WITH REFERENCE TO CONSIDERATION BY THE AUDIT COMMITTEE OF THE AUDITED ANNUAL FINANCIAL STATEMENT FOR 2013 AND THE LOCAL GOVERNMENT AUDITOR’S REPORT ON THE ACCOUNTS OF DUBLIN CITY COUNCIL FOR 2013

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 Local Government Auditor’s report. The Act requires the Committee to consider these reports at the next meeting of the Committee following their receipt. The Audit Committee is then required to report formally to the City Council on its findings.

This Committee considered the reports, at its inaugural meeting held on the 17th November 2014, at which Mr. Richard Murphy, Principal Local Government Auditor, Mr. Owen Keegan, Chief Executive and Ms. Kathy Quinn, Head of Finance were present to deal with any issue raised by the Committee.

Due to the circumstance pertaining in relation to the timelines of the Audit process in 2014, the need to re-establish the Audit Committee following the Local Elections in May, the process involved for the selection of the external Audit Committee Members, etc. It was not practicable to engage with the Local Government Auditor to the extent that the Committee intend for future reports. It is the Committee’s intention to engage as fully as possible with the Local Government Auditor from the start, through to the completion of the audit process next year, in respect of the Annual Financial Statement for 2014 and subsequent years.

A number of issues were raised by Members at the Committee meeting, in relation to, inter alia, Bad Debt Provision, Development Contributions, Ballyfermot Leisure Centre, etc. some of which are recurring from previous years. The issues were satisfactorily dealt with.

As already stated, due to the timelines involved this year and the requirement for the Audit Committee, under the Local Government Reform Act, to report to the next practicable meeting of the City Council, following consideration of the reports (at a meeting of that Committee), it was not realistic for the Committee to further comment other than to recommend the reports to the City Council for noting.

Brendan Foster  
Chairperson  
November 2014
To the Chairperson and Members of Dublin City Council Audit Committee

Report No. 1/2014
Report of the Chief Executive

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

STATUTORY AUDIT REPORT TO THE CHAIRPERSON AND MEMBERS ON THE ACCOUNTS OF DUBLIN CITY COUNCIL FOR YEAR ENDED 31ST DECEMBER 2013

The report of the Principal Local Government Auditor on the Accounts of Dublin City Council for the year ended 31st December, 2013 is attached, along with my response to him.

The Local Government Auditor’s report is based on his conclusions following a comprehensive audit of the Annual Financial Statement (AFS) of Dublin City Council for the year ended 31st December 2012. The AFS was before the City Council at the May Council meeting (reference report 175/2014). The Local Government Auditor and his team commenced preparatory work on the Audit from January 2014, with the audit formally commencing on 7th April 2014. The Audit was concluded at the end of September 2014.

During the audit period, the Local Government Auditor:

- Examined evidence of amounts and disclosures in the AFS
- Assessed significant estimates and judgements made in the preparation of the financial statements
- Assessed whether the accounting policies appropriate to the Council’s circumstances, are consistently applied and adequately disclosed
- Performed the audit so that all information and explanations considered necessary to provide sufficient evidence in order to give reasonable assurance were obtained.

The Local Government Auditor concluded that:

- The AFS is free from material misstatement, whether caused by fraud or other irregularity or error.
- The AFS presents fairly, in accordance with the Code of Practice and Accounting Regulations, the financial position of the Council at 31st December 2013.

The report is an external commentary on financial management and financial prudence within Dublin City Council.

A revised statutory framework for local authority audit committees requires that the statutory report of the Local Government Auditor is brought in the first instance to the Audit Committee for consideration. The Audit Committee is then obliged to formally report to the City Council on the Audited Annual Financial Statement and the statutory report of the Local Government Auditor.

Owen P. Keegan
Chief Executive
LOCAL GOVERNMENT AUDIT SERVICE

Statutory Audit Report

to the

Members of Dublin City Council

for the

Year Ended 31 December 2013
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AUDITOR'S REPORT TO THE MEMBERS OF DUBLIN CITY COUNCIL

1 Introduction

1.1 I have audited the annual financial statement of Dublin City Council for the year ended 31 December 2013, which comprises the Statement of Accounting Policies, Income and Expenditure Account, Balance Sheet, Funds Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is the Accounting Code of Practice for Local Authorities, as prescribed by the Minister for the Environment, Community and Local Government.

