Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of South Dublin County Council for the Year Ended 31 December 2025

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 South Dublin County Council

1 Introduction

I have audited the Annual Financial Statement (AFS) of South Dublin County Council for the year ended 31 December 2025, 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 2025 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 7 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 broke even for the year with the cumulative revenue surplus remaining at €12.4m. At the Council's 2026 Annual Budget meeting held on the 13 November 2025, the Council approved additional expenditure as contained in the Revised Budget 2025.

At the 13 April Council meeting, the Council approved further additional expenditure and all transfers to the capital account not previously adopted at the original budget meeting in accordance with S.104 of the Local Government Act, 2001.

2.2 Financial Position

The Statement of Financial Position recorded an increase of €202m, resulting in year-end net assets/total reserves of €4,593 (2024: €4,391m). The Council has retained its strong financial position during the year with current and bank investments amounting to €553m. The movements during the year are included in the table below with further analysis provided:

	31-Dec-25 €m	31-Dec-24 €m	Movement During Year €m
Fixed Assets	3,784	3,631	153
Work-in-Progress	302	272	30
Long-Term Debtors	434	346	88
Current Assets	654	639	15
Current Liabilities	(81)	(88)	7
Long-Term Liabilities	(500)	(409)	(91)
	4,593	**4,391**	**202**

- Fixed Assets - the increase mainly relates to the construction and acquisition of houses (see paragraphs 5.5 and 5.6 for the main projects).

- Work in Progress - the significant projects relating to the increase are the Clonburris SDZ (see paragraph 5.2), Clonburris Housing Developments (see paragraph 5.4) and Lucan Leisure Campus (see paragraph 5.8).

- Long-Term Debtors and Liabilities - the increase mainly relates to the housing related schemes of Capital Advance Leasing Facility (CALF) (see paragraph 6) and Affordable Housing Fund (see paragraph 5.7).

- Current Assets - I acknowledge the Council's recent completion of both their Bad Debt Provision Policy and their Treasury Management Policy. These approved policies will assist the Council in future years to maintain their provisions and safeguard the Council's bank investments. The decrease in current assets mainly relates to the decrease in government debtors because of the Department's payment of CALF and development contribution temporary waiver scheme debtors (see paragraph 7) in the early part of the year.

- Current Liabilities - the decrease mainly relates to a different accounting treatment of the six-month Housing Finance Agency loan repayment at year-end that resulted in a decrease in trade creditors and a decrease in cash at bank.

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 years, are as follows:

Sources of Income	Yield 2025	Yield 2024	Yield 2023	Debtors 31-Dec-25	Debtors 31-Dec-24	Debtors 31-Dec-23
Rates	95%	92%	92%	€11.2m	€13.7m	€14.7m
Rents	81%	80%	78%	€9.7m	€9.8m	€9.7m
Housing Loans	91%	92%	84%	€0.6m	€0.4m	€0.9m

The rents system (NEC) is the only major revenue income stream not fully integrated with the financial management system however, there are automated weekly interfaces and reconciliations conducted between the two systems. The Council under the new NEC upgrade has the potential to develop arrears exception reports and other new features that can benefit the Council's credit control function and rent assessments.

3.2 Rates

There has been a 3% improvement in the collection yield and arrears have also decreased by €2.5m. The table below shows that customers in arrears amount to €13.9m and customers in credit with overpayments amount to €2.7m. It is the second continuous year that arrears decreased in all the different categories of monies owed.

Closing debtor balance (range)	No. of accounts	Total closing balance €	No. of accounts	Total closing balance €	Variance €
Year	2025	2025	2024	2024	Year on Year
=> €10,000	352	10,999,245	439	12,984,232	(1,984,987)
<€10,000 and =>€1,000	664	2,841,744	841	3,463,033	(621,289)
<1,000 and =>€1	235	95,211	288	118,256	(23,045)
<€1, zero, or > (€1)	4,790	8	4,625	(3)	11
In credit <= (€1)	903	(2,743,926)	711	(2,900,103)	156,177
Total	**6,944**	**11,192,282**	**6,904**	**13,665,415**	**(2,473,133)**

The Council has decreased their bad debt provision by €1.4m to €9m in line with the decrease in arrears and this is considered adequate. There is also a separate bad debt provision for loss on income on future vacancies in the capital account for €12.6m.

