



Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of Dublin City Council for the Year Ended 31 December 2024

Local Government Audit Service

Prepared by the Department of Housing, Local Government and Heritage
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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 2024, 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 2024 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 Financial Standing

2.1 Statement of Financial Position

In 2024, the Council recorded a deficit of €5.25m (2023: €5.12m deficit) in the Statement of Comprehensive Income. Over-expenditure was approved by the members at their meeting on the 12th May 2025 pursuant to S104 of the Local Government Act, 2001. This amount is after net transfers to reserves of

€49.7m (2023: €64.2m). The General Reserve in the Balance Sheet is €31.5m.

3 Income Collection

3.1 Summary of Income Collection

A summary of the revenue collections area as follows:

Income	Debtors			Yield		
	2024	2023	2022	2024	2023	2022
Rates	€27.3m	€28.5m	€30.6m	94%	93%	92%
Rents & Annuities	€39.7m	€36.1m	€37.0m	73%	73%	72%
Housing Loans	€6.4m	€6.0m	€5.9m	75%	77%	77%

3.2 Government Debtors

Government debtors has increased from €236m in 2023 to €268m in 2024. This level of debt is significant when compared with the 2022 figures of €120m, representing an increase of 123% increase on the 2022 figures.

Debtor Category	2024	2023	2022
Government Debtors	€268m	€236m	€120m

The amount of €268m is split between €163m unpaid invoices and €105m accrued income where claims have not been submitted to the Department of Housing, Local Government and Heritage (the Department) but works have been paid by Dublin City Council (DCC). Furthermore, of the 15 legacy projects currently awaiting post project review totalling circa €55m, €17.5m was submitted to the Department in July 2025 with the remaining balance of €38.1m awaiting post project reviews and submission to the Department. These are significant amounts of monies outstanding at year end. It is noted that DCC has received €140.5m of the €268m due at year end 2024.

Chief Executive's Response

A working group was established in 2024 to address this issue and there has been significant progress made in 2025 as a result.

€105m relates to actual invoices submitted to the Department and most of these have now been paid with any remaining queries being worked on at present.

The €163m relates to both legacy projects, and to current projects where it is necessary for DCC to outlay the funds first and then reclaim it. There can be timing delays on this, as certain stage approvals are needed before funds can be reclaimed. DCC Housing Department are committed to ensuring the timely

submission of all claims going forward. A significant portion of these expenditure have now been claimed in 2025.

In relation to the €55m of legacy debts, as of August 2025 €29.3m has been submitted to the Department bringing the balance outstanding to €26.3m. The working group is continuing to progress these and DCC Housing are committed to ensuring all outstanding post project reviews and final accounts will be submitted to the Department by year end 2025.

3.3 Debt Management - Other Debtors

It is noted that debtors recorded by the following departments: Roads, Development, Culture and Recreation are not being followed up by DCC's debt management staff within each department. It is incumbent on all Executive Managers to ensure that debt is collected. The following table identifies the total of this debt by department.

Department	Total Arrears
Roads	10,033,743.16
Development	2,842,833.90
Culture & Recreation	2,479,234.47
Overall Total	15,355,811.53

A system was implemented in the financial management system (Oracle) to record all credit control actions and letters issued, however, no current credit control records exist for any of these debtors on the system. Each department needs to prioritise these debtors and detail all actions taken to ensure the debt is collected. It is recommended that training be provided by the Finance Department to all staff responsible for the collection of this debt. In some cases, the debt is outstanding for a number of years. I will review this area at the next audit.

Chief Executive's Response

Property Development will arrange for the appropriate training for staff and are committed to undertaking a full debt profiling exercise. This will allow for the write-off of debts which are deemed to be uncollectable. Additionally, we are working to refining the Oracle report to ensure clarity and accuracy in financial reporting.

A full review of Debtors will be carried out by Culture Recreation to identify uncollectable and collectable debts and take appropriate action. Training for all relevant staff on their responsibilities and the policies and procedures in the City Council's Debtor Management Policy (2024) in relation to management, monitoring and collection of debt will be provided. Appropriate training in the recording of actions in Oracle will also be arranged.

Roads will investigate the matter and ensure that a system is put in place, to have the outstanding debt collected and recorded in a timely manner.

3.4 Rates

The general ledger figure for rates arrears as recorded in the general ledger was €27.4m showing a 1% improvement on the 2023 arrears figure. The rates section needs to strengthen their reconciliation process between the rates system (Orbis) and the Oracle system.

Debtors			Yield		
2024	2023	2022	2024	2023	2022
€27.3m	€28.5m	€30.6m	94%	93%	92%

The table below identifies arrears greater than €10k and displays the rates collection status.

Rates Collection Status for accounts >€10k	No of		No of	
	Arrears €m	Accounts	Arrears €m	Accounts
	2024	2024	2023	2023
Payment Plans	€6.92	139	€8.10	249
Liquidation/Legal Process	€8.50	354	€6.82	274
Being Pursued	€6.64	201	€3.14	104
Total	€22.06	694	€18.06	627

It is noted that the number of accounts in payment plans have reduced considerably while the number of liquidations and legal process numbers have increased. Rates continue to monitor arrears closely.

Chief Executive's Response

The Rates Office is responsible for the management of circa 20k accounts, generating income of €412.3m (year 2025 levels). Post Covid, the Rates Office has been successful in reducing arrears year on year and boosting the collection percentage that is now in excess of 90% and one of the top performing LA's

The Rates Office has a team of 13 dedicated Rates Collectors who liaise on a regular basis with their clients. The Rates Office has been successful in utilising new legislation to boost collection, in particular increasing the number of customers who pay by direct debit.

The Rates Office has done considerable work in recent months on reviewing, streamlining and strengthening the reconciliation process and this will continue throughout 2025.

3.5 Increased Cost of Business Grant (ICOB)

As part of Budget 2024, the Government signed off on a package of €257 million for the ICOB grant as a vital support measure for small and medium businesses. The Department of Enterprise, Trade and Employment were responsible for defining the eligibility criteria for payment and also the general

oversight of the scheme.

Each business verified their eligibility by self-declaration. Local Authorities managed the processing of payments and this included verifying that the declaration was complete and the applicant was rates compliant as per the scheme's criteria.

Accordingly, the audit of expenditure under these schemes, which amounted to €34.9m in DCC for the year ended 31 December 2024, was limited to the specific responsibilities of local authorities, as set out above, and did not include the verification of other eligibility criteria declared by the applicants.

A total of €2.2m was refunded to the Department of Enterprise, Trade and Employment in March 2025, €1.2m in relation to Increased Cost of Business grants and €1m in relation to the follow on Power Up Grants, based on amounts received and amounts claimed and paid out to eligible businesses submitted.

The accounting treatment for the grant is set out in Note 25 in the AFS.

3.6 Rents & Annuities

The percentage collection rate for 2024 remains the same as 2023 at 73%. The table below gives a summary of the rent arrears under the various categories of amounts outstanding. It is disappointing to note that all categories of arrears continue to increase with the arrears less than €100 showing a significant increase in the number of accounts. It is important that early arrears intervention is implemented to prevent this category of arrears from escalating further.

•Summary of all Rental Arrears Categories

Range	Summary Rental Arrears			
	2024		2023	
	No of Accounts	Amount €	No of Accounts	Amount €
>10,000	1142	16,610,336	1,008	16,195,158
€5,000-€10,000	1674	12,024,564	1,627	11,458,872
€1,000-€5,000	4448	11,357,086	4,301	10,775,335
€500-€1,000	1979	1,435,670	1,826	1,311,024
€100-€500	5107	1,262,040	3,858	982,513
<€100	4186	198,056	3,139	140,857
Zero Balance	73	0	128	-
Credit Balances\DD Adjustments	8233	-3,220,082	11,292	-4,755,014
Total	26842	39,667,670	27,179	36,108,745

Included in the above figures are the various categories of arrears such as local authority rents, Rent to Buy, RAS and Traveller accommodation rental arrears. The table below sets out particularly the analysis of the Traveller

accommodation rental arrears.