My main statutory responsibility, following the completion of the audit work, is to express an opinion on the annual financial statement (AFS) of the Council as presented for audit, in accordance with the Code of Audit Practice. My audit opinion on the Annual Financial Statement (AFS) of the Council, which is unqualified, is stated on page 9 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 opinion on the statement and to report my opinion to you. I conducted my audit in accordance with the principles and practice of Local Government Audit. 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 by the Council's management 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 to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

1.2 This report is issued in accordance with Section 120 of the Local Government Act, 2001 and should be read in conjunction with the audited AFS.

2 Financial Standing

The outturn for 2013 was €15.6m better than expected resulting in an overall surplus for the year of €390k. The most significant factor in this surplus is the proceeds from the Non Principal Private Residence (NPPR) charge which exceeded the budget amount by over €6m. This charge applied for the years 2009 – 2013 only. The variances between the adopted budget and the actual outturn in the revenue account are shown in Note 17 to the AFS.

Significant movements on the finances of the Council in 2013 include the following:

- Reduction in the total loans payable in the balance sheet by €70m;
- Significant reduction in unfunded balances (project and non-project) by €94m; and
- Reductions in reserves and other balances shown in Note 11 to the AFS by €80m.

The above movements represent a concerted effort by management to reduce the amount of unfunded debit balances on the capital account and also to repay outstanding loans relating to particular completed projects.

Chief Executive’s Response

During the 2013 financial year significant measures were taken to improve Dublin City Council’s financial standing as set out by the local government auditor in relation to loans payable, unfunded

1
balances and reserves. Additionally Dublin City Council availed of additional income principally through the NPPR charge, which facilitated the incurring of additional expenditure on service provision.

This approach to maintain stable financial management continues.

3 Income Collection

A summary of the major revenue collection yields and the corresponding closing debtors with comparisons for the previous two years are as follows:

<table>
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<tr>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Rates</td>
<td>81</td>
<td>80</td>
<td>80</td>
<td>74.0</td>
<td>76.3</td>
<td>73.9</td>
<td></td>
</tr>
<tr>
<td>Rents &amp; Annuities</td>
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<td>77</td>
<td>79</td>
<td>20.3</td>
<td>20.6</td>
<td>19.5</td>
<td></td>
</tr>
<tr>
<td>Housing Loans</td>
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<td>68</td>
<td>71</td>
<td>13.2</td>
<td>10.3</td>
<td>8.7</td>
<td></td>
</tr>
<tr>
<td>Commercial Water</td>
<td>61</td>
<td>60</td>
<td>57</td>
<td>16.5</td>
<td>16.0</td>
<td>17.2</td>
<td></td>
</tr>
<tr>
<td>Domestic Refuse</td>
<td>3</td>
<td>19</td>
<td>58</td>
<td>8.0</td>
<td>9.2</td>
<td>13.2</td>
<td></td>
</tr>
</tbody>
</table>

3.1 Housing Loans

Collection of housing loans continued to deteriorate in 2013 resulting in a further increase in arrears as at 31 December.

3.2 Commercial Water

The responsibility for the collection of the arrears of commercial water charges of €16.5m (before provision for bad and doubtful debts) transferred to Irish Water from January 2014. A service level agreement between Dublin City Council and Irish Water provides for, among other services, the collection of these arrears by the Council and the transfer of monies to the new authority.

3.3 Domestic Refuse

As referred to in previous audit reports, the sale of the domestic waste collection service means that there were no current domestic refuse charges raised by the Council since 2011. Under the agreement for the sale, the waste operator is responsible for the collection of the arrears outstanding from December 2011. With the collection of €251k and a further €1m written off in 2013, it would appear likely that the collection of the balance of €8m will prove difficult.

3.4 Provision for Bad and Doubtful Debts

The provision for bad and doubtful debts was increased significantly in 2013 from €108m to €134m representing 54% of gross current debtors compared to 39% in 2012. This significant increase in the level of provision reflects the collection difficulties referred to above.