Chief Executive's Response

Sustained progress has been maintained in the collection of commercial rates, with arrears reducing for the second consecutive year across all balance categories. This reflects proactive and consistent engagement of the Debt Management Unit with ratepayers in arrears to agree sustainable repayment solutions. In line with our Debt Management Policy, an appropriately robust bad debt provision is maintained to mitigate the risk of potential losses arising from outstanding rate arrears.

3.3 Housing Rents

The collection yield increased to 81% with tenant accounts in arrears of €12.9m i.e. excluding those overpaid accounts. The table below shows an increase to 273 in the number of tenants owing over €10k. There are a further 2,133 tenants owing between €1k and €10k. The tenants in arrears under RAS and long-term leases are still the responsibility of the Housing Department to collect and amount to €1.9m, representing 15% of tenants in arrears.

Closing debtor balance (range)	No. of accounts	Total closing balance €	No. of accounts	Total closing balance €	Variance €
Year	2025	2025	2024	2024	Year on Year
=>€10,000	273	4,149,223	265	3,994,803	154,420
<€10,000 and =>1000	2,133	7,797,730	2,174	7,890,505	(92,775)
<€1,000 and =>1	3,448	911,857	3,303	899,709	12,148
<€1, zero, or > (€1)	88	(6)	415	(27)	21
In credit <= (€1)	7,086	(3,130,693)	6,421	(2,972,990)	(157,703)
Total	**13,028**	**9,728,111**	**12,578**	**9,812,000**	**(83,889)**
Year End Adjustments		(-)		(25,719)	25,719
Reconcile to AFS		9,728,111		9,786,281	(58,170)

The Council has increased their bad debt provision during the year by €3.2m to €9.3m for the different types of rent arrears and this is considered adequate.

Chief Executive's Response

We continue to take a compassionate, supportive and tenant-centred approach to the management of rent arrears, recognising that many households experience genuine financial difficulty. The Debt Management Unit engages proactively and sensitively with tenants to understand their circumstances, agree affordable and sustainable repayment arrangements, and connect them with appropriate supports where required. This early and consistent intervention is intended to prevent arrears from escalating while helping tenants to sustain their tenancies.

This balanced approach is delivering clear and measurable results. Actual rental receipts increased by €3.21m, from €38.48m to €41.69m, while the collection yield rose to 81%. This improved collection performance was achieved alongside a reduction in the overall rent arrears balance, after year-end adjustments, from €9.79m in 2024 to €9.73m in 2025. This demonstrates the effectiveness of targeted engagement, repayment monitoring and case management undertaken. We are committed to continuing to address all outstanding arrears, including those arising under the Rental Accommodation Scheme and long-term leasing arrangements, while seeking proportionate solutions that reflect tenants' individual circumstances. Legal remedies will be considered only as a last resort where reasonable engagement and repayment options have been exhausted.

3.4 Housing Loans

Housing Loans has a collection yield of 91% with arrears amounting to €554k. There are 25 loan accounts in serious arrears and the Council is engaging with the mortgagees to ensure that progress is made in reducing these balances.

Closing debtor balance (range)	No. of accounts	Total closing balance €	No. of accounts	Total closing balance €	Variance €
Year	2025	2025	2024	2024	Year on Year
=>€10,000	25	809,038	26	817,846	(8,808)
<€10,000 and =>1000	36	136,042	45	148,749	(12,707)
<€1,000 and =>1	41	16,423	36	12,910	3,513
<€1, zero, or > (€1)	91	(3)	48	(2)	(1)
In credit <= (€1)	383	(407,385)	432	(547,536)	140,151
Total	**576**	**554,115**	**587**	**431,967**	**122,148**

The Council has a bad debt provision of €1.9m to cover potential principal and interest losses. This is considered adequate.

Chief Executive's Response

Housing loan arrears continue to be managed through a proactive, compassionate and borrower-centred approach. The Debt Management Unit engages early and sensitively with borrowers experiencing financial difficulty, taking account of individual circumstances and seeking to agree affordable and sustainable repayment arrangements. This supportive case-management approach has resulted in a significant increase in collections during 2025, with the amount collected rising by €0.70m, from €4.94m to €5.64m. Accounts with serious arrears continue to be the subject of focused engagement and regular monitoring, with the aim of reducing outstanding balances while supporting borrowers to retain their homes. Legal action is considered only as a last resort, where meaningful engagement has not achieved a sustainable resolution and all reasonable alternatives have been exhausted. This balanced approach demonstrates the Council’s commitment to assisting borrowers in difficulty while safeguarding its financial interests.

