

LOCAL GOVERNMENT AUDIT SERVICE
(Seirbhis Iniucha Rialtais Aitiuil)

Statutory Audit Report

to the

Mayor and Members

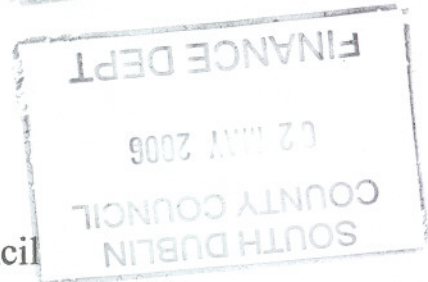
on

The Accounts of

South Dublin County Council

for the

Year Ended 31 December 2004



Peter F. Christian
Local Government Auditor
25th April, 2006



SOUTH DUBLIN COUNTY COUNCIL

1 INTRODUCTION

- 1.1 I have completed the statutory audit of the accounts of South Dublin County Council for the year ended 31st December 2004. My audit opinion on the Annual Financial Statement is stated on page 5 of the statement.
- 1.2 This report is issued in accordance with Section 120 of the Local Government Act, 2001.

2 ANNUAL FINANCIAL STATEMENT

- 2.1 The Annual Financial Statement consists of three elements as follows:
- # The Income and Expenditure Account
 - # The Balance Sheet which records the assets and liabilities of the Council at 31st December 2004 and how they are funded.
 - # Notes on and forming part of the accounts, which explain and give further details to items in the Accounts.
- 2.2 The Statement of Accounting Policies detail the basis on which the accounts have been prepared

3 FINANCIAL POSITION OF THE COUNCIL FOR 2004

- 3.1 The Income and Expenditure Account recorded a surplus of €4,547,201 after net transfers to Reserves of €5,240, 496.
That surplus increased the credit balance on the General Reserve Account at 31st December 2004 to €10,788,921.
- 3.2 The Balance Sheet, with corresponding figures for 31st December 2003, is summarised as follows:

	<u>31/12/2004</u>	<u>31/12/2003</u>
	<u>€ m.</u>	<u>€ m.</u>
Fixed Assets	3,098.6	3,006.2
Work in Progress, etc.	301.1	217.8
Long Term Debtors	143.9	123.9
Net Current Assets	<u>73.3</u>	<u>112.8</u>
	3,616.9	3,460.7
Less; Long Term Creditors	<u>137.5</u>	<u>147.0</u>
Net Assets	<u>3,479.4</u>	<u>3,313.7</u>

4 HOUSING RENTS

4.1 The net amount due to the Council in respect of Housing Rents at 31st December 2004 was €6,696,574 which is a reduction on the corresponding figure at 31st December 2003 of €7,227,243. The reduction is the result of an increased percentage collection of 70% against a collection figure of 66% in the previous year. While the improvement is commended, the collection figure is low and continued attention is required in this area to collect moneys due to the Council.

4.2 As provided for in Section 120(4) of the Local Government Act 2001 the matters contained in the audit report were presented to the County Manager for his comments.

The County Manager commented on the situation as follows:

“The operation of the Rent Section was reviewed during 2005 and a number of new procedures implemented to improve rent collection. These actions have proved effective and have since been further boosted by a number of new initiatives to support rent account management, monitoring and collection.”

5 UNFUNDED PROJECT BALANCES

5.1 The de-aggregation of the old Capital Account in the 2003 Annual Financial Statement highlighted a total figure for “Unfunded Project Balances” of €70m. at the 31st December 2003. In the Balance Sheet at the 31st December 2004 the totals for these accounts had increased to the following:

	<u>€ m.</u>
Project Balances	94.2
Non-Project Balances	<u>10.9</u>
	<u>105.1</u>

The major part of the increase during the year relates to Grange Castle and lands at Baldonnell.

While some of the projects are ongoing, most of the balances are in respect of completed projects. Each of the accounts needs to be investigated and decisions made in relation to funding.

5.2 The County Manager commented as follows;

“Capital project financial activity and balances are monitored each month and sources of funding have been identified for a significant number of projects flagged as unfunded during 2003 and 2004. Further attention will be given to these accounts before the commencement of the 2005 audit in order to clarify sources of funding for all projects.”

6 REFUNDABLE DEPOSITS

6.1 The total balance under this heading in the Balance Sheet at 31st December 2004 was €5,069,585. A listing of the individual amounts making up this total was not extracted at 31st December 2004. Listings should be extracted on a periodic basis and reconciled to the total on hand.

6.2 The County Manager commented as follows;
"A report has been designed to support the extraction and disclosure of these deposits by individual transaction from the database. The financial total of this report will be reconciled to the general ledger account balance each month."

7 PLANNING and DEVELOPMENT CONTRIBUTIONS- Balances Outstanding at 31st December 2004

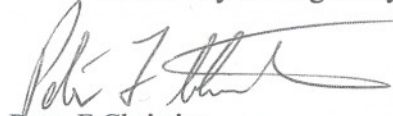
7.1 In the Annual Financial Statement these receipts are treated on a cash basis and a total of €20.9m. was received and credited to the appropriate codes in the year 2004.

The Council utilises a database system to control and record the flow of information relating to these contributions. When a commencement notice is received an invoice is issued to the developer for the full contribution and this is recorded on the system. However, if the Council enters into an arrangement that the full contribution is to be paid on a phased or instalment basis or if the payment is deferred in any way that is then recorded on a different database. As the two databases are not integrated it is difficult to extract a full listing of Development Levies actually due at any date. The Council are working on a listing at 31st December 2004 and the matter will be reviewed at the next audit. The Council should consider a more robust system which would provide the necessary information more readily.

7.2 The County Manager commented as follows;
"Development contributions are levied and invoiced by combining information from three separate databases resulting at times in delayed management information about development contributions. This process was recently reviewed and improvements proposed to enhance dataflow. A range of proposals and options to automate this system further and support the early provision of relevant management information are now under consideration."

8 ACKNOWLEDGEMENT

8.1 I wish to record my appreciation of the courtesy and co-operation extended to me and my colleagues by the County Manager and his staff.



Peter F Christian
Local Government Auditor
25th April 2006