Chief Executive’s Response

The bad debt provision (BDP) in relation to each major debtor type is regularly monitored and reviewed and this process will continue in 2014. The BDP of €134m covers commercial debtors of €67m to match a debt of €120m and non-commercial debtors of €27m to match a debt of €47m. There is also a BDP for Development Levies current debtors of €18m. Individual BDP are in place for the major debt collection areas, commercial rates, commercial water charges and housing and
general BDP are provided for in each division where debts are outstanding. On the non-commercial side individual BDP are provided for domestic refuse, housing rents and loans and grants. A general BPD is also maintained which is monitored regularly and adjusted to take into account the cash collection of debts and the cash flow implications of the non-collection of debtors on the City Council’s cash position.

4 Waste to Energy Project at Poolbeg

The cumulative costs to the end of 2013 on this project amounted to €97.4m. The delays in the commencement of construction work on this project have been referred to in previous audit reports and the uncertainty surrounding the contract has been a matter of some concern.

A number of corporate governance issues were also raised and external consultants were appointed in 2013 to review revised arrangements in place. In January 2014 the external consultants completed their report stating the current governance arrangements in place were not adequate. There were a number of recommendations contained in the consultants' report, the majority of which have since been implemented.

A total of €31m was spent on relocating an existing business to facilitate this project. At previous audits I raised the absence of a detailed report explaining the difference in the actual cost of construction works (€22m) compared to the original tender amount (€12m). Since then, external consultants completed two cost reports (January 2013 and March 2014) at the request of the Council. In my opinion neither of these reports adequately explains the €10m difference between the amount paid to the contractor and the original tender amount.

In September 2014, the Chief Executive issued a notification to the members that this project is to proceed, subject to a decision by the four Dublin local authorities’ Chief Executives. Matters referred to in his report include:

- The removal of obstacles which had delayed the project including the favourable resolution of EU Commission complaints and the receipt of a value for money letter from the National Development Finance Agency.

- The basis on which the decision to proceed was made including a comparison of the two options available, PWC cost benefit analysis and other reports.

- The revised project agreement which provides for:
  
  - The responsibility of the PPP Company to finance the construction and operation of the facility. This is currently estimated at €500m.
  - The payment by the four Dublin authorities of revenue support to the PPP Company if agreed revenue targets are not reached.
  - The receipt of income by the four local authorities of waste and energy revenue if agreed thresholds are exceeded.
  - The responsibility of the four Dublin authorities to fund client representative costs for the three year construction phase and the first year of operation of the project.

Chief Executive’s Response

In relation to the corporate governance issues identified in the Capita report, these matters have been acknowledged and fully addressed.

In relation to relocation costs of existing business to facilitate this project, an initial tender amount of €12m was agreed as the value of the relocation costs of an existing business to
facilitate the Waste to Energy facility at Poolbeg. The actual value of relocation costs is €22m. The key factors in the additional spend from tender amount to actual cost incurred were:

- **Extended Contract Period – from 80 weeks to 116 weeks**
  These delays were outside the control of the consultant and the contractor and were due largely to difficulties DCC experienced with Dublin Port Company on reaching agreement on legal issues, access to new site and route of pipeline.

- **Labour and Material – Price Fluctuations**
  As stated above the contract period was extended substantially. The period concerned was 2004-2007 during which time both labour costs escalated and also the price of steel. Price Variation Clause buyouts for the contractors were negotiated and agreed giving rise to increases in the contract amount, but due to the delays experienced by all the contractors to their programmes, these buyouts had to be renegotiated or in some cases lapsed.

- **Pipeline delay**
  The laying of 850m of pipeline was delayed by 76 weeks. This arose due to protracted negotiations with the consultants and the Port Company on the route of the pipeline, way-leaves and access issues. It also involved submitting a new planning application for an overhead bridge for a section of the pipeline which had not been envisaged.

- **Contaminated Soil and Piling**
  From preliminary studies undertaken prior to going to tender, the level of contamination on site was grossly underestimated and gave rise to additional costs in its treatment, removal from site and subsequent disposal. Preliminary reports on the level at which good rock would be found were also incorrect, resulting in the redesign and manufacture of new longer precast piles and associated works and costs.