4 Control of Council Land

Previous audits highlighted issues concerning the Council's recording and control of land. The Council has mapped all their landholdings and has a comprehensive property interest register. It is now essential that they commence the process of properly registering all Council land holdings in the Council's name and reconciling them to the Land Registry records. The Council also needs to reconcile the land holdings in the property interest register to the landholdings recorded in the fixed asset register, in the financial management system. It is essential that the Council have proper titles on these lands before recording them in the fixed asset register.

Chief Executive's Response

Significant progress has been made in reconciling our property records with the records held by Tailte Éireann. This ongoing exercise is improving the accuracy and completeness of our property database and helping to identify any gaps or discrepancies in title and registration records. We will continue to progress the regularisation and registration of Council-owned landholdings which will also support the ongoing alignment of property records with our fixed asset register and financial records.

5 Capital Account

5.1 General

Expenditure of €582m was projected for the year 2025 in the three year capital programme 2025-2027. Actual expenditure incurred for the year amounted to €334m. The delivery and pipeline of capital projects is essential to provide the necessary infrastructure for the County. The members are presented a quarterly report outlining the progress on the capital programme and this is an invaluable update and outlines the progress made on the delivery of individual significant capital projects and schemes within the County.

The capital account has a surplus at year end amounting to €523m with the main credit balances as follows:

	31-Dec-25 €m	31-Dec-24 €m	Increase/ Decrease €m
Development Contributions	282.4	281.7	0.7
Grange Castle	46.2	42.2	4.0
Disposals Wayleaves & Rights	27.1	29.6	(2.5)
General Contingencies	23.9	23.9	-
Tourism & Enterprise Development	19.1	19.3	(0.2)
Kilcarbery Affordable Housing	14.7	2.2	12.5
Rates Vacancies Provision	12.6	12.6	-
Library Recreation & Amenity Fund	10.0	10.0	-

5.2 Clonburris Strategic Designated Zone (SDZ)

As recorded in last year's audit report, the Council and the three main private landowners in the Clonburris SDZ agreed a process to progress the delivery of the Strategic Abnormal Infrastructure (SAI) to enable the development of their landholdings. The Council anticipates that this will enable the delivery of an estimated 9,400 housing dwellings by 2032 with circa 44% identified for social and affordable purposes across all four landowners. The Council secured Urban Regeneration Development Fund (URDF) and National Transport Authority (NTA) funding of €186.3m and €18.8m respectively. The programme is to be completed over 7 years with 11 different stages to be delivered.

There is a strong governance structure in place with a Public Oversight Group (consisting of representatives of the Department, the Council and other public bodies); a Landowners Oversight Board and also a Working Group with monthly meetings focusing on the operational level. There is also a comprehensive risk register that is closely monitored.

The master budget review in July 2023, included in the development agreement, estimated the cost of delivery of design and construction at €235.8m exc. VAT. By January 2026 this has increased to €270.2m exc. VAT and there is currently a funding shortfall of €54.5m. It is essential that updated master budgets are monitored closely by the Council over the course of the programme to highlight increased costs and funding shortfalls. Stages 3–11 remain less than 50% funded due to the funding shortfall gap. These stages include the proposed public amenities. Other identified project risks are delays on construction sites, obtaining gateway approvals and delays in the provision of utility connections.

Robust financial control of this scheme is essential due to the materiality of monies involved and the complexities between the different parties and also the related tax implications. The Council are currently working on the required reconciliations and these need to be completed as soon as possible. Once these reconciliations are completed the Council must implement a process to ensure going forward that these reconciliations are completed monthly and are available to review. It should also be noted that the Council are currently in discussions with the Revenue Commissioners on the tax implications applying to URDF funding.

The current progress on the main stages that have commenced works are as follows:

- Southern Link Street Junction 19 to 26 (Stage 1B) was substantially completed on 19 December 2025. Committed expenditure at audit is €56.6m. The total funding allocation of €64m is anticipated to cover all remaining expenditure.

