



Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of Louth County 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 Louth County Council

1 Introduction

I have audited the Annual Financial Statement (AFS) of Louth County 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 5 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 Comprehensive Income

The Council recorded a surplus of €179k after net transfers to reserves of €5.0m. Details of over / under expenditure are included in note 16 to the AFS. These were approved by the Members at the April 2025 meeting of the Council in accordance with Section 104 of the Local Government Act 2001.

2.2 Statement of Financial Position

Details of significant movements in the finances of the Council include the following:

- Increase of €77.6m in fixed assets which includes €62.5m on the acquisition of 209 housing units, €15.9m on the redevelopment of the Drogheda Civic Offices, €15.1m for the completion of phase one of the Port Access Northern Cross Route at Drogheda, offset by €15.9m for land disposals
- Increase of €47.1m in work in progress and preliminary expenses which includes €20.5m on the Narrow Water Bridge project, with the balance relating mainly to housing development projects
- Increase in long term debtors of €11.4m which includes €13.8m on capital acquisition leasing facilities coupled with a reduction of €2.6m in recoupable loan advances
- Decrease in trade debtors and prepayments of €15.5m which includes €4.5m and €1.6m on the Carlingford Greenway and the Faster Project respectively, with the balance due mainly to a decrease in claims outstanding for payment on housing projects
- Increase in bank investments of €28.1m which includes the receipt of development levy waiver recoupments and the receipt in December of expenditure claims from the Department of Housing, Local Government and Heritage (the Department).

3 Income Collection

3.1 Summary of Income Collection

A summary of the major collection yields and the corresponding closing debtors, with comparatives for the previous year are as follows:

Income Source	Yield %		Debtors €m	
	2024	2023	2024	2023
Rates	87	87	5.5	5.4
Rents & Annuities	84	83	3.1	2.9
Housing Loans	87	87	0.3	0.3

3.2 Rates

The collection yield in respect of rates was 87% in 2024 (87% in 2023). A sample of accounts selected at audit for review, indicated that arrears of rates are pursued for payment, including the establishment of payment plans with customers, which are monitored for compliance with the terms agreed.

Chief Executive's Response

Our debt management processes are kept under constant review and consistently applied to maximise our collection of rates.

3.3 Rates Revaluation Appeals

During 2024, waivers totalling €466k were applied to rates debtors, €114k relating to 2024 and €352k pertaining to previous years. These waivers arose as a result of successful revaluation appeals by some businesses, of the rates revaluation implemented in Louth County Council in 2020.

These successful appeals have resulted in the Council having received excess Covid-19 waivers from the Department in some instances.

As these waivers were funded by the Exchequer, the excess arising from these appeals, estimated to be €1.1m at year end, is due for refund to the Department. This has no impact on the income and expenditure account as it is covered by a rates revaluation provision of €2.5m included in the AFS at the end of 2024.

Chief Executive's Response

This matter will be reviewed in conjunction with the preparation of the 2025 AFS. The amount of any excess waivers is included in our rates revaluation provision at the end of 2024. The Department have not sought a refund of any excess waivers due to the revaluation process.

3.4 Rents and Annuities

The collection yield in 2024 in respect of rents and annuities was 84% (83% in 2023). Total rent invoiced in the year was €16.3m, an increase on the previous year of €1.3m (€15m in 2023). This was due to an increase of more than 200 new accounts in addition to the completion of interim rent assessments during the year.

Gross arrears totalled €3.7m at the end of 2024 (€3.4m in 2023). Balances range from €20k to €59k (€21k to €58k in 2023) in respect of the ten accounts with the largest arrears. A review noted that in the case of some accounts, although regular payments are received, these are insufficient to clear the weekly rent accrual, resulting in increased arrears. While generally, arrears of rent are being monitored / pursued for payment, cases were noted where increased follow up is recommended.

Given the ongoing increase in the number of rent accounts, alongside the completion of rent assessments and the requirement to conduct rent reviews on an 18-month cycle in accordance with Louth County Council's differential rent scheme, it is imperative that adequate resources are allocated to ensure

robust credit control in the monitoring and collection of rent arrears.