A firm of consulting engineers were appointed to Westway Terminals Hibernian Limited (WTHL), with the approval of DCC, to project manage the relocation of WTHL from the site they occupied on Shellybanks Road (which was part of the site identified for the Waste to Energy Facility) to another brown field site on the peninsula. As referenced by you, I requested on two occasions that the consultants provide a report outlining the basis for the movements in costs. This information was incorporated into broader reports (2013 and 2014). There were difficulties in securing the appropriate back up information on this matter as the original firm no longer operates (has been restructured), key staff involved in the project work elsewhere, mostly out of Ireland and the level of record retention by the firm is poor.

In the context of my previous engagement with this firm, the absence of project files to address the issues raised, the absence of key project personnel now dispersed and no longer associated with the firm, I conclude that it will not be possible to provide further material on this matter (i.e. the variance between the tendered amount and actual amount). In addition the contractor has also recently emerged from examinership under new management. I would suggest, therefore, that my reports of 2013 and 2014 address many of the issues and bring some clarity to the matter. Finally, despite the absence of the appropriate files which should have contained the necessary requests to and approvals from DCC to the increased spend, the Council is satisfied, based on the reports produced by the consultants (dated January 2013 and March 2014) and having regard to its own files, that the above referred to delays and disruptions did occur, the causes for which were outside the control of the consultants and contractors, thus leading to the increase of circa €10m in the contract sum.
5. Ballyfermot Leisure Centre

The development of the Ballyfermot Leisure Centre was approved in September 2004 and a contract was awarded for the tender sum of €18.2m (including VAT). The building was handed over to the Council in June 2008 in a state of partial completion due to delays and fundamental problems with the execution of the contract.

The total costs incurred on the leisure centre to 31 December 2013 were €25m. Additional claims amounting to over €24m plus VAT, over and above the amount already paid, have been submitted by the contractor. A conciliation process, which took place in 2010, proved inconclusive and an arbitrator was appointed in 2011.

Defects in the tiling at the swimming pool at the leisure centre were noted in 2011 and the pool area of the centre was closed in April 2013 for repairs. The pool remains closed at the date of audit.

Chief Executive’s Response

This leisure centre was handed over to Dublin City Council in June 2008, two years late and not fully completed. During the contract period significant pieces of construction had to be redone because they did not meet specification. Since handover and opening of the facility parts of the facility (the 5 aside pitches and the pool) had to be closed for remediation following the discovery of further substandard works.

In view of the total disproportion between the sum claimed by the contractor and the original contract sum and the very large amount of money involved defence of this claim has and will continue to be proactively and robustly managed. It is a matter of severe disappointment to say the least, that this matter has not been clarified and disposed of six years after the handover of the facility.

6. Priory Hall

As referred to in my previous audit report, the development at Priory Hall is a private development of apartments where residents have been evacuated because of the failure of the developer to satisfactorily carry out remedial works to address fire safety concerns. The High Court ruled that Dublin City Council had a responsibility for accommodating the evacuated residents and total costs incurred, including accommodation and security costs, by the Council amounted to approximately €3.7m at the end of 2013.

In late 2013 a resolution framework for the complex was agreed and an implementation Oversight Group was established with representatives of the residents, the Irish Banking Federation, the Department, Dublin City Council and the Department of the Taoiseach.

The remediation of the complex is to be facilitated by Dublin City Council and involves extensive renovation to bring apartments to a marketable standard. The total cost of the work to be done is estimated at €27m including VAT, design and project management fees. It is hoped that the costs will be offset in part by the sale of 65 apartments, which were acquired from the Irish Bank Resolution Corporation (IBRC) at a nominal value.

Chief Executive’s Response

Dublin City Council’s obligation in relation to accommodating ex-residents has been lifted by the Supreme Court. Remediation of the complex has commenced and will be complete within two years. The project is being fully funded by the Department.
7. Pyrite Problems in Council Properties

As referred to in previous audit reports, the Council has identified problems due to the presence of pyrite in a number of properties including social housing, affordable dwellings and senior citizens’ accommodation. In some cases remediation works have commenced while in others the situation is being monitored. With the costs of remedial works required already amounting to millions of euros and other costs yet to be confirmed or works quantified, it is clear that significant funding will be required to deal with this problem. In some cases court actions have been instituted against developers and these have yet to be determined.