- North Link Street (Stage 2A) received Gateway 3 approval in May 2026 and a contractor was appointed through a public procurement process for a contract of €20.9m exc. VAT. The Council has received committed funding of €32.8m from URDF and the NTA.

Chief Executive's Response

Delivery of strategic abnormal infrastructure in Clonburris SDZ is a complex programme being advanced under a development agreement with private landowners. The agreement and associated governance arrangements provide a robust framework for decision-making and risk management, with formal working group approvals required by the Council, as sponsoring agency, before all key decisions, including approval of the overall master budget, are progressed.

The outstanding financial reconciliations referenced have now been completed and arrangements are in place to ensure ongoing regular review and monitoring. We also continue engagements in relation to tax treatment of URDF funding as part of monitoring programme costs, funding requirements and master budget updates.

We continue to work with funding partners and stakeholders to mitigate the projected funding shortfall for the overall infrastructure programme and will examine future funding opportunities as the programme progresses.

All projects within the programme are delivered in accordance with the Public Spending Code and the Infrastructure Guidelines as well as public procurement requirements. These governance frameworks require the completion of approval gateways at key stages of project development before the appointment of contractors and the commencement of works, providing assurances regarding project governance, value for money and the appropriate management of public funds.

5.3 Historic Unsold Affordable Apartments

The Council currently owns 93 apartments classified as historical unsold affordables, with an 'interest only' loan of €23.7m. As recorded last year, the members' approval to lease these properties to Approved Housing Bodies dates back to Council Meetings in 2009 and 2010. The management licence agreements have elapsed and need to be formalised again to record the various parties' responsibilities to the apartment tenants.

Chief Executive's Response

Of the 93 unsold affordable apartments, 78 are managed by two Approved Housing Bodies—Circle Voluntary Housing Association and Tuath Housing Association with the remaining 15 properties managed directly by the Council. Proposed new management licence agreements have been finalised with the relevant AHB's and we will be seeking the elected members' approval for these at our Council meeting in November 2026.

5.4 Clonburris Housing Developments

Clonburris Housing Development – First Phase

In June 2025, the Council entered into a contract with a value of €96.1m exc. VAT for Phase 1 of the development with estimated completion date of February 2028. The costs and funding for this scheme are as follows:

- 93 Social Units (contract costs €28.8m exc. VAT) – the Council has secured funding from the Department for this same amount.
- 93 Affordable units (contract costs €34m exc. VAT) – The Council secured Affordable Housing Funding (AHF) of €9.3m with the balance to be funded by the purchase price of the units.
- 83 Cost Rental Units (contract costs €26.1m exc. VAT) – An application for AHF funding of €12.4m is being reviewed by the Department with the balance to be funded by the Council's internal resources and financed through the cost rental model.
- Traveller Accommodation (contract costs €7.2m exc. VAT) – An application for funding is being reviewed by the Department. The Council has completed constructing temporary traveller accommodation together with the purchase of mobile homes while the group housing scheme is being built. This work was required to enable the vacant possession of the site and the cost on the temporary site and purchase of mobile homes is €3.9m exc. VAT.

Clonburris Housing Development – Other Phases

The second phase has delivered 56 social units, 60 affordable units and associated park amenity in the Canal Area Extension of the SDZ. The works were substantially completed by December 2025.

Phases 3 to 5 have incurred consultancy expenditure following a public procurement process and at the time of audit amounted to €4.9m. None of these phases are at the construction tender and contract award stage. Long-term projects have inherent risk where funding is spread over a number of years because they are reliant on strong economic factors together with market competitiveness, especially with the absence of current funding to progress the delivery of the DART+South West transport system in the area.

Chief Executive's Response

Works on site are progressing well on Clonburris Phase 1, with funding secured for social and starter homes, which are scheduled for delivery from Q4 2027. We are liaising with the Department regarding our application for funding support for the cost rental homes in this phase.

The relocation of a number of Traveller households was necessary for infrastructure and utility works required for the entire development and when these households move into the new group housing development, the mobile homes provided temporarily to them are intended to be reused to facilitate further redevelopment projects under our Traveller Accommodation Programme. A funding application has been submitted to the Department for all relocation and construction costs associated with this aspect of the development.

The Phase 2 Canal Bank development of 116 social and affordable homes is complete and occupied.