Range	Travellers 2024		Travellers 2023	
	No of Accounts	Amount €	No of Accounts	Amount €
>€10,000	35	685,040	27	690,199
€5,000-€10,000	36	279,941	33	241,739
€1,000-€5,000	70	294,877	88	244,345
€500-€1000	23	33,457	35	25,529
€100-€500	28	14,459	47	13,294
<100	8	1,898	39	1,537
Zero Balance	2	0	3	0
Credit Balances\DD Adjustments	65	71,308	80	- 67,321
Total	267	1,380,980	352	1,149,322

The Travellers accommodation rental arrears has shown a further increase from €1.1m to €1.4m. It is noted that there is no revenue collector appointed to this category of arrears. Some of the large arrears were reviewed as part of the audit in this area and it was found that in some accounts no payments were received for a number years and no case management notes existed for that period of time.

Furthermore, the direct debit adjustments need to be further substantiated to ensure that the reconciliation is fully complete and represents the true arrears figure. It is important that the new system being implemented provides the necessary reports to reconcile the rental payments.

The audit reviewed 20 rental accounts and found that in 11 of these, there was no evidence that the arrears have been monitored or case managed. A further 10 new tenancy accounts were reviewed and within months of their occupancy, the accounts were already in arrears, there was no evidence of follow up action taken in 8 of these accounts.

A clear debt management policy needs to be implemented with agreed targeted results and adequate debt collection training for staff that work in the whole area. The debt management system is not fit for purpose, it does not allow for proper follow up analytics, reports, targets and monitoring. This needs immediate attention.

Chief Executive's Response

The collection of rent remains challenging across the estate. The first half of 2025 has seen an increase in rent received vs billed when compared against the first half of 2024 (98.2% received 2025 vs 97.5% received 2024). These received payments encompass current weekly charge payments and additional agreement payments from arrears balance.

The Housing Rent Arrears Recovery Process and Procedure is now in place. Possession orders and court proceedings continue with 6 evictions executed and 7 granted awaiting execution.

DCC is committed to improving IT systems and reporting mechanisms to give clearer focus on areas of opportunity such as early intervention triggers, analytics, reconciliation, monitoring and forward planning.

Team retention and recruitment to fill vacancies remains a focus along with ongoing staff training. Vacancies centrally recruited across Executive Housing Officer and Housing Advisor roles will support capacity and provide greater oversight of accounts and a quicker response time in terms of the arrears recovery process.

3.7 Loans

Loans collection yield reduced from 77% to 75%, showing a dis-improvement in the loan collection figures. The table below identifies loan arrears under various categories of follow-up action with total arrears increasing from €6m to €6.4m.

Debt Category	2024		2023	
	No of Accounts	Arrears €000	No of Accounts	Arrears €000
Legal/Sales/Redeemed/Reposessed	48	€1,013	58	€1,201
Mortgage to Rent(MTR)	14	€726	11	€581
Mortgage Arrears Resolution Process	149	€3,038	186	€3,081
Restructuring	32	€905	35	€776
Payment Plan	134	€1,285	112	€1,283
Arrears <€1k	127	€61	163	€79
Nil Balance/Credits/Cash in Transit	1286	-€566	1,361	-€957
Total	1,790	€6,462	1,926	€6,044

It is noted that the Restructuring arrears category amount has increased but the number of accounts have reduced, showing an upward arrears trend in a number of accounts. The Mortgage to Rent arrears amounts have increased showing an increase in the number of accounts availing of Mortgage to Rent scheme. The Mortgage Arrears Resolution Process, a process that allows the customer to engage with the local authority to resolve the arrears, shows the number of accounts under this process have decreased, but the amount outstanding has increased for the smaller number of accounts still remaining. It is also noted that the number of accounts under €1k has fallen which is very important in addressing accounts initially falling into arrears. Credits have also reduced which reflects on the net arrears balance increase. Continual monitoring of arrears in each category needs to be prioritised.

Chief Executive's Response

The Mortgage Support team acknowledge the findings of the audit and are continuing to monitor each category of arrears. Resourcing and recruitment are ongoing activities within the Housing Department.

The Mortgage Support team are pursuing borrowers through the legal process that will not engage with MARP. Many of these borrowers are paying their

monthly instalment, however, not addressing the outstanding arrears on their mortgage account. Legal process will be a method to engage the borrower, with the mortgage team and MARP. Where the main borrowers have passed away, title issues are currently being dealt with through the legal process.

The team continued to restructure Shared Ownership accounts during 2024, however where accounts are approaching the end of term the Mortgage Support team enters into an arrangement/agreement with the borrower to pay a monthly instalment which will result in the reduction of the arrears. The arrears remain on the borrowers account and will be part of the monthly arrears figure. This work will continue throughout 2025.

In October 2024, all Local Authorities were informed of updates to the Local Authority Mortgage to Rent (LAMTR) Scheme. One key change was the removal of the positive equity limit. From 21 October 2024 onwards, properties being assessed for LAMTR are no longer subject to a cap on positive equity. Previously, properties with over €35,000 in positive equity were ineligible, which meant DCC could not consider many borrowers in arrears for the scheme. The Mortgage Support team is optimistic that this change will enable more borrowers with unsustainable mortgages to become tenants of DCC through the Mortgage to Rent process. This is expected to reduce arrears and increase the Council's housing stock.

The Mortgage Support team in the Loans, Sales and Grants sections are committed to continue the monitoring of each borrower that falls into arrears on a monthly basis through MARP.

3.8 Bad Debt Provision

Bad debt provision in 2024 was €172m (2023: €175m), a decrease of €3m on last year's figures. The main provisions included government debtors of €8.9m (2023: €7.18m), rates of €18.9m (2023: €21.4m), loans of €6.2m (2023: €6m) and housing rents of €26.8m (2023: €27.2m). In addition, there is a provision for development levies of €72.3m (2023: €69.2m) in place in 2024.

4 Integrated Accounting System & Journals

The current financial system is not an integrated system but one where journals are processed to the main system from the various other systems to manage the operational business of the local authority. It is important that a more integrated system of accounts be put in place. A large number of manual journals are used to account for the financial information and the transfer of this information to the main financial system within DCC.

Journals represent a significant risk in any organisation and in this respect, the reduction in the number of such journals and the improvement of controls in this area is a priority. The current financial system needs to integrate automatically with other systems to reduce the number of manual journals being processed and avoid human error in rents and rates. It is critical that a

working group be put in place for both rents and rates to implement and manage this process in order to mitigate the risks with the rent system (OHMHS) and the rates system (Orbis).

In line with this, the financial system needs to also facilitate the automated production of the AFS and reduce the need for manual intervention. This large exercise of integrating systems and the automatic generation of accounts needs immediate attention.

Chief Executive's Response

The current Oracle Financials system is a robust, enterprise-grade solution capable of handling high transaction volume exceeding €2 billion and processing over 5 million transactions through its General Ledger. It supports a diverse range of services, including more than 900 services delivered by the Council.

The feasibility of fully automating the production of the Annual Financial Statements (AFS), thereby reducing the need for manual intervention, will be investigated. Dublin City Council has recently entered into a new contract with an Oracle system support provider and will work closely with them to minimize manual adjustments and reconciliations. This collaboration aims to enhance the accuracy and timeliness of AFS preparation.