Chief Executive’s Response

DCC has identified 9 developments which have been affected by Pyrite. The remediation of these estates presents obvious funding issues to DCC. While a number of legal cases have been initiated against developers, these are costly and time consuming with no guaranteed outcome. We will also be discussing the matter with the Department with a view to funding repairs to the bigger estates.

8. Land Acquisition Loans Payable

Included in the loans payable outstanding at the end of 2013 are a number of loans, where interest charges are being rolled up, i.e. added to the principal outstanding, and no repayments are being made. These loans, which were drawn down for land acquisition purposes in the period 1999 to 2001 with a term of 20 years, had a balance of €33.1m at the end of 2013.

Chief Executive’s Response

These sites and properties are reviewed on a monthly basis to ascertain if funding is available to eliminate or reduce the deficits and loan balances or to consider if the sites can be put to some productive use either on a temporary or permanent basis.

9. Unfunded Balances on Capital Account

While there was a significant reduction by €94m in unfunded capital balances (project and non-project) as shown in Note 11 to the AFS, there are a number of significant debit balances on the capital where funding decisions are required. These include the following:

- Properties and sites acquired for housing development (€18m)
- Abandoned Public Private Partnership Schemes (€16m)
- Affordable Housing Schemes (€13m)
- Homeless Hostel (€3m)

It is important where no source of funding is anticipated that arrangements are put in place to reduce deficits over a number of years.

Chief Executive’s Response

Properties and sites acquired for housing development (€18m)
The Council anticipate that in time these lands will be developed and funding will then be forthcoming both from Department towards all in cost of developing social housing and from the sale of parts of the lands for mixed uses and mixed tenure residential.
Abandoned Public Private Partnership Schemes (€16m)

The Council anticipate that in time these lands will be developed and funding will then be forthcoming both from Department towards all in cost of developing social housing and from the sale of parts of the lands for mixed uses and mixed tenure residential.

Affordable Housing Schemes (€13m)

This comprises expenditure on affordable housing (including Part V) where the units were sold on to owner/occupiers in line with the affordable housing initiative i.e. less than the cost of building or acquiring them. The properties involved were Scribblestown (closing balance €4.9m), St Helena’s Finglas (closing balance €1.9m), Berryfield/Valeview (closing balance €4m), Prospect Hill (closing balance €1m), Priory Hall (closing balance €661k please note that this is not to do with remediation) and Parkview Poplintree (closing balance €882k).

These outstanding deficits will be dealt with by paying down the balance year by year with transfers from internal capital receipts including from land or other property sales.

Homeless Hostel (€3m)

The funding for a property used as a hostel for homeless persons on the Navan Road is being pursued with the Department.

10. Development Contributions

The systems for recording, monitoring and accounting for development contributions have given rise to concerns at previous audits. While some improvement in the monitoring and inspections procedures in place was noted, a number of weaknesses in the system including the poor quality of reports and general management information were highlighted at audit. These deficiencies cause problems in the preparation of control accounts and reconciliation with the general ledger. It is important that these issues are dealt with as soon as possible.

Chief Executive’s Response

The weaknesses in the current financial contributions system were recognised in relation to its ability to provide detailed management information reports. While it was possible to address some of issues associated with this, it was recognised that there were inherent deficiencies in the way the data was structured within the financial contributions module which did not allow for the generation of the required reports.

It is planned to develop a new financial contributions module that will incorporate all of the necessary functionality and will also generate all of the management reports required. This new module will also include an interface to our AFS. A project board and project team have been appointed to oversee the implementation of this module and tender documents are currently being prepared.

11. Procurement

Dublin City Council’s procurement policy is detailed in its Procurement Policy and Procedures Manual and is supported by its Corporate Procurement Plan 2011 – 2014. Responsibility for ensuring compliance with the Council’s policy is devolved to local management, with advice and guidance available from the Central Procurement Unit. The unit also negotiates corporate contracts for selected goods and services or makes use of National Procurement Service contracts already negotiated. Compliance with procurement policies in selected departments was tested at audit and results were generally positive.
At previous audits the procurement of legal services was raised and, while some progress has been made in drafting proposed tender documents and communicating with other local authorities, as yet no advertising for the provision of any legal services has taken place.