Significant design, planning, technical and project development work has been undertaken by procured consultants for Phases 3–5 including, significantly, for the statutory planning approval process and preparation for contractor procurement. Part X planning approval was secured in Q2 2026 for 1,252 homes and detailed design, compliance requirements, tender preparation and other due diligences have since been advanced, with delivery partner procurement scheduled to begin shortly for these phases along with the Part 8 approved 118 homes on the site formerly designated for inclusion in the PPP programme. Funding applications for Phases 3 and 4 are currently under consideration by the Department.

Our co-ordinated approach offers potential procurement, project management and construction efficiencies and work undertaken to date has mitigated project risks and the consultancy expenditure has been a necessary and beneficial investment, significantly advancing the project, which will be a key part of our updated Housing Delivery Action Plan for 2027 to 2030. We are conscious of risks related to market conditions, construction inflation and funding approval timelines. The development is not contingent or dependant

on DART+ South West but it is recognised that this will provide strategic transport benefits for these phases.

5.5 Kilcarbery Housing Development

As recorded in the previous year's audit report, the Council entered into agreements with a developer for the construction of housing on Council land at Kilcarbery Grange, Clondalkin. The agreements were for a total of 328 social units and 120 affordable units. All social units have now been allocated to social tenancies and affordable units are now sold or sale agreed except for 5 still being actively marketed at time of audit.

The cost of the 328 social units was contracted for a total of €55.9m exc. VAT. Funding for this cost was approved by the Department in May 2022 and further inflationary approvals were received subsequently amounting to €3.7m exc. VAT. I recommended last year that a cost tracker report be completed to reconcile the purchase of the social housing units against the cumulative costs recorded in the financial management system. This has yet to be completed. The Council accrued income of €5m at year-end against this social housing scheme where only €372k of approved funding remained.

The construction of the shell and core of a community building has been delayed and is currently due for completion. The Council should commence completion of the fit-out as soon as possible, currently scheduled for January 2027.

Chief Executive's Response

The Kilcarbery development received original funding approval from the Department in May 2022 with subsequent inflation-related funding uplifts also approved. Subsequent and significant construction cost inflation, wider market pressures and additional requested works (including provision of 13 universal design+ social homes designed to a wheelchair-liveable standard to provide accessible and inclusive housing) have resulted in a shortfall between the approved funding allocation and the final contracted cost of the development. This funding gap is the subject of discussions with the Department with a view to a final funding application being submitted for the remaining balance.

A comprehensive reconciliation of approved acquisition costs against expenditure recorded in the financial management system is currently being undertaken and will include completion of the consolidated project cost tracker.

An error in accounting procedures resulted in an incorrect income accrual which was subsequently corrected. Process and controls for income accruals have been reviewed with additional review and verification procedures now in place to ensure that future income accruals are supported by confirmed and approved funding allocations.

5.6 Innovation Square Cost Rental Apartments

This is the first stand-alone cost rental development by a local authority in Ireland with 133 apartments constructed off Belgard Square that offers secure long-term accommodation to tenants. The allocation of tenancies was completed in December 2025. Tenants were selected via four lotteries based on the 4 different unit types in the development. The lottery was conducted by an independent agent, and the draws were witnessed by members of the Housing Agency. The rents charged comply with the 25% below market rents target with discounts ranging from 31% to 42%. All tenants pay the same rent for the same unit type. The lease contract is signed between the Council (the landlord) and the tenant.

The all-in delivery cost of €56.9m received grant support from the Department under the AHF of €18.9m with the remainder to be funded by the Council's own internal resources. The Council employed an external consultant to complete the housing funding model and cashflow projections. It is intended that rental income will cover the financial costs of the €37.6m internal loan and property management and maintenance costs over the 40-year loan period. The scheme is expected to remain in a positive position with funds available to cover unforeseen expenditure or non-recurring major capital expenditure. Projections need to be monitored annually to take account of any changes in the rental market and the wider financial environment, and any actual surpluses need to be ringfenced annually into a separate reserve account.

Chief Executive's Response

This development, comprising 133 cost rental homes, has been fully occupied since Q2 2026. Repayments on the internal loan commenced this year with total annual repayments of €1.34m, comprising principal and interest, being payable in quarterly instalments. A reconciliation will be undertaken at year-end, and any surplus rental income after management and maintenance costs will be transferred to a separate sinking fund for future planned and cyclical maintenance and contingency funds for the development.