Chief Executive's Response

The housing rents section continues to engage with tenants to address rent arrears with a continued focus on difficult cases. Other measures to address arrears include operational efficiencies. Key focus areas include assessing resourcing, enhancing workflows and procedures, potential technology/systems solutions, and developing proactive engagement strategies to support tenants in managing rent requirements. Increased follow up of arrears will be implemented where required.

3.5 Housing Loans

During 2024, 14 new loans totalling €2.1m were issued by Louth County Council to first time buyers to purchase their principal private residence.

The collection yield in respect of housing loans remained static in 2024 at 87% year on year. Gross arrears totalled €414k in 2024 compared to €446k in 2023. A review of a sample of accounts noted that arrears are monitored for payment, however, increased follow up is recommended in some cases.

Chief Executive's Response

The housing loans section continues to build on work to date in terms of arranging payment plans to further improve collection rates and to continue to address arrears. Work is ongoing on restructuring loans where appropriate. Increased follow up of arrears will be implemented where required.

3.6 Provision for Bad Debts

The bad debt provision in respect of each of the above collection accounts was reviewed and considered adequate. These should be kept under review to ensure their adequacy without overprovision.

Chief Executive's Response

The bad debt provision is reviewed each year as part of the AFS process.

4 Increased Cost of Business Grant (ICOB)

As part of Budget 2024, the Government signed off on a package of €257m 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. The local authority was responsible for

administration 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 this scheme, which amounted to €7.3m in Louth County Council 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.

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

Chief Executive's Response

The ICOB was a very successful grant scheme for rate payers in Louth.

5 Power Up Grant

In addition to the ICOB grant mentioned above, the Department of Enterprise, Trade and Employment also introduced the Power Up grant, a €170m initiative to support businesses in the retail and hospitality sectors facing rising costs. Eligible businesses could apply for a grant of €4k.

Similar to the ICOB grant, the audit of expenditure under this scheme, which amounted to €4.8m in Louth County Council for the year ended 31 December 2024, was limited to the specific responsibilities of local authorities as outlined in paragraph 4 above and did not include the verification of other eligibility criteria declared by the applicants.

Chief Executive's Response

Similar to the ICOB, the Power Up Grant was also very beneficial for the eligible rate payers in Louth.

6 Debtors

6.1 Government Debtors - Housing Directorate

At the end of 2024 there was a balance of €19.9m outstanding from the Department pertaining to housing related activities including the purchase and construction of social housing units. Currently, €4.1m of this balance remains outstanding. A review noted that €0.2m of this balance remains outstanding for payment since 2019 in respect of the refurbishment of the Woodland Halting Site.

The review further noted that a sum of €316k of the outstanding balance, of which €262k is revenue and €53k is capital related, is no longer collectable. This matter was not corrected as it is considered immaterial in the overall context of the AFS. The necessary correction should be made in the 2025 AFS.

Chief Executive's Response

The housing finance team continues to liaise with the Department to recoup outstanding claims as early as possible. This work will continue until resolution of all balances is achieved.

The necessary correction as highlighted, will be made in the 2025 AFS.

6.2 Water Services Stranded Central Management Charge (CMC)

In accordance with Circular L3/24 issued by the Department in April 2024, arrangements were put in place to reimburse local authorities for stranded CMC costs including:

- The portion of CMC costs that pertain to water services subject to a ceiling of the amount incurred in 2022
- For 2024 only, the costs of staff resources in respect of staff who worked less than 50% on water services.

The Department reimbursed the Council a sum of €2.0m, €1.1m in 2024 and the balance of €0.9m in 2025 in accordance with Circular L3/24.

The total amount invoiced by Louth County Council to the Department in respect of the CMC was €2.6m. However, as outlined above, the reimbursement of these costs was subject to a ceiling of the amount incurred in 2022. As a result, the amount invoiced was in excess of €0.6m, of which €0.3m is included as deferred income while the balance of €0.3m is included in the income and expenditure account. No adjustment has been made in respect of this as it is considered immaterial in the overall context of the AFS. However, this should be reviewed for the 2025 AFS.