The Finance Department will set up working groups to investigate the feasibility of integrating the Oracle FMS with the Rates (Orbis) and Housing Rents (OHMS) systems. For the Rates system, considerable work has been done on streamlining and strengthening the current reconciliation process to ensure that Oracle records the correct information from Orbis.

Currently significant work is being done with our support partner to prepare for the introduction of Interest on Overdue Rates as per Section 12 of the Local Government Rates and Other Matters Act 2019. Interest will become liable on unpaid 2025 bills from 1st January 2026.

For the Housing Rents system, the current priority is to ensure the go live of the new upgraded version of OHMS by year end 2025. This has been a resource intensive process and support will be required post go live to ensure it is operating efficiently and correctly.

It is recognised that the integration of systems will reduce the level of manual intervention required but it will not negate or eliminate the need for control checks/balances and reconciliations.

5 Historical Funding Gap

In 2022, the Historical Mortgage Funding Surplus of €25.4m recorded in Note 10 was highlighted to DCC as not being compliant with the Department's guidelines. The 'Accounting for Income', guidelines, state that a funding gap

surplus cannot be left as a balance sheet item. It requires that the surplus, as it is in this case, form part of the annual estimate process. This has not happened to date and needs to be accounted for accordingly in the Budget estimates.

Chief Executive's Response

The Historical Mortgage Funding surplus is now part of the annual revenue budget process. In Budget 2025, €5m has been drawn down to the revenue account. The funding surplus will be used over the next 5 years and will be fully utilised by year 2029.

6 Development Contributions Waiver & Part V adjustments

The Development Contribution Waiver Scheme pursuant to Circular letters PL04/2023 and PL02/2024 commenced in 2023 with developments to be completed by 31st December 2026 (as extended). The date of commencement is determined by the commencement notices submitted by developers. It is noted that no verification of commencement notices have been undertaken by DCC to confirm the accuracy of the start date and stage of development in these notices. This needs to be prioritised and addressed immediately.

In addition, development contribution claims to the Department have been overstated by the Part V element of the developments. The audit also found that while letters of compliance were being provided as part of the documentation on the Part V register, the related credit adjustment memo was not processed at the same time resulting in an inflated development levies arrears figure in Note 5 to AFS. There were a number of these credit adjustments that remained to be processed at the year end. A full review is currently underway in this area.

Chief Executive's Response

The requirements of the Waiver Scheme stipulated that all development works must commence on the 25th April 2023 and completed initially by the 31st December 2025 and further extended to the 31st December 2026. The process in DCC is when a Commencement Notice or 7 day notice is submitted, an invoice is raised. The undertaking as provided by Department of Housing Local Government & Heritage must be signed by the applicant confirming the commencement date of works on site and then be witnessed by a Notary Public, Commissioner of Oaths or Solicitor. The witnessed undertaking form is the proof that works had not commenced prior to the date stated on the commencement notice. As the Waiver Scheme has now concluded preparations are underway to issue letters to those applicants who have availed of the waiver scheme to ensure compliance with the terms and conditions of the Scheme.

Work is currently underway to reconcile all applications that met the requirement for Part V monies which may have been overstated due to the non-processing of credit memos. The credit adjustments will be recalculated and offset against any contributions due and where DCC has been paid for Part V developments arrangements will be made to refund the monies.

The Processing of credit adjustments has commenced and the outstanding balance will be reflected in the figures due for each developer and will therefore be reflected in the figure shown in the Development Levy Debtors balances outstanding at year end.

7 Other Income

7.1 Revenue Income Streams in Capital

A number of revenue based income streams are not reflected in the Income & Expenditure but in the Capital Account. This is not in compliance with the Accounting Code of Practice (ACOP). All revenue based income streams going directly into Capital Account without being accounted for in the Income & Expenditure firstly needs to be examined and reflected correctly in accordance with the ACOP. Income including commercial rents, tolls, waste to energy dividends and parking need to be examined in this respect. Paragraph 7.2 below looks at the parking income from the ILAC Centre Car Park.

Chief Executive's Response

Dublin City Council sought guidance from the General Accounting Working Group (GAWG), and they recommended the income streams generated by commercial rents, Tom Clarke (East Link) toll bridge, waste to energy dividends and car parking should be accounted for in revenue account as part of the 2026 annual budgetary process.

As these revenue streams are critical to the funding of capital works, a revenue transfer to capital was deemed appropriate by the GAWG.

7.2 ILAC Centre Car Park

The ILAC Centre multi storey car park, is a car park situated in the heart of Dublin city centre, and serves a large retail shopping area. It has parking capacity for 1,000 cars on split levels.

Under the terms of a lease agreement, DCC receives 75% of the car park income by means of a rent payment, and the car park operator retains the remaining 25%. Car park income is collected and VAT is accounted for on this income by the car park operator. DCC is paid rent quarterly.

Car park income is being accounted for in the Capital Account instead of the Revenue Account.

The car park operator lease agreement expired in October 2018, and has been extended by Chief Executive Orders to date. The incumbent car park operator was successful in securing a new 5 year lease, and that lease is due to be signed in May 2025.

The new lease agreement was not advertised on e-Tenders. Instead, it was publicly advertised as a Request for Lease in national newspapers. A contract award notice was not published on e-Tenders.

Chief Executive's Response

Accounting treatment of ILAC Centre Car Park Income is being reviewed by Central Finance as part of last year's audit.

The contract extension was considered an extension of a lease and pursuant to advice from Central Procurement Union, which supports their understanding that the lease of these carpark spaces is not subject to Public Procurement Rules. Supporting info: Article 10(a) and Regulation 10 (1).

8 Capital Account

8.1 Capital Account Debit Balances

The Capital Account has a credit balance of €335m (2023: €319m), with capital expenditure including transfers totalling €832m and capital income including transfers totalling of €847m. The increase in the capital balance is mainly represented in an increase in Development Contributions and Reserves. There are 181 debit balances totalling €184m which need to be funded.

There are 27 accounts with debit balances greater than €1m totalling circa €110m (2023: €101.2m).

The table below identifies debit balances over €3m.

Capital Jobs	Debit Balance
LAND ACQUISITION LOAN REDEMPTIONS	23,102,192.85
DUBLIN FIRE BRIGADE LOGISTICS	14,522,794.34
EMMET ROAD COST RENTAL	10,544,277.21
OSCAR TRAYNOR ROAD HOUSING LAND INITIATIVE	9,706,777.70
DEPOT CONSOLIDATION PROJECT OTHER COSTS	4,462,129.32
PROSPECT HILL	4,177,426.28
O'DEVANEY GARDENS HOUSING LAND INITIATIVE	3,366,350.85
CHARLEMONT AREA URBAN FRAMEWORK PLA	3,268,622.34
DUBLIN DISTRICT HEATING SYSTEM PHASE 2	3,095,155.58
REDEVELOPMENT OF BUTTERCUP PARK	3,000,000.00

In relation to the Land Acquisition Loan Redemptions (paragraph 8.3), Dublin Fire Brigade Logistics Facility (paragraph 18.6), Emmet Road Cost Rental

(paragraph 8.4), Oscar Traynor Road Housing Land Initiative, O'Devaney Gardens are all work in progress and are subject to funding consideration. Prospect Hill, Redevelopment of Buttercup Park and Charlemont are completed projects yet to be funded. Dublin District Heating System remains an unfunded debit balance. It is important arrangements are put in place to fund all debit balances.