5.7 Affordable Housing Schemes

The Council has maintained strong control over the application of the affordable housing schemes. The Council is engaging with an external service provider to further strengthen the control on the financial aspects of the affordable schemes. I have recommended the Council complete an outturn report for each separate affordable scheme once all the units have been closed for the scheme and this should be reconciled to the amounts recorded in the financial management system.

The Council has not yet claimed any input VAT credit on the affordable houses in Clonburris. They are seeking a ruling from the Revenue Commissioners on the input credit for the construction cost of the affordable houses in Clonburris and also their portion on the cost of the infrastructure in Clonburris SDZ relating to these affordable houses.

Chief Executive's Response

An outturn reconciliation with financial management system records will be completed for each affordable housing scheme when all sales on each scheme have closed. The finance department will submit our final report and input VAT credit claim to the Revenue Commissioners this month for the 60 affordable homes at Canal Bank, Clonburris. This claim will cover construction costs and the proportion of SDZ infrastructure costs attributable to these homes and will also account for VAT on sales.

5.8 Lucan Leisure Campus

The swimming pool in the leisure campus was opened to the public on 5 May 2026. As recorded in the previous audit, the Council terminated the building contract on 22 August 2025 under clause 12.1 of the building contract with immediate effect. The Council appointed replacement contractors to complete the remaining works. The Council paid contractors and consultants a further €2.6m from termination date to August 2026. The Council are currently working on the final account reconciliation and once complete they will need to quantify the monies owed to them from the original contractors in accordance with the contract. It is essential that the Council complete a full post project review on this project that has a total cost of €23.5m so that lessons learnt on this project can be disseminated to all Council staff involved on capital projects.

Chief Executive's Response

The Lucan Leisure Campus was fully opened to the public in May 2026 and is proving to be a very welcome and well used new amenity.

All costs associated with the project are included in a draft final account which is currently under review with amounts for potential recoupment from the former main contractor to be confirmed. A construction law specialist, who assisted in the main contract termination process, will provide advice for consideration before next steps are decided in this regard.

An external independent post-project review will be commissioned upon completion of the final account, along with the standard capital project review that will be undertaken by the Architectural Services Department and the external project design team. All project review learnings and recommendations will be shared with our capital project managers' forum which meets quarterly.

5.9 Dublin Mountains Visitor Centre (DMVC)

The Council are developing the DMVC as a major flagship tourism and recreation project for the Dublin Mountains. The project consists of two sites, at the Montpellier Hill (Hellfire) and Massey's Wood in South County Dublin. The Council has decided to separate the works contracts into different stages of the project. The project has an estimated cost of €32.6m exc. VAT including cost of external road upgrades. The Council intend to develop detailed cost plans closer to the construction tender stage for each stage of the project.

The Council awarded a contract under public procurement for the lead engineering services for the detailed design, construction and handover stages for a fee of €2.1m exc. VAT. Cumulative payments to the consultant that include agreed change orders at this early stage of the contract amounts to €959k exc. VAT. It is essential that strong governance is employed throughout the progress of this project due to the separation of the works contracts. The Council received a provisional €5m grant approval from Fáilte Ireland and the Council are currently in negotiation over the conditions and obligations contained in the grant agreement. This is the only funding source and the Council will have to fund the remainder of the project from its own internal resources.

Chief Executive's Response

We are fully committed to delivery of the Dublin Mountains Visitor Centre flagship tourism project which has full planning approval. However, delays arising primarily from statutory licensing processes and associated appeals have necessitated a revised delivery strategy involving a phased approach to implementation, separating the project into a number of discrete contracts to reduce programme risk, to facilitate progress on elements not affected by licensing constraints, and to enhance overall project management.

The current estimated overall cost for the project in our three-year capital programme based on quantity surveyor-led cost assessments is approximately €32m excluding VAT. Detailed cost plans are prepared and refined in advance of the tendering of each individual works package to ensure that the most current market conditions, construction methodologies and project requirements are reflected.