Chief Executive's Response

Discussions on the funding of the water services stranded CMC is still ongoing at a national level with the Department. This matter will be reviewed as part of the 2025 AFS process.

7 Fixed Assets

7.1 Fixed Assets Overview

At the end of 2024, the net book value of fixed assets increased by €77.6m to €2,273.9m (€2,196.3m in 2023). This increase included €62.5m for the

addition of 209 housing units, €15.9m for the upgrade of the Drogheda Civic Offices and €15.1m for the completion of phase one of the Port Access Northern Cross Route at Drogheda. The increase was offset by a €15.9m decrease relating to the disposal of land, of which €13.0m was transferred to work in progress for housing construction projects, while €2.9m related to audit adjustments arising from the 2023 statutory audit.

7.2 Property Asset Register

A sample of assets selected, noted that these were included in both the financial management system (FMS) and the property asset register and that Louth County Council held registration of title in respect of these. However, I have been informed that the Council is still in the process of updating the register to include all land / property, in addition to other details including the leasing of land to and from third parties. Pending completion of this, a full reconciliation cannot be completed between this register, the FMS and the insurance schedule. The completion of this reconciliation is important to ensure that all land, building and housing assets included in these systems are complete and accurate. This matter has been highlighted at previous audits.

Chief Executive's Response

Work is ongoing on updating the property asset register. However, this is a slow process to ensure that it is fully complete in addition to complying with the requirement to register the local authority's interest in its properties with the Property Registration Authority. The Council is working to develop a process to enable cross-checking to ensure that assets included in the FMS are also included in the property register and vice versa. Upon completion of this work, a reconciliation between this register, the FMS and the insurance schedule will be completed.

7.3 Uisce Éireann (UÉ) - Subdivision of Land

Land at cost of €1.3m which is subject to subdivision with UÉ is included in the AFS. The percentage of land to be transferred to UÉ / retained by Louth County Council has not yet been agreed by either party.

Chief Executive's Response

The work to transfer these lands is still ongoing and is included in the Support Service Agreement with UÉ under Schedule 6. This is a slow process and, as mentioned above, the percentage of land to be transferred to UÉ still has not been agreed by both parties.

7.4 Other Matters

Other matters noted during a review of fixed assets were as follows:

- The Council holds registration of title in respect of land adjoining its headquarters in Dundalk where a government building, independent of the Local Authority is constructed
- A plot of land was sold by the Council in 2024 for €163k, however, there was no disposal of this property in the AFS
- A building sold by the Council in 2018 remained included in fixed assets in the AFS at year end at cost of €2.1m
- The Mount Avenue Road construction project which was completed in 2024 was not transferred to fixed assets (see paragraph 8.7 below)

These matters have not been corrected. They have no impact on the income and expenditure account and are immaterial in the overall context of the AFS.

Chief Executive's Response

These items will be investigated and the asset register will be updated accordingly in conjunction with the preparation of the 2025 AFS.

8 Capital Account

8.1 Capital Account Overview

At the end of 2024, there was a net credit balance of €92.0m (€79.1m in 2023) on the capital account, an increase of €12.9m on the previous year. This net increase is due mainly to income from development contributions during the year. It also includes €2.3m in respect of an advance recoupment made to the Department for development contributions waivers which was not treated as deferred income at the end of the year (see paragraph 9.2 below).

8.2 Housing Capital Balances

During 2024, the Council continued to review old capital debit balances being carried forward annually. Balances totalling €3.7m (€6.6m in 2023) were identified as requiring investigation and resolution with the Department, while a total of €3.8m (€4.0m in 2023) was identified for miscoding / identification of funding. Internal capital receipts totalling €1.0m were used in 2024 to fund a number of old debit balances.

At year end there was deferred income of €1.0m (€1.8m in 2023) in addition to a credit balance of €0.9m (€0.9m in 2023) on a housing acquisition code being carried forward from the former town and borough councils. These should be reviewed in conjunction with the identification of miscoding / funding of debit

balances mentioned above.