8.2 Future Loan Requirements

The Dublin City Council Capital Programme has identified a number of flagship projects, which require significant funding requirements. Table 6 of the Programme identifies Capital Budget figures for each of the projects below. It is noted that these are indicative figures only and consequently may not fully reflect the final actual figures resulting from the procurement process. A number of these projects are at a feasibility stage or have commenced. The funding requirements noted in the Capital Programme are as follows:

Project	Total €m
Fire Station- Alfie Byrne	7.00
Fire Station- West Dublin Clonburris	2.00
Fire Station - South Dublin Cherrywood	2.00
Fruit and Vegetable Market	18.30
Dalymount Park Stadium	19.00
Newcomen Bank/City Hall Refurbishment	6.80
New Dublin Central Library and Hugh Lane Gallery	90.00
Emmet Road Cost Rental	132.50
Refurbishment of Voids	67.50
Planned Maintenance	13.40
Total Borrowing requirement out of local authority envelope	358.50

Note 7 to the AFS shows non-mortgage loans at €403m. A further increase in borrowings of €358.5m over the next five years will have a significant impact on the finances of DCC. It is important that the funding of these additional loans are clearly identified and assured.

Chief Executive's Response

The combinations of the following funding options are open to the Council:

- An increase in grant funding from Central Government
- Increase housing related income
- Maintaining the Local Property Tax (LPT) at the basic rate
- Funding the Emmet Road loan from future cost rental income
- A marginal increase in commercial rates

8.3 Land Acquisition Loan Redemption

Prior year audits have identified a lack of clarity around the lands in Ayrfield, Malahide Road purchased in 1999 and the reconciliation of these lands with the debit figure of €23.1m in the capital account. I recommended an exercise to reconcile the remaining lands to the debit balance. Some of these lands have already been developed while other lands have yet to be developed.

I note that these lands are currently undergoing a strategic assessment with various departmental and cross departmental inputs, and that a reconciliation exercise will take place following the completion of a valuation by the City Valuation Office. The proportion of lands developed and lands undeveloped will be confirmed as part of the process.

I recommend that this valuation and reconciliation exercise is expedited by management. The balance of lands remaining undeveloped should be reduced to reflect the underlying asset.

Chief Executive's Response

We will endeavour to expedite this valuation and reconciliation exercise. In order that an appropriate and effective valuation is undertaken, the relevant mapping needs to be confirmed, along with a Planners report on the development status of the entire lands and the development capacity of the residual lands. These reports will also have to include up to date information of services required to deliver any development capacity identified.

8.4 Emmet Road Cost Rental Development

In 2015 St Michaels Estate, now described as Emmet Road Cost Rental Development, was one of three sites, which made up the Housing Land Initiative (HLI) pursued by DCC. Feasibility studies were undertaken in 2015 and 2016. Ownership and title issues delayed the project particularly in relation to the front part of the site. In June 2018, the feasibility study further re-examined the residential component of the St Michael's scheme having regard to an option for a pilot cost-rental project.

In July 2018 the Minister of the Department of Housing, Local Government and Heritage unveiled plans for the cost rental model of housing. It is a first of this type of initiative for DCC that typically provides affordable accommodation for moderate-income households in urban areas of high demand for residential accommodation.

DCC obtained planning consent from An Coimisiún Pleanála in July 2023 to deliver 578 apartments as part of mixed-use development which will include 441 cost rental units and 137 social apartments.

A competitive negotiated procedure, novated design and build route strategy, is being developed for the main residential development including the library/community hub building. Funding is being provided by the Department

for social housing units (137 homes) including a portion of the ancillary facilities (crèche & community hub) and by the Housing Finance Agency (HFA) for the cost rental housing (441 homes), which is being supplemented by government subvention in the form of the Affordable Housing Fund (AHF).

The project is currently at tender stage. The enabling works contractor commenced on site 14th April 2025. The procurement for the main construction contract is progressing. Tender evaluation phase is being finalised.

There is currently a debit balance of €10.4m on this project cost centre.

Chief Executive's Response

The debit balance of €10.4million represents the total costs incurred in progressing the regeneration project to Tender Stage, with expenditures dating back to 2018.

The project is financed through a blended funding model comprising Exchequer contributions and long-term borrowing. Social homes are supported through the Social Housing Investment Programme (SHIP), while the Cost Rental homes are funded through a combination of the Affordable Housing Fund (AHF) and a Housing Finance Agency (HFA) loan.

DCC will recoup eligible expenditure to date through SHIP and AHF on a vouched basis. Repayments on the HFA loan will be covered by rental income from the cost rental tenants.

8.5 Depot Consolidation Project

The North City Operations Depot (NCOD) project reached substantial completion in June 2023. The NCOD project has been completed under the pre-construction budget of €74.4m. The project was to be funded by a HFA loan of €74m. The original loan was for €34m (approved by Council in Oct 2020) and a further loan of €40m was approved by the Council in June 2022. €40m of the funding was to be achieved by way of disposal of vacated depot sites. However, disposals could not meaningfully proceed until services were moved into the NCOD thereby vacating existing depots. In the interim, provision needed to be made to cover the shortfall of €40m to finance the completion of the NCOD. On this basis, the required €40m was borrowed. It is intended to repay the loan as proceeds from depot and land disposals come through.

A separate cost centre in Oracle reflecting the Office for Government Procurement 'Inflation / Supply Chain Delay Co-operation Framework Agreement' shows additional costs for the project of €4.5m. The Council intends to fund this from its own resources.

The final account (€56.3m ex VAT) for the main construction contract shows total costs paid to the contractor represent 110% of the contract sum (€51.4m ex VAT). The additional costs arose due to construction delays and design

changes that arose during the course of the build.

Total costs paid to the project consultant to December 2024 represent 106% of the contract sum. The additional fees arose due to multiple modifications and additional work during the stages of detailed design, procurement and construction.

A post project review has not been completed to date.

Chief Executive's Response

The findings of the audit are noted. Depot disposals are being progressed and loan repayments are on-going. Arrangements are made to complete the post project review.

8.6 Merrion Square Tea Rooms

This project commenced in 2015 and entails the construction of tearooms at Merrion Square Park, including an external terrace, kitchen / store, toilets, staff facilities, maintenance, plant / storage areas, external lighting, alterations to existing fence and steps to the playground.

Consultant architects were procured and appointed in 2015 to develop a design for the tea rooms at a cost of €246k (incl. VAT). Costs to date spent on this consultant amount to €655k (incl. VAT). This represents an extension of 166% on the original contract. This is not in compliance with Council, national and EU procurement regulations.

The construction contractor was tendered in 2022 at €4.6m (incl. VAT) and construction costs to date amount to €921k. It is currently under construction with an expected completion date of Q4 2025.

The approved budget for the project is €6.1m, funded by development contribution levies.

Chief Executive's Response

This project has been subject to significant delays over the past 10 year from preliminary design to construction during a period of exceptionally high building inflation.

The main reasons for the uplift in fees are as follows:

- Increase in design scope associated with a higher value building.
- 4 year delay to the design process including 3 year delay due to COVID and 1 year delay as a result of CRES capital projects being put on hold.
- 1 additional year of value engineered re-design of the building and adjustments for amended Fire Safety and Disability Certificate.
- Adjustment for inflation based on Consumer Price Index CPI in accordance with Conditions of Engagement, contract Clause 5

- Additional fee for Assigned Certifier in compliance with BCAR

Note that the complete fee for all design team stages and disciplines, including Assigned Certifier is a fee percentage of approximately 13.8% of total construction cost which is broadly in line with current industry design team fees scale for a building of this value and complexity.

This initial contract was awarded from a valid multi-party framework of architect led integrated design team in 2015 and was compliant with public procurement. However, it is acknowledged that the project is not now fully compliant with council, national and EU procurement regulations especially article 72 of the 2014/24/EU public procurement directives and Annex V Part G.