The scale and significance of the project necessitates robust governance arrangements throughout delivery and governance and financial oversight mechanisms are in place to monitor project delivery, expenditure and contractual performance. In addition, consultant appointments and any required contract modifications are managed in accordance with procurement requirements and delegated approval processes. We will continue to review project costs and potential value engineering opportunities, programme implications and procurement strategies, as each works contract progresses.

Strong governance, financial control, and regular project review will remain central to the management of the project.

The project has provisional approval for funding in the sum of €5m from Fáilte Ireland and we are engaging with Fáilte Ireland regarding the terms and conditions of the proposed grant agreement. While this represents a significant potential funding contribution, we will continue to assess additional external funding opportunities but we are in a position to fully self-finance the project, if necessary.

6 Housing Registers and Reconciliations

The Council have weaknesses in the following recommended housing reconciliations and registers:

Long Term Leasing

As highlighted in the previous audit there are weaknesses in the financial control for long-term leases. The Council need to conduct a balancing exercise on the year-end government debtors and provide overall reconciliations on grant claims and the related expenditure that amounted to €91.5m in 2025. Internal Audit included long-term leases in their 2026 audit plan, but the study has yet to commence.

Chief Executive's Response

Leasing arrangements involve significant expenditure and associated income, underscoring the importance of robust financial controls and timely reconciliation. New procedures and process improvements have been introduced to strengthen the financial controls for the leasing arrangements of over 3,600 homes. Building on these measures, we have commenced a balancing exercise for 2025 covering grant claims, related expenditure, rent reviews and year-end government debtor balances and a business case is being prepared for a new digital solution to further strengthen financial controls. The Internal Audit review of this area commenced in October 2026.

Approved Housing Occupancy Register

I acknowledge the work the Council conducted on this register during 2026 however, the occupancy register for all properties under approved housing bodies (AHB's) schemes is not complete. The register needs to be fully completed and AHB's submitted occupancy returns checked and inputted into the register on an annual basis.

Chief Executive's Response

Further work is required to complete the Approved Housing Body occupancy register and to ensure that annual occupancy returns are checked and recorded. Building on the work undertaken to date, integration of the register with the housing management system is being undertaken and is expected to be completed by in Q1 2027. This will support real-time monitoring, improve data accuracy and strengthen oversight of occupancy returns.

Housing Stock Reconciliation

The Council did not complete a housing stock reconciliation for the year 2025. This is an essential reconciliation that provides assurance that all social houses recorded as owned by the Council in the general ledger are charged out to rent or whether rent is being charged with no corresponding house recorded in Council Stock.

Chief Executive's Response

Reconciliation work is ongoing between our fixed assets register and our housing system and is expected to be completed this quarter. All outstanding items in this regard are identified and are currently being investigated to determine the appropriate corrective action.

CALF Register

The CALF register that maintains the loans issued and the associated annual interest charge shows weaknesses with the recorded transactions relating to the older developments. These weaknesses need to be addressed so that the full cost of the loans is correctly recorded.

Chief Executive's Response

A comprehensive review of the CALF loans register has commenced to verify the completeness and accuracy of loan and interest transactions. A dedicated additional staff resource has been assigned to progress this work, prioritising historic developments as required. The review, which is currently expected to be completed in Q2 2027, will cover all historical developments and legacy records and reconcile the register with supporting funding and financial documentation to ensure that the full cost of the loans, including accrued interest, is correctly recorded.

7 Development Contributions

The Development Contribution Waiver Scheme commenced in 2023 for all permitted residential developments meeting the eligibility criteria. Under this scheme, the Department pay the development contributions to the local authority instead of the housing developers. Since the scheme's inception in 2023 the Council invoiced the Department €83.2m and recorded this income in its capital account. It has been agreed that on cessation of the scheme a full reconciliation and balancing exercise is conducted. This will involve utilising the Council's application tracking system to quantify and record any potential liability for the following:

- Claw back provision of the scheme where conditions are not met particularly that they have commenced between 24 April 2023 and 31 December 2024 and completed by 31 December 2026.
- The Part V element of these housing developments where grant income has been received from the Department against these exempt properties.

Chief Executive's Response

The completion of housing units approved under the Temporary Waiver Scheme continues to be monitored in preparation for a final reconciliation process upon completion of the scheme on 31 December 2026. In line with the Department guidelines regarding the cessation of the scheme, compliance with scheme conditions, monitoring completion deadlines and reconciling Part V housing department provision are all being monitored to identify any potential clawback or repayment liabilities while inspection and monitoring of completion certificates submitted through the Building Control Management System is also ongoing.