Chief Executive's Response

The housing finance section is continuing to engage with the Department in order to address the €3.7m of debit balances requiring investigation and resolution.

Work is continuing to address the debit balances totalling €3.8m for miscoding and identification of funding. The deferred income of €0.9m and the credit balance of €0.9m in respect of the housing acquisitions code is being taken into account as part of this process.

8.3 Funding of Debit Capital Balances - Other Programme Groups

A review of capital balances at the end of 2024 identified an amount of €7.5m (€8.6m in 2023) requiring funding from the income and expenditure account. A sum of €6.5m of this relates to environmental projects, of which €4.3m pertains to the Whiteriver Landfill Site and €0.7m to the Landfill Energy Recovery project.

Chief Executive's Response

A number of these projects are being funded from the annual revenue budget over a number of years. Development levies, as they are collected, are also being used to fund some of these projects. We also apply for funding opportunities as they arise, for all our capital projects.

8.4 Fleadh Cheoil Festival

The adverse balance of €1.2m in respect of the provision of cash flow facilities for this festival which was hosted by Louth County Council in 2018 and 2019 is being carried forward in the AFS annually. To date, no funding has been identified to address this balance. This matter should be reviewed and resolved.

Chief Executive's Response

A proposal to fund this debit balance over a number of years from the income and expenditure account was presented to the Council Members in 2021, however, this proposal was rejected. This matter is being reviewed again and a proposal will be put to the Members as part of the 2026 draft budget.

8.5 Cox's Demense Housing Regeneration Scheme - Phase 2A

This scheme has been completed some years ago, however, the final account has not been agreed / concluded with the Department. I understand that the Council are in ongoing discussions with the Department in relation to this

matter which should be resolved as soon as possible.

Chief Executive's Response

The housing finance section is continuing to engage with the Department in relation to agreeing and concluding this final account.

8.6 Redevelopment of Drogheda Civic Offices Project

The redevelopment of the Drogheda Civic Offices was completed in 2024. The overall project cost totalled €15.9m at the end of the year, which includes a sum of €13.3m in respect of construction works.

The approved tender contract for carrying out the construction works was €13.4m. However, the final contract account remained outstanding for finalisation at the end of 2024 due to a dispute between the Council and the contractor regarding the costs of completion of the development.

This matter subsequently became the subject of a conciliation process, which was concluded in the current year. The Conciliator's recommendation was accepted by both parties, resulting in a final construction cost of €15.6m, an increase of €2.2m over the approved tender cost. These amounts are inclusive of VAT.

This project is being funded by a loan of €12.0m, borrowed by the Council in 2023. Any shortfall in funding by this loan will be met through the income and expenditure account.

Chief Executive's Response

The project final account has now been completed following due diligence undertaken by the Council in the consideration and ultimate acceptance of the Conciliator's recommendation on the matter.

8.7 Mount Avenue Road Construction Project

The Mount Avenue Road construction project was completed in 2024. Total costs recorded in the FMS in respect of this project at the end of the year amounted to €9.9m. Construction costs account for €8.7m of this total. These amounts are inclusive of VAT. This project was funded by the Local Infrastructure Housing Activation Fund and Louth County Council.

A mediation process is currently ongoing between the Council and a third party in order to reach agreement over the amount of compensation to be paid in respect of the compulsory purchase of land by the Council for the purpose of completing this project. Separately, a High Court case is being taken against the Council by the same party as a result of its construction.

Although this project was completed at the end of 2024, it was not transferred

to fixed assets. This has no impact on the income and expenditure account and is immaterial in the overall context of the AFS. The necessary transfer should be made in the 2025 AFS.

Chief Executive's Response

The position is as outlined by the auditor. This project will be added to the fixed asset register in 2025 when all costs are accounted for.

9 Development Contributions

9.1 Development Contributions Temporary Time-Limited Waiver

The development contributions temporary time-limited waiver scheme was extended in 2024 in accordance with Circular PL 02/24 issued by the Department in April 2024.