8.7 Dublin District Heating Project

The Dublin District Heating Project (DDHP) seeks to capture waste heat from the Dublin Waste to Energy (DWtE) facility and deliver it to homes and businesses in Dublin city. A closed underground pipeline network will carry heated water to the new Irish Glass Bottle housing development, and to the North and South Docklands, providing a low-carbon water and central heating infrastructure.

Phase 1 of the project encompassed the early delivery of infrastructure within the Liffey Services Tunnel and North Lotts SDZ at a cost of €10.9m, and has been fully funded via revenue generated from the DWtE facility.

Phase 2 of the project initially had a budget of €73m, but this has been significantly reduced on the 2025-27 capital programme. The project was envisaged to be delivered by 2026. This included developing a preliminary design for an Energy Centre including a backup heat source and thermal storage. It is estimated that the Energy Centre may not be delivered before 2031 due to several project constraints including planning timelines, securing a high voltage grid connection and land availability. This has led to the development of an interim phase with a budget of €5.8m for 2025 only and will be funded by revenue generated from the DWtE facility.

Consultants were procured for the project for a contract amount of €4.7m (inc. VAT). There have been 2 change orders for additional consulting and technical support for €482k (exc. VAT).

A modification notice for change orders for another consultant on the project for the period 2020-2022 for €437k (exc. VAT) was not published on e-Tenders/OJEU.

There is currently a debit balance of €3m on the project as at year end 31 December 2024.

Chief Executive's Response

There have been 2 change orders for additional consulting and technical support totalling €482k. Details of the change orders are below:

1. Additional technical support and consultancy services in respect of consulting engineers for the Dublin District Heating Project at the Irish Glass Bottle (IGB) site including:
 - a) Design support to Dublin City Council during engagements with IGB site developers
 - b) Review of technical submissions, current design, contractor's static stress analysis and construction drawings
 - c) Responses to technical queries
 - d) Site visits from third party staff including specialist pipe inspectors
 - e) Resident engineering services for 12 weeks.
2. Design support for options assessment and conceptual design for an interim phase of the Dublin District Heating Project including:
 - a) Provide design support to Dublin City Council during engagements with the operator of the Dublin Waste to Energy (DWtE) facility.
 - b) Development of the District Heating Phase 0 concept at the DWtE facility, including high level concept design of the DWtE District Heating plant room, a 3D model for space proofing purposes, schematic process drawings and hydraulic analysis and update of the conceptual options report.
 - c) Development of additional back up at Spencer Dock in the North Docklands.

Modifications are covered under Article 72 and a modification notice should have been published, but that was not done.

9 Dublin Fire Brigade Funding Shortfall

Dublin Fire Brigade receives €9.18m yearly from the HSE for a portion of the costs. The estimated cost to Dublin local authorities is circa €28.2m. The annual funding deficit has increased from an estimated €9.41m in 2014 to €19m (estimated) in 2024. In April, 2024, the Government approved the recommendations of the Ambulance Task & Finish Group, brought jointly by the Department of Housing, Local Government and Heritage and the Department of Health. As a requirement of the Task & Finish Group findings, DCC's Dublin Fire Brigade commenced an independent review to quantify the total cost associated with providing an ambulance service.

At a recent council meeting, the Chief Executive formally raised the ongoing funding shortfall relating to Dublin Fire Brigade's ambulance service provision and the lack of adequate reimbursement from the Health Service Executive (HSE). It was outlined to Councillors that the cost of operating the ambulance service, which serves a critical role in emergency medical response across Dublin City, far exceeds the current HSE contribution. DCC continues to carry the majority of this cost burden, creating an unsustainable financial position for the local authority.

Chief Executive's Response

The Chief Executive sought and received formal approval from Council to obtain legal advice regarding the City Council's position. This advice would assess DCC's entitlement to recover outstanding costs and establish a legal basis for action, should further engagement with the HSE fail. Following legal consultation, the Chief Executive has now indicated the intention to proceed with legal action. This step reflects both the scale of the funding discrepancy, estimated at nearly €19 million annually across the four Dublin authorities and the absence of a formal service-level agreement between DCC and the HSE despite repeated attempts to resolve the matter.

10 Dublin Docklands Development Authority Pension

The Dublin Docklands Development Authority (DDDA) was dissolved in 2016. The net assets were transferred into DCC's accounts in 2017. There are a number of legacy issues remaining yet to be resolved and provisions have been put in place in respect of these. The company was insolvent, consequently the matter of DDDA pensions' liability remains unresolved and yet to be funded. Dublin City Council has raised this matter on a number of occasions with the Department, however a decision has not yet been made as to its funding. As a result, these pensions are not included in the AFS.

Chief Executive's Response

There has been no further decision made in relation to the DDDA pensions liabilities. The Chief Executive will continue to raise the matter of the DDDA pensions liabilities with the Secretary General of Department of Housing, Local Government and Heritage.

11 Fixed Assets & Housing Rent Reconciliation

The audit noted no reconciliation was undertaken between fixed assets and the housing rental system in 2023 and 2024. The absence of reconciliation in this area does not provide the necessary audit assurance.

In addition, there is no structured governance of housing data and controls. It is imperative that a data management resource be put in place in the housing department to generate an audit trail of adjustments and sign offs, ensuring that segregation of duties is operating effectively.

Chief Executive's Response

The Housing Department is nearing the transition from the OHMS system to the NEC system. The set up and introduction of NEC is a complex IT project. There have been delays in this system going live for several technical reasons. A significant level of housing and IT resources are in place with

oversight from senior IT and housing staff. It is anticipated that the current go live date is Q4 2025. System changeover will give way to improved capability for reconciliation. An operational IS unit has been established to support this significant system migration ensuring testing, reporting, training and manuals are in line with business needs. When the system is signed off and goes live, the team will focus on data management responsibility and in turn improve asset management, rent reconciliation among other housing data governance needs.

The Rent Department along with housing finance are also working with Data Analytics team to improve reporting, triggers, dashboards and visibility of adjustments and sign offs.

Along with this, as part of the council's strategic workforce plan review, approval is being sought for a new asset management team for DCC's housing stock. If approved by the Department and once in place it would work closely with this data team.

12 Corporate Property Register

The corporate property register is critical to safeguarding assets and informed decision making. Its purpose is to record all historical records to ensure that a complete list of all assets is available in one central area, referenced to folios, GIS spatial maps and deeds, which can then be reconciled to fixed assets and inform decision making. It is noted that a bespoke system is being developed in house and significant work is planned to record the data in this system. Meetings take place on a monthly basis and progress is reviewed. Corporate Services and Digital Transformation are fully engaged in this process.

Chief Executive's Response

Dublin City Council have a project team working on a Corporate Property Asset Register which will allow better management and oversight of operational processes and improve strategic decision making. A team comprising of internal staff and contractors has been established to carry out this work. They report to a Project Board that includes the Assistant Chief Executives of Corporate Services, Property Development and Housing, as well as the Law Agent.

The team reviewed existing systems and benchmarked with other similar organisations across the public and private sectors. They are currently resolving internal data challenges before proceeding to a full enterprise solution.

13 Affordable Housing

Note 7 to the AFS, records affordable housing loans as bridging finance at a

figure of €80.3m (2023: €57.1m). New affordable housing loans totalling a further €23.2m were drawn down in 2024 to fund the affordable housing construction within the O'Devaney Gardens development. Affordable housing totalling €57.1m relates to the old unsold affordable units where interest is paid by the Department, but the principal remains outstanding. These particular units are currently rented to social tenants. The balance of €23.2m relates to the O'Devaney Gardens project where the sale of the affordable housing will finance the repayment of the loan.

