business Support Ltd.'s remit is to help develop the skills of the SME Owner Manager in Dublin. Plato is positioned to support stagnating businesses who wish to grow their businesses. Over 3000 Dublin regional companies have taken part in the programme since Plato Dublin inception in Dublin in 1993. Plato Dublin is a CLG and has been a not for profit organisation since its incorporation in 2004. This is in line with other similar projects of CLG type. It is primarily funded through the 4 Dublin based Local Authorities (LA) through

Local Enterprise Offices in Dublin under the auspices of Enterprise Ireland Service Level Agreement. Dublin City provides 40 per cent of Plato's Local Enterprise Office funding. Plato receives benefit in kind to run the programme from the large companies who contribute executive time pro bono, meeting facilities and refreshments as required free of charge. Until now it has successfully operated on a break even basis (since 2004) and liquidity has not been an issue. However to mitigate any risk to Plato Dublin's existence going forward the Board of Directors (3 of whom are the Heads of Enterprise for 3 of the Local Enterprise Offices in Dublin) will consider the option of putting a reserve fund in place. An alternative option being considered by the Directors is to run the Plato programme as an in-house project in Dublin Region without the need for a CLG. In this case there is consideration of one full time Plato Dublin employee and how that would work.

13 Governance and Propriety

13.1 Overview

Corporate governance comprises the systems and procedures by which an entity is directed or controlled. It is the responsibility of the Chief Executive to ensure the sound system of financial management and internal processes are in place.

13.2 Procurement

The procurement unit in Dublin City Council operates a centralized procurement service through the Central Procurement Unit (CPU) where individual departments, with the support of the CPU, are responsible for ensuring their sourcing requirements and operating to the best procurement practice, legal and compliance requirements.

A risk regarding framework agreements being used for a number of contracts and consequently the possibility of being exceeded, where the contract manager is not monitoring the framework and overall expenditure, may be an issue. It is essential that all frameworks have a contract manager to ensure that the framework is run within procurement guidelines. A framework should identify the threshold of the contract and this should be kept in view when ascertaining whether that framework has been fully utilised.

It is noted that a number of departments within Dublin City Council have not complied with the procurement directive. Fundamental to the lack of compliance is the absence of accountable procurement personnel within each of the departments. This has resulted in the CPU not being informed, consulted and contracts not tendered according to best practice. This represents poor governance and lack of accountability.

A strategic review undertaken by Deloitte (2015) recommended that procurement leads and dedicated procurement hubs be set up in each Dublin City Council department. This has not yet been put in place and remains an outstanding governance issue.

Instances of non-compliance with the procurement directive was identified in the following departments.

- Dublin Fire Brigade
- Legal Services

- Transportation
- Housing
- Culture and Recreation

Chief Executive's Response

Culture Recreation and Economic Services (CRES)

CRES has established a Procurement Hub. Project Managers liaise with the CRES Procurement Unit and, through it, the CPU of DCC, both in advance and during the procurement process in establishing all new frameworks. Each project manager maintains responsibility for the particular framework and a central inventory is maintained by CRES admin. To ensure a greater level of compliance with procurement directives CRES will strengthen governance and put structures in place to ensure that both the timeframes and financial thresholds for frameworks are regularly monitored. CRES will fill the post of Procurement Officer to support project managers.

Dublin Fire Brigade and Housing

Instances of non-compliance with the Procurement Directive identified by this Audit Report are being urgently rectified.

All senior personnel in the Housing (and emergency services) will be instructed to ensure full compliance with Public Procurement Regulations and Guidelines.

Environment and Transportation

The Environment & Transportation Department will carry out an assessment of this non-compliance and will ensure appropriate control measures are effective by the end of quarter-two of 2021, at the latest.

Legal Services for Rates Office

The Local Government Rates and Other Matters Act 2019 was enacted on the 11th July 2019. However whilst certain provisions of the act were commenced after enactment, a significant number of sections are awaiting further work through with the local authority sector and are dependent on a number of factors being in place to support the measures. In addition to the Act, the Rates Steering Group are examining further improvements which include recovery by the sheriff, rates compliance certs and the court process. The embedding of these measures into the annual collection process will greatly reduce our dependency on the current court process. It is proposed to await the outcome of these measures prior to addressing a procurement process for legal services. No cases have been listed for court in 2020.

13.3 Internal Audit

The role of internal audit is to provide assurance to the Audit Committee and Senior Management that the various risks facing the Council have been identified and appropriate internal controls put in place to mitigate those risks. Consequently, their role as part of the Corporate Governance framework is very important. The Head of Internal Audit reports directly to the Head of Finance for administrative purposes and has independent access to the Chief Executive and Chair of the Audit Committee.

In 2019, nine internal audit reports were completed, of which five were outsourced to two accountancy firms but managed by the Head of Internal Audit. I have taken account of the work of internal audit in the audit of Dublin City Council.

Acknowledgement

I wish to record my appreciation for the courtesy and co-operation extended to audit by the management and staff of the Council.

A handwritten signature in black ink, appearing to read 'Ita Howe', with a large loop at the start of the first name.

Ita Howe

Principal Auditor

30 October 2020

housing.gov.ie

Department of Housing, Local Government and Heritage



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