The total amount waived, in line with the funding received from the Department by Louth County Council under this scheme for the year ended 31 December 2024 was €19.1m (€3.5m in 2023).

Chief Executive's Response

All claims have been submitted to the Department and we will continue to monitor the progress of housing developments to ensure compliance with the scheme.

9.2 Accounting for Development Contribution Waivers / Arrears

Louth County Council invoice the Department for the recoupment of development contribution waivers in advance of waiving these from each individual developer's debtor account.

A recoupment of €2.3m which was invoiced to the Department at the end of 2024 was not treated as deferred income in the AFS. This was not corrected. It has no impact on the income and expenditure account and is considered immaterial in the overall context of the AFS.

A total of €21.1m (€9.0m in 2023) was collected in respect of development contributions in 2024. A sample of accounts in arrears selected for review noted that these are being monitored for payment.

Chief Executive's Response

Any corrections required will be made in conjunction with the preparation of the 2025 AFS.

The Council continuously monitors all development contribution debtors to ensure adherence to payment plans and early receipt of outstanding amounts.

9.3 Works in Lieu of Payment of Development Contributions

Occasions arise where a local authority may enter into a 'Works in Lieu' agreement with developers, whereby the developer undertakes the construction of infrastructure on behalf of the Council in exchange for an offset against development contributions due in respect of the associated development.

It was noted that one such agreement was entered into by Louth County Council with a consortium of developers for the construction of a roundabout junction. The cost of construction of this infrastructure was agreed at €1.8m.

To date, development contributions totalling €1.0m have been offset against the cost of constructing this infrastructure.

The Council should ensure that the correct accounting treatment is being applied in the implementation of this agreement and that liabilities, if any, arising from its implementation are properly accounted for.

Chief Executive's Response

The auditor's comments are noted. The Council continues to monitor the offset of development contributions relating to this agreement and will apply the correct accounting treatment at the appropriate time.

10 Loans Payable

10.1 Loans Payable Summary

A summary of loans payable at the end of 2024 is as follows:

Loan Type	Balance Outstanding at 31/12/2024 €m
Mortgage Loans	27.37
Non-Mortgage Loans - Assets/Grants	35.40
Bridging Finance	4.39
Recoupable	37.3
Share Ownership- Rented Equity	0.02
Total	104.48

10.2 Mortgage, Recoupable, and Bridging Finance Loans

In respect of mortgage loans, there is a corresponding amount included in long-term debtors. In 2024, Louth County Council borrowed €2.0m for lending to first time buyers to purchase their principal private residence.

Recoupable loans relate to loans which were borrowed and lent to AHBs under the capital lease and subsidy scheme. Similar to mortgage loans, there is a corresponding amount included in long-term debtors. These loans are recouped from the Department.

Bridging finance of €4.4m relates to loans borrowed years ago for the construction / acquisition of affordable housing units. However, due to the downturn in the economy, these units were subsequently taken into the Council's housing stock. These loans will require funding at some point in the future as the interest element only, is currently being paid on these.

Chief Executive's Response

Loans Payable are recorded in the AFS in accordance with the Department's Accounting Code of Practice. The interest element pertaining to the bridging finance loans is fully recoupable from the Department.

10.3 Non-Mortgage Loans

A breakdown of the non-mortgage loans is as follows:

Purpose of Loan	Loan Amount Outstanding at 31/12/2024 €m
Land Acquisition Loans	17.8
Refurbishment of Drogheda Civic Offices	11.7
Public Lighting Upgrade	5.4
Landfill Energy Recovery Project	0.3
Improvements to Harbours	0.2
Total	35.4

The closing balance of €17.8m in respect of land acquisition loans includes a loan of €2.7m which is recoupable from the Department as this forms part of the land aggregation scheme. Details in respect of the remaining balance of €15.1m of these land loans are included in the table below:

Loan No.	Date of Commencement of Repayment of Principal	Amount Outstanding at 31/12/2024 €m
1	Jul-20	9.4
2	Jul-20	4.8
3	Jan-21	0.9
	Total	15.1

The repayment term in respect of each of the above loans is 30 years from the date of commencement of repayment of principal.