14 Approved Housing Bodies' Payment Availability Agreements

The Capital Advance Leasing Facility (CALF) loans increased from €252m in 2023 to €412m in 2024 representing an increase of 65% year on year. These loans are payable at the end of a term of between 25/30 years. CALF loans represent up to a 30% finance facility given to Approved Housing Bodies (AHBs) to fund new housing development initiatives. This amount due by the AHBs is reflected as a long term debtor in Note 3 in the AFS and as a long term creditor in the Statement of Financial Position under 'Other'. The balance of up to 70% is privately financed by the AHB's.

A Payment and Availability Agreement (PAA) amount is then agreed between the AHB and the Department so that these properties are available for social housing. The amount agreed covers the overall capital and operational cost since 2023. Prior to this, it was limited up to 95% of the market rent. It must be noted that the agreements will be reviewed every 4 years in accordance with the European Harmonised Consumer Prices Index.

The payments have increased from €49m in 2023 to €62m in 2024. These payments are funded by Department.

In line with these PAA's, it is important that controls are strong to ensure that tenants occupying these units are from the housing list. In this respect, it is important that a full reconciliation is completed between the housing list and the AHB's tenants list to ensure compliance. Furthermore, it is also recommended that site visits are undertaken to establish occupancy and ensure that all AHB's are compliant. Resources need to be identified and applied to this area of control weakness.

Chief Executive's Response

In line with the requirements of PAA's, it is essential that only eligible tenants drawn from the housing list occupy units managed by AHB's. AHB's are contractually obligated under the PAA to provide annual occupancy reports and certify tenants as eligible nominees and to disclose tenancy changes promptly. To support this objective, a reconciliation between the Housing List and AHB tenancy records is proposed and enhanced reporting and cross-checking system. The additional recommendation that site visits be conducted to physically confirm occupancy may not represent an efficient or effective use

of Council resources.

At present the AHB Section carries out an annual audit on occupancy of all AHB properties in the Dublin City Council Area. AHBs are required as part of this audit to provide a large number of details on the status of each property in their ownership.

A robust reconciliation of the AHB tenant list with the Housing and Allocations lists supported by documentation and annual audit reports already required under PAAs can effectively confirm eligibility and detect anomalies. This desk-based control is more scalable, repeatable, and cost-effective than site visits.

15 Irish Water Redundancy & Central Management Charge

Twenty three staff availed of the redundancy scheme costing circa €1.6m. In addition, the Central Management Charge (CMC) for water services of €11.3m was incurred in 2024, of which an amount of €10.1m was recouped from the Department leaving CMC costs that arose after the local authority's withdrawal from the delivery of public water services. This recoupment is based on the 2022 CMC charge and staff costs are no longer reimbursed by Uisce Éireann where staff worked 50% on water services. This has resulted in a shortfall €1.2m in 2024 which had to be funded by Revenue.

16 Homeless Services

16.1 Homeless Services Occupancy

A review was performed of the levels of occupancy of accommodation supplied for the purposes of the provision of homeless services. The sample selected at audit identified one property relating to Avalon House which was unoccupied in the 2024 period. The total 2024 cost of this property for the periods of non-occupation was €2.3m (€2.5m, 2023). The DRHE expects that the provision of homeless services from Avalon House will commence in mid-2027. However, the provision of homeless services is dependent upon the awarding of planning permission from DCC.

Chief Executive's Response

This property was the subject of a legal settlement, part of which, included the transfer of the agreed lease from PMVT to DCC. Upon inheriting the lease DCC assessed all options including terminating the lease, however, none of the options to end the lease were viable and the reuse of the building was then identified as the most appropriate option. DHRE are progressing work to prepare a planning application for the reuse of the building. Then building is listed and so requires extensive building works.

16.2 Homeless Services Exemption Compliance

The audit reviewed a sample of supplier documentation and noted that the VAT rate indicated may not be the appropriate rate applicable, in particular where a contract was in place with the local authority. This matter needs to be reviewed.

The audit also found that there were no contracts in place for two of the suppliers in 2024 with expenditure totalling €12.1m and €4.1m respectively.

Chief Executive's Response

The Homeless Finance team will work with finance and legal to agree the appropriate position and will engage with the relevant Homeless accommodation suppliers to clarify and rectify, where appropriate, the relevant VAT rate / VAT statement on their invoices going forward.

For the 2 suppliers referenced, following a procurement process, contract heads of terms have been agreed. In line with procedure, New Service Proposals (NSP) have been issued to the Dept. for decision.

In relation to the first supplier, the Department replied in July with a requirement to re-negotiate the contract, which the City Valuer's office are undertaking on behalf of DRHE. A response is pending on the 2nd NSP currently.

16.3 Homeless Services Procurement

A review was performed to provide assurance that the engagement of suppliers of private emergency accommodation was in compliance to public procurement regulations. The sample selected at audit identified a high level of compliance regarding the engagement of providers of private emergency accommodation through competitive procurement processes. However, instances of non-compliance have been identified regarding the engagement of twenty-one providers of private emergency accommodation. The selection and subsequent appointments of these suppliers were not subject to the performance of a competitive process. The expenditure incurred on these suppliers in the provision of homeless services for the 2024 period was €41.4m.

Chief Executive's Response

These are largely historic arrangements, and every effort is made to find alternatives. In some cases, we have decanted and had to re-enter the accommodation because of inadequate supply of emergency beds through the open tender procedure. If and when we have sufficient alternative arrangements available to us through the open procurement process, we will decant.

17 Local Authority Companies

17.1 Local Authority Companies Overview

Appendix 8 to the AFS identifies 19 companies and joint ventures. The percentage control and ownership exercised by the Council is noted along with financial details of each company and joint venture.

At the time of audit, only five companies had submitted financial statements for 2024 with the remaining fourteen showing only the 2023 results. In order to consider all aspects of business activities for DCC, it is important that all published accounts for the same year as that being audited are available. All companies need to prioritise and change their accounting periods in line with DCC's accounting period to allow for a more informed process.

Chief Executive's Response

It is acknowledged that audited accounts for some of DCC's subsidiary companies are not available to the Local Government Auditor to consider as part of the audit process. This occurs as the subsidiary companies, as distinct entities, have filing dates for their accounts that exceed DCC's audit timeframe. It is important that DCC and our subsidiary companies support the Local Government Audit process to be as complete as possible. The Head of Finance request that the Chairs of DCC's subsidiary companies work over a period of 3 years or sooner with their accountants and auditors to move to having their accounts completed and audited within the timeframe of the Local Government Auditor.

17.2 Temple Bar Cultural Trust Designated Activity Company

Temple Bar Cultural Trust DAC owns and manages buildings and public spaces for both commercial use and for the arts. A decision was made in 2013 to dissolve the company and transfer it to DCCs ownership. This transfer is subject to the approval of the Planning and Development Bill(No 2) and a commencement order. The 2023 audit opinion expressed an unqualified opinion on the financial statements which recorded a surplus for the year of €113k. This is a significant improvement on the 2022 figures of €21k. The shareholder funds were €18.6m (2022:€18.51m).

Chief Executive's Response

In April 2013 a decision was made by the previous board of Temple Bar Cultural Trust that its functions, responsibilities and assets should be transferred to Dublin City Council. A transition team made up of DCC staff carry out the day to day operations and legal & company requirements of TBCT, reporting to a Board of Directors consisting of DCC senior management and Dublin City councillors. Most of the legacy legal issues of the company have been resolved and several of its previous functions have successfully transitioned into the relevant DCC Departments. It is still the

intention to ultimately dissolve the company and transfer all of the assets to Dublin City Council. When a date is established, the Board of TBCT will formally write to the Department to initiate the necessary legislation required to dissolve the company.