To date, €56.2m of the €83.24m processed under the scheme has been certified as completed. The ongoing monitoring and verification processes will support the required final reconciliation and will ensure that any liabilities arising under the scheme are appropriately identified and addressed by Q2 2027.

8 Corporate Affairs & Governance

8.1 Statement of Internal Financial Control (SIFC) and Governance Statement

Local authorities are now required to prepare and publish a SIFC and a Governance Statement as part of their Annual Reports. 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 Mayor of the Council and the Chief Executive.

The 2025 annual report of South Dublin County Council, which includes the SIFC and the Governance Statement has been published on the Council's website.

8.2 Internal Audit Function

Internal Audit has a staff complement of 6 including the Acting Head of Internal Audit. There were 3 internal audit reports completed during the year, and the unit also carried out 4 in-depth checks to support the Council's quality assurance work on the Public Spending Code and the Infrastructure Guidelines. The unit also completed the annual review of the Social Inclusion and Community Activation Programme. I record that currently the Part V report as requested at the last audit is not yet complete.

The National Oversight and Audit Commission issued a national report (March 2024) on internal audit in the local authority sector, and the Council must ensure these recommendations are implemented, especially Internal Audit examine or report on compliance in relation to EU co-funded projects. I also recommend that the 2027 internal audit annual plan concentrates on high value financial matters.

Chief Executive's Response

The Internal Audit team currently has a full staff complement. The Part V report is undergoing final review and will be brought forward to the next Audit Committee meeting. Following on from the recommendations from the National Oversight and Audit Commission, an audit of EU co-funded projects (THRIVE funding) recently commenced. In addition, further high-value financial projects will underpin the 2027 Internal Audit Plan.

8.3 Audit Committee

The Audit Committee met 5 times during 2025. At the December 2025 Council meeting, the Chairperson of the Audit Committee presented a report in accordance with Section 60 of the Local Government Act, 2014. At the April 2026 Council meeting, the Committee's 2025 Annual Report was approved. I acknowledge the introduction of a governance action tracker report that is presented to the Audit Committee at their meetings that monitor the audit issues reported by external audit. Internal audit has also designed an application with the digital department to track the resolution of internal audit issues, and this is currently being implemented. This will improve the Audit Committee's oversight in the performance by the Council of addressing recorded weaknesses.

Chief Executive's Response

Modifications to the current governance action tracker have been implemented following a request from the Audit Committee which improve the reporting structure for the committee.

Governance and audit matters are now a standing item on the agenda for senior management team meetings to oversee progress on recommendations and actions and senior staff from each directorate is to be assigned to drive and monitor progress.

8.4 Ethics Declarations

11% of appropriate staff and 10% of Councillors did not submit their ethic declarations at the time of audit review. There were also declarations submitted late by both appropriate staff (16%) and Councillors (35%) but the majority of these were submitted within one week after the deadline date.

Chief Executive's Response

Our Ethics Registrar is preparing reports on compliance with requirements, including recommended actions, for consideration by the Chief Executive and the Mayor as appropriate.

8.5 Local Authority Companies

Appendix 8 in the AFS outlines the list of companies that the Council holds an interest. Private audit firms audit these companies. It is the responsibility of the Council to implement and maintain proper controls and procedures to ensure propriety and proper governance are in place for the subsidiary companies. This is to ensure that transactions are carried out in accordance with the Council's obligations to the public.

Chief Executive's Response

Our responsibility is to ensure that appropriate standards of accountability and governance are maintained in respect of the companies the Council holds an interest. We are firmly committed to meeting all applicable statutory obligations and to maintaining effective oversight arrangements that safeguard the public interest and support the proper stewardship of public resources. Directors appointed by the Council are expected to discharge their duties in accordance with relevant legislation, governance requirements and the highest standards of integrity. We will continue to monitor and strengthen governance arrangements, including reporting, assurance and accountability mechanisms, to ensure that company activities and transactions are conducted transparently, appropriately and consistently with the Council's statutory responsibilities.

Acknowledgement

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



Daragh Mc Mahon

Principal Auditor

28 October 2026

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