Chief Executive's Response

The repayments pertaining to these loans are provided for in the income and expenditure account.

11 Refundable Deposits

Refundable deposits received in 2024 totalled €5.5m, (€3.3m in 2023) an increase of €2.2m on the previous year. This increase is primarily due to growth in housing construction activity which was supported by the extension of the development contributions temporary time-limited waiver (see paragraph 9.1 above).

At year end the Council held €24.4m in respect of refundable deposits. Of this total, €3.2m has remained on deposit for many years. I have been informed that these deposits relate to upgrading works to the water and wastewater network which were due to be carried out for the purpose of servicing the local industrial estate. However, to date these works have not commenced. It is recommended that the Council conducts a review to determine the validity of continuing to hold these deposits.

Chief Executive's Response

The Council will conduct a review to determine the validity of continuing to hold these deposits as part of the 2025 AFS process.

12 Procurement and Tendering

12.1 Publishing of Contract Award Notices

A review noted that public procurement guidelines are generally followed in respect of large value tendering contracts, however, in the case of a number of contracts awarded, the 'Contract Award Notice' was not published on the e-Tenders website, or where it was published, was not done so within 30 days

from the date of awarding the contract.

According to the Office of Government Procurement (OGP) Public Procurement Guidelines, a Contract Award Notice must be published via e-Tenders within 30 days of awarding a contract. Circular 05/2023 issued by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation in March 2023 also states that contracting authorities are required to publish contract award information for all procurements over €25k (exclusive of VAT), including any contract awarded under a Framework Agreement, on the e-Tenders website on completion of the award, whether or not the procurement was advertised on e-Tenders.

Chief Executive's Response

A new centralised procurement section has been established in 2025. This section will ensure that in future, all directorates within the Local Authority comply with the requirement to publish contract award notices for all contracts over €25k on the e-Tenders website upon completion of the awarding of the contract.

12.2 Mobile Phone Services

Louth County Council's contract with its current provider of mobile phone services expired in 2022. However, the Council has not retendered for this service since the expiry of this contract.

Chief Executive's Response

A review has been completed and a procurement process to retender for this service will be undertaken in 2026.

12.3 Hire of Plant and Machinery for Street Sweeping Operations

During 2024, the Council hired plant and machinery for street sweeping operations. However, there was no documentation on file to substantiate how this equipment was procured. The centralised framework in place for procuring plant hire was not used.

Chief Executive's Response

Instances of non-compliance with public procurement practice in respect of the hire of plant and machinery is acknowledged. The Council is committed to ensuring that the appropriate procurement mechanisms are utilised for this area of activity. Accordingly, a revised fleet management structure has been put in place to ensure a robust procurement process is followed in future, including the use of centralised procurement frameworks.

The newly established procurement section will ensure all staff use the centralised frameworks wherever possible. Where these are not used, a detailed explanation will be provided outlining why the Local Authority deviated from using these frameworks.

12.4 Procurement of Homeless Services

A review of homeless service costs noted that there is no process in place for the procurement of these services (see paragraph 15 below).

Chief Executive's Response

The auditor's comment is noted. A review is currently underway to ensure that the Council is achieving value for money in the procurement of these services in accordance with procurement guidelines.

12.5 Financial Management System (FMS) Procurement Module

The FMS procurement module provides transparency in the 'Purchase to Pay' cycle and in analysing actual expenditure against national and local frameworks. A key control of this module is to ensure compliance with recommended public procurement practice and value for money in the tendering for goods and services. This module continues to remain outstanding for implementation.

Chief Executive's Response

In conjunction with the recently established centralised procurement section, this project will be completed in 2026.

13 Dundalk Local Area Plan

In November 2024, the Council, having considered the draft Dundalk Local Area Plan and the Chief Executive's report in respect of submissions received from the public in accordance with Section 20(3)(a) of the Planning and Development Act 2000 (as amended), resolved that it be amended, constituting a material alteration to the Plan. This led to an additional period of public consultation for submissions and observations, followed by the preparation of a report and a subsequent period of consideration. In March 2025, the amended Local Area Plan was approved by a vote of the Council and subsequently adopted.