17.3 F2 Social Enterprise Board

The F2 Social Enterprise Board (F2SEB) CLG involved the sustainable development of the Fatima/Herberton estate in Rialto, the promotion of social sustainability, the integration of Fatima residents with new residents coming to live in the Herberton Development and existing residents living in the surrounding area. F2SEB is currently in the process of being wound up and is going through the legal process to ensure compliance with corporate governance and charities regulatory rules. As a consequence, a number of leases have been put in place by DCC for the commercial units while others are under negotiation. The residents of the apartments are currently in the process of being transferred to DCC tenancy agreements. The funds held by the company on wound up will be redistributed in line with the rules governing Registered Charities. F2SEB's legal advisors will be advising on this matter over the coming months.

Chief Executive's Response

The Board of F2SE has been working towards the closure of the Company throughout 2024/2025. It is anticipated that the company's assets will be transferred in accordance with Charities Regulatory rules and the company will be wound up by 31/12/2025.

17.4 Ballymun Regeneration Limited

At the time of audit, the financial statements for Ballymun Regeneration Limited were not available for 2024. The company has yet to be liquidated, however, to date, total assets released to DCC by the company amounts to €567.2m, which includes 1,694 completed housing units. The 2023 financial statements recorded a nil balance for both assets and liabilities. The financial statements included an audit opinion identifying an emphasis of matter paragraph explaining that the financial statements were no longer prepared on a going concern basis given the intention by the directors to liquidate the company.

Based on the above information Ballymun Regeneration Limited is fully consolidated into the Council's AFS in accordance with the Accounting Code of Practice.

17.5 Dublin Enterprise & Technology Centre CLG

The Dublin Enterprise & Technology Centre CLG provides incubator space to new and established small business, primarily in software services-oriented business, small scale manufacturing, light hi-tech engineering and

technological services. It also offers a comprehensive range of enterprise development related support services and facilities to clients and other new/small businesses within Dublin. The provision of these services are provided on a not-for-profit basis and draw on local and national support services. Income is from grants and contributions from members. It is noted that the Profit and Loss account and Other Comprehensive Income Statement shows a net loss after taxation of €249k in 2023.

Chief Executive's Response

This year's AGM of the Dublin Enterprise & Technology Centre CLG t/a Guinness Enterprise Centre AGM Meeting of the Board of Directors was held on 4th July 2025. The Directors Report and Financial Statements Auditors' Report for the period ending 31st December 2024 set out an overall financial loss of €158,628, an improvement on previous years figures. While the principle risk and uncertainty facing the business, which was heightened by the impact of the COVID 19 pandemic, the financial statement was prepared on a going concern basis which assumed that the entity will be in a position to continue in operational existence for the foreseeable future.

18 Procurement

18.1 Procurement

The procurement structure has improved and it is envisaged that a new contracts register and management database will be in place by September 2025. There is now a reference link between the current contracts database and the Oracle system. Work is ongoing in this area with further developments of scheduling reports to budget holders to be finalised from the Oracle system once the new contracts database is implemented. This will facilitate greater monitoring in this area. It is important to reiterate that it is incumbent on senior management to take responsibility and ensure that all expenditure that exceeds the procurement thresholds are fully compliant with the procurement directives, national regulations and internal policies and procedures. It is noted that the following areas showed a particular lack of procurement compliance: Vehicle Leasing, Vehicle Maintenance and Waste Disposal. These need to be addressed as a matter of priority. I will review these areas at the next audit.

Further instances of non-compliance and budget over-runs are identified below:

18.2 Sillogue Roads Infrastructure Scheme

The Sillogue Infrastructure Scheme in Ballymun involves the extension of existing road at Gateway Crescent to create a link road from Sillogue Road to Ballymun Road, the realignment of Sillogue Avenue and connect it to Owensilla Terrace and upgrade of Sillogue Gardens including road and

footpath reconstruction, new foul and surface water drainage, public lighting infrastructure.

The project was substantially complete in August 2023 and the final account was reviewed during the audit. The approved project budget was €8.3m however the final cost was €14.8m an increase of 78% on the initial budget. The construction contract tender price of €5.4m was increased to €10.85m after a conciliation process, that represents an increase of 101% over budget.

In the absence of stronger budgetary controls and project management oversight, project costs will escalate and timelines will not be met, leading to further cost increases at the latter stage of the project not provided for in the original tender. It is recommended that a review of project management procedures at cost centre level should be undertaken with a lessons learned report completed at project level to avoid future expenditure overruns of this nature.

Chief Executive's Response

Budgetary controls are in place, the main reasons for the cost overruns were outside of this and are as follows:

- (i) Delays relating to Utility Service providers
- (ii) COVID19 pandemic restrictions
- (iii) Changes to original design once project started
- (iv) Anti-social behaviour
- (v) Ex-Gratia payments re OGP inflation and COVID19 payments
- (vi) Conciliation and Arbitration for which managerial approval was obtained.

18.3 Clontarf to City Centre Cycle Scheme

This project involved the construction of a new cycle path along 2.7 kilometres from the Clontarf Road/Alfie Byrne Road junction along North Strand Road to Amiens Street at Connolly Station. The works also included replacing a 6.5km of century-old water mains and adding eight new community plazas. The project was substantially completed in October 2024 with the official opening held in November 2024. An amount of €36.48m was the agreed tender price for the contractor however an amount of €61.55m was paid, an increase of 69% above tender price, The amount paid included an ex gratia payment of €2.4m. The original budget of €62.5m has been increased to €81.65m as at end of December 2024.

A planned road safety audit was undertaken in January 2025 where additional works were identified at a cost of €1.7m (not included in the above costs). The Council is awaiting the final account to be agreed with the main contractor. The post project review has yet to be completed at the time of audit.

Chief Executive's Response

Relating to the works contract with the main contractor, it is noted that up to the end of December 2024, €54.2m had been paid. This included €2.4m

relating to inflation framework monies. To date €60.88m exc. VAT has been paid to the contractor with a final retention payment to be made in 2026. This includes for a total sum of €3.25m exc. VAT relating to the inflation framework.

The overall budget has increased from €62.5m to €83.35m (Inc. VAT). It is currently expected that the budget of €81.65m (Inc. VAT) shall be adequate. Hence, utilising the €81.65m figure this would result in an increase of 30% on the overall budget. It is further noted that when the third-party statutory utility costs of €2.9m are recouped (which were additional costs to what was included for in the original budget) the actual increase is from €62.5m to €78.74m which is a 26% increase in the overall budget required for the project.

Additional expenditure were approved in line with the budget increase requirements.

A road safety audit was undertaken, and the respective works have been completed, with works being minor in nature and compared to what would have been expected for such a large project. It is not currently envisaged that the €1.7m increase in budget sought in 2025 shall actually be required.

18.4 Parnell Square Cultural Quarter and City Library

The Council completed an assessment of the project regarding the delivery of the project on a phased basis. Phase 1 encompasses refurbishment works to 26 Parnell Square and the building of the City Library with an approved overall budget of €101m (May 2022). The most recent cost update for the Parnell Square Project was issued in November 2024 with construction costs for Phase 1 at €141m. This has not yet been approved by the Council's Capital Projects Governance Board.

Phase 1 commenced in 2017 and consultants for quantity surveying and project management led design team services were tendered for €8.1m (incl. VAT) in 2022. Additional costs arose relating to significant archaeology being uncovered. The consultant also requested further site investigation. The contract for the consultant on the project went to conciliation in May 2024. The outcome of this conciliation process was additional fees payable by the Council to the consultant of €960k (excl. VAT) for this project.