Chief Executive’s Response

The Law Agent has advised the Chief Executive that the tender for the provision of legal services should be advertised by mid-October. The delay was caused by the efforts made by the Law Agent to get the other Dublin local authorities to participate in a shared tender. Unfortunately, these efforts did not succeed.

12. Local Authority Companies

The Council’s interest in companies is set out in Appendix 8 in the AFS. The table shows the extent of ownership by the Council, whether or not the transactions are included in the Council’s AFS and brief financial details on each company.

Temple Bar Cultural Trust Limited (TBCT) is the most significant company in the ownership of the Council, with assets valued at almost €50m and reserves of €10m. This company is not consolidated in the Council’s annual financial statement. As referred to in my previous audit report, significant corporate governance issues were identified in a report issued by the Internal Audit Unit of the Council and a decision was made to wind up TBCT and transfer all functions to the Council. An employee of the Council has been appointed as interim CEO to oversee the transitional arrangements.

Ballymun Regeneration Limited (BRL) is a wholly owned company limited by guarantee which was responsible for the management of the Ballymun regeneration project. All of the transactions of BRL are included in the accounts of Dublin City Council. The orderly wind-down of the company is in progress.

There are also plans to bring the activities of the Dublin Docklands Development Authority and the Digital Hub Development Authority under the remit of the Council. The dissolution of these bodies and the transfer of responsibilities will require legislation.

Chief Executive’s Response

Temple Bar Cultural Trust
The work on transition for the transfer of all functions from TBCT to Dublin City Council is ongoing. The draft heads of the necessary legislation to dissolve the trust have been prepared by the Department and it is expected that the legislation procedure will be finalised by the end of 2014.

A Board comprising two Assistant Chief Executives in Dublin City and one City Councillor is now in place. One of the Assistant Chief Executives is carrying out the role of CEO of the Trust. Dublin City Council has assigned a number of staff to work as the Temple Bar Project Team to co-ordinate the remaining functions of the Trust and to carry out the necessary work of transition.

Digital Hub Development Authority
Dublin City Council (DCC) has reached agreement in principle with both the Board of Digital Hub Development Authority (DHDA) and the Department of Communications, Energy and Natural Resources (DCENR) for the transfer of the Digital Hub and its properties and activities to DCC. While the DHDA owns a considerable portfolio of properties in the Thomas Street
area, less than half of it is fit for occupation and generating a rental income stream. A strategy and matching funding is required to bring the remainder of the property up to standard necessary for occupation. There is general confidence that there are adequate clients available for such addition floor space if this can be successful to achieve.

Discussions are on-going with DCENR and Department of Public Expenditure and Reform (DPER) regarding the future capital and revenue funding of the DHDA. Enabling legislation to be prepared by DCENR is required to affect any transfer to DCC. This is expected in 2015.

_Dublin Docklands Development Authority_

In anticipation of the windup of the Dublin Docklands Development Authority (DDDA) a Strategic Development Zone Scheme (SDZ) was prepared during 2013 by Dublin City Council (DCC) and submitted to An Bord Pleanála in December 2013. This scheme was approved by the Bord in May 2014 following a full oral hearing. Since then a management team has been put in place by DCC to manage the windup of the DDDA and the transfer of assets and liabilities to DCC. This same team is managing the SDZ process which is now up and running. Enabling legislation for the actual windup of DDDA and the transfer of its assets and liabilities to DCC is expected to be published in early 2015 by the Department.

13. Internal Audit

In the course of my audit, I placed reliance on the work carried out by the Council’s Internal Audit Unit and a number of audit assignments were included in the 2014 audit plan as a result of suggestions made at audit. In 2013 the Unit completed 13 reports, including a follow up report on recommendations made in previous years. The position of Internal Auditor became vacant earlier this year and it is important that this position be filled as soon as possible.

_Chief Executive’s Response_

A new head of internal audit was appointed in October 2014.

14. Acknowledgement

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

Richard Murphy
Local Government Auditor
16 October 2014