At the time of concluding the audit, a developer whose lands have been identified to be rezoned from 'Residential' to 'Specific Reserve' as a result of this material alteration, has secured permission from the High Court to proceed with a judicial review against Louth County Council insofar as it

relates to their lands.

Chief Executive's Response

At time of writing, Louth County Council is in a statutory process to vary its County Development Plan 2021-2027 (as varied) under the Planning and Development Act 2000 (as amended). The reason for this variation (No.3) is to take account of the Dundalk Local Area Plan 2025-2031, as adopted on 6 March 2025 and to ensure consistency between the Plans.

Following the decision of the High Court to grant leave for a Judicial Review of the Dundalk Local Area Plan as it relates to approximately 14 hectares of land located to the west of the Blackrock Road and south of Bóthar Maol, a legal team was appointed by the Chief Executive to represent the Council. At the monthly Council meeting on 16 June 2025, authorisation was given by the Members to defend the Judicial Review. These proceedings are ongoing at the time of writing.

14 Governance of Approved Housing Bodies (AHBs)

At the end of 2024, payments totalling €111.7m (€100.2m in 2023) were made by Louth County Council to AHBs in the form of capital acquisition leasing facilities. This amount is included in both 'Long Term Debtors' and 'Creditors, Amounts Greater than One Year - Other' at a sum of €120.9m, as it incurs 2% simple interest per annum.

A review noted a number of weaknesses in the governance of AHBs by the Council including the following:

- Quarterly reports on the breakdown of open / closed new lets and re-lets nominations and void times are not received from the AHBs
- Annual statements of occupancy containing details of tenants are not obtained from each of the AHBs in respect of properties in receipt of funds from the Local Authority
- Lack of inspections of AHB properties to ensure that properties meet the required standards under the Housing (Standards for Rented Houses) Regulations 2019.

These matters should be addressed. The Local Authority should carry out a review to ensure good governance in the administration of AHBs.

Chief Executive's Response

A review of processes and procedures in relation to AHBs has been carried out in 2025. In this regard, procedures are now in place to address items one and two above, and related matters. The housing finance team will monitor

these arrangements to ensure good governance in the administration of AHBs.

Item three above is being addressed by the Private Rental Inspection team, which is increasing the number of inspections, with a particular focus on AHB units.

15 Homeless Services

15.1 Section 10 - Spot Check Review

In September 2024, the Department commenced a spot check review with regard to the recoupment by Louth County Council from the Department, of costs paid by the Local Authority on emergency accommodation for homeless persons. The review, which was concluded in January 2025, raised a number of queries regarding the eligibility of certain payments.

The Council is liaising with the Department on this matter.

Chief Executive's Response

The homelessness services team has engaged with the Department on this matter.

15.2 Governance in the Administration of Homeless Services

A review conducted during the audit identified weaknesses in the administration of homeless services, including the absence of a Memorandum of Understanding between Louth County Council as the Lead Authority and each of the Regional Authorities, as well as a lack of a procurement process for these services.

These matters should be addressed. The Local Authority should carry out a review to ensure good governance in the administration of homeless services.

Chief Executive's Response

The homelessness services team are currently addressing the matters outlined and will continue to review processes and procedures to ensure good governance in the administration of this service.

16 Urban Regeneration and Development Fund (URDF)

Circular URDF 01/2023 issued in January 2023 by the Department, outlined that €150m was being made available under the Urban Regeneration Fund, Third Round of Funding, for local authorities to acquire long term vacant or derelict properties for onward sale or re-use. This fund is a key initiative in

operationalising the Government's Town Centre First policy and the wider National Planning Framework compact growth objectives, to support the growth of towns and urban areas.

The Department approved an allocation of €7.0m for Louth County Council under this fund. Advanced funding of €1.4m of this allocation was received in July 2023. However, no properties had yet been acquired by the Council by the end of 2024.