There is a significant overspend on the conservation works contractor procured for the project. The contract amount is €133k (incl. VAT) whereas the spend to Dec 2024 is €402k (incl. VAT). This represents an extension of 202% of the original contract. This is in breach of Council, and national public procurement regulations.

There is a significant overspend on the demolition contractor procured for the project. The contract amount is €0.49m (incl. VAT) whereas the spend to Dec 2024 is €1.05m (incl. VAT). This represents an extension of 114% of the original contract. This is in breach of Council, and national public procurement

regulations.

There is a debit balance on this project of €2.6m as at December 2024 which will require funding.

Chief Executive's Response

The Council acknowledges the procurement breaches identified in the audit report. These instances of overspend were primarily due to unforeseen additional work requirements that emerged after contractors had been mobilised on site.

The project team is actively implementing procedures to strengthen oversight, ensure adherence to procurement protocols, and enhance overall project governance.

18.5 Development of Dalymount Park

In February 2024, a Part 8 planning application was granted for the Dalymount Park redevelopment. The plan for the redevelopment is to construct a four-sided enclosed stadium with a seating capacity of circa 8,000. The development will also include a new public community facility for Phibsborough, and significant improvements to the public domain. The redeveloped stadium will house Bohemians Football Club.

The latest approved budget for the project is €56.6m (Aug 2023), to be funded as follows: Large Scale Sports Infrastructure Fund (LSSIF) Stream 1 €0.9m, LSSIF Stream 2 funding €24.6m, UEFA/FAI grant €0.5m. The balance is to be funded by development contribution levies and a loan.

The project is currently a work in progress, with a 26 month construction period. The main construction contractor is expected to be appointed Q3 2026, subject to agreement on additional funding. The expected completion date is Q1 2029.

As the project value exceeds €20m, a cost benefit/effectiveness analysis has been carried out as required by the Public Spending Code

A contractor was procured and appointed to complete the demolition of the Connaught Street Stand at a cost of €417k (Inc. VAT). However, additional remediation works of an emergency nature were required to be carried out. An additional contract was awarded to the same contractor to carry out these works at a cost of €313k (Inc. VAT). A voluntary ex-ante transparency (VEAT) notice was not published on e-Tenders for these emergency works.

Chief Executive's Response

The redevelopment of Dalymount Park is a flagship project for DCC. Since planning permission was secured in February 2024 the project has been delayed due to uncertainty around funding. The LSSIF Stream 2 grant, which was allocated to the Dalymount Park Redevelopment project in November 2024, is substantial. However, it still leaves the project with a significant

shortfall. DCC's Culture, Community, Leisure and Area Services (CCLAS) Department are currently examining options to fund this shortfall.

With regard to the VEAT Notice for emergency works, attempts were made to publish the Notice on e-tenders in October and December 2023. However, publication at that time was not possible as advice was awaited from OGP on how to correctly publish direct contract awards and VEAT Notices on the new e-Tenders platform.

Due to the Dalymount Park Redevelopment Project then going into a period of standstill, an omission was made with the passing of time and the VEAT Notice was never published. The CCLAS Department takes full responsibility for this administrative error.

18.6 Dublin Fire Brigade Maintenance and Logistics Facility

The Dublin Fire Brigade (DFB) Logistics Section is located on Stanley Street, Dublin 7. In 2022, the Council identified the Stanley Street Depot as a suitable location to build high density social and affordable housing. The site was subsequently approved by the Department and was included in Bundle 4 of the Public Private Partnership National Social Housing Programme.

The National Development Finance Agency (NDFA) in conjunction with DCC is to oversee the design, procurement and oversight of the funding process for the social and affordable housing units located on the Stanley Street site. The Stanley Street site valuation is to be carried out by the NDFA. It was estimated that construction would commence in 2025 with the housing being made available for occupation in 2026/27.

DFB is required to vacate the Stanley Street site by the end of 2025 to allow for the agreed build of high density social and affordable housing units. In this regard an alternative site was identified in Finglas to accommodate the DFB logistical warehouse and vehicle maintenance facility. An approved budget of €25.1m was agreed, of which €16.1m was paid for this site including a building. This is to be funded by a combination of a local authority loan from DCC and the other Dublin Local Authorities, and the Department. There is currently a debit balance of €14.5m at year end 31 December 2024 which mainly represents the unfunded cost of the site and building purchase.

DCC and DFB are in the process of going out to tender to appoint an architect led multi-disciplinary integrated design team to provide all architectural and related design and contract management services required to fit out Dublin Fire Brigades logistical warehouse and vehicle maintenance building on the Finglas premises.

A public procurement competition was not held to appoint the solicitors (cumulative spend to December 2024 of €66k) used by the Council for the purchase of the premises. Instead they were appointed by invitation. This is in breach of Council, and national public procurement regulations.

The project is currently a work in progress with an expected completion date

of Q4 2025.

Chief Executive's Response

With regard to the findings concerning the engagement of legal services for the acquisition, the premises became available on the open market and was deemed highly suitable for DFB operational needs. The Law Agent has confirmed that due to the urgency and the risk of losing the opportunity to other interested parties that it was in order to proceed with a direct award in accordance with Article 32(2)(c) of the procurement regulations. This allows for direct award in cases of extreme urgency, through no fault of the contracting authority where there is no time to conduct a public procurement. As such there was no breach of the procurement rules in these circumstances. The provider in question was on the OGP framework for legal services and the rates for the framework were used for the services. The transaction costs represented value for money.

19 Governance and Propriety

19.1 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.

20 Statement on Internal Financial Control (SIFC) and Governance Statement

In accordance with Circular LG08-2025, Local Authorities are now required to prepare and publish a SIFC and a Governance Statement as part of their Annual Reports for 2024. The SIFC, which is signed by the Chief Executive, includes their summary of the financial standing of the local authority and the key internal financial controls. The Governance Statement affirms the Council's compliance with the Local Government Code of Governance obligations and is signed by the Cathaoirleach/Mayor of the Council and the Chief Executive.

The annual report of Dublin City Council, which includes the SIFC and the Governance Statement, went to the Council meeting on the 9th June 2025.

20.1 Audit Committees

The Audit Committee provides independent assessment of the activities of the Executive in managing DCC and also the quality of risk management, financial reporting, financial management and internal audit.

The Audit Committee is a statutory committee established in accordance with Section 59 of the Local Government Reform Act 2014. The Audit Committee's agenda is drafted by the secretary to the committee and approved by the chair of the Audit Committee. The current Audit Committee was established following local elections in June 2024.

The Audit Committee met four times in 2024 and also met with the Principal Local Government Auditor, the Head of Internal Audit and the Chief Executive during the year.

20.2 Internal Audit

Internal Audit has an important role in providing the Chief Executive with assurances on the adequacy of control systems and procedures including internal controls, risk management and governance arrangements. The Head of Internal Audit reports directly to the Chief Executive and the Audit Committee on the annual Internal Audit Plan.

Eleven Internal Audit reports were completed in 2024 and four reports completed on the actions taken in relation to the recommendations issued from previous reports. A number of reports were outsourced to a private accountancy firm. I have reviewed these audit reports and have taken account of them during my audit.

The Public Spending Code impacted the resources of Internal Audit and the content of the Audit Plan in 2024. While the Public Spending Code audit is contracted out, it still takes some time to finalise these reports, consequently, further resources have now been appropriated to this area in 2025.

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



Ita Howe

Principal Auditor

31st July 2025

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