Chief Executive's Response

Through the Council's Vacant Homes Office, focus and effort has been placed on engagement with the owners of vacant properties on the Call 3 list (approximately 125 properties), with the aim of progressing vacant properties to productive use, without the need to defer to acquisition and subsequent resale by the Council. There has been considerable success in this 'engagement first' approach to date, with approximately 25 properties returned to productive use and 12 properties currently subject to refurbishment works. A further 30 properties are for sale/relet, or subject to a planning/grant application.

Consideration has turned to properties where the use of the URDF Call 3 Fund may be the required intervention to reactive certain properties, with the CPO process to be instigated in the short term regarding certain properties. It is noted that the URDF Call 3 Fund for this purpose is in place to 2030.

17 Investigation

At the time of concluding the audit, an investigation by An Garda Síochána was ongoing. The matter had been reported to An Garda Síochána in January 2025 and will be reviewed at the next audit.

Chief Executive's Response

This matter is still under investigation by An Garda Síochána. Once the investigation is completed, a report will be provided to the Members.

18 Local Authority Companies

18.1 Local Authority Companies

The Council's interest in companies is set out in appendix 8 in the AFS and includes brief financial details of these as at the date of the latest financial statements received. All of these companies are limited by guarantee with the exception of Drogheda Port Company, whereby the ownership of all shares in this company were vested in Louth County Council under section 8 of the

Harbours Act 2015.

The Council's interest in these companies has not been consolidated in the AFS.

19 Governance and Propriety

19.1 Corporate Governance

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. It is the responsibility of the Chief Executive to ensure that such systems and procedures exist and are robust.

19.2 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 Louth County Council, which includes the SIFC and the Governance Statement, was published on 6 October 2025. This is not in accordance with circular LG 08/2025 which states that the Annual Reports for 2024 will be published before the end of June 2025.

Chief Executive's Response

Louth County Council will endeavour to have its Annual Report published within the required timeframe in future.

19.3 Internal Audit

Under the Local Government (Finance and Audit Procedures) Regulations 2014, local authorities are required to maintain an adequate and effective system of internal audit of its accounting records and control systems. 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.

Louth County Council employs an external firm of professional service providers for the provision of internal audit services. A total of five internal

audit reports were completed in 2024, with two reports at draft stage.

A review of recommendations made in previous internal audit reports noted that while a lot of these have been implemented, some of these remain as work in progress, partially completed or not yet implemented. Where recommendations have been agreed for implementation, these should be implemented as soon as possible.

Chief Executive's Response

Internal Audit is currently in the process of reviewing all outstanding audit recommendations. Once this is completed, all relevant sections will be required to implement these recommendations without delay.

19.4 Audit Committee

The Local Authority's audit committee met on four occasions during 2024. This committee provides a key role in the independent oversight of corporate governance within the Local Authority.

Chief Executive's Response

The auditor's comment is noted.

19.5 Risk Management

The Council's Corporate Strategic Register which incorporates the overarching risks of the Local Authority was provided to me during the audit. This register is reviewed on an ongoing basis and updated as required.

Risk registers are also maintained in respect of each directorate and updated on an ongoing basis.

There is a Risk Management Policy in place which outlines the responsibilities for the management of risk across the Council. This policy was updated in April 2024.

Chief Executive's Response

The auditor's comment is noted. We are currently working with our insurance company Irish Public Bodies, in carrying out a full review of both the Corporate Strategic Risk Register and the Directorate Risk Registers.

19.6 Anti-Fraud and Corruption Policy

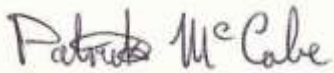
An Anti-Fraud and Corruption policy is in place in the Local Authority. This policy was updated in November 2024.

Chief Executive's Response

A review and update of the Anti-Fraud and Corruption Policy was undertaken and adopted by Louth County Council's management team on 26 November 2024.

Acknowledgement

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

A handwritten signature in black ink on a light yellow background. The signature reads "Patrick McCabe" in a cursive style.

Patrick McCabe

Local Government Auditor

7 October 2025

gov.ie/housing

