



Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of South Dublin 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 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 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 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 Annual Budget meeting held on the 14 November 2024, the Council approved additional expenditure as contained in the Revised Budget 2024. On the 14 April 2025, the Council further approved additional expenditure of €6m and transfers to the capital account of €9.3m in accordance with S.104 of the Local Government Act, 2001.

2.2 Increased Cost of Business (ICOB) Grant

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

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

Accordingly, the audit of expenditure under these schemes, which amounted to €13.6m in South Dublin 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.

2.3 Financial Position

The Statement of Financial Position recorded an increase of €272m, resulting in year-end net assets/total reserves of €4,391m (2023: €4,119m). The Council has retained its strong financial position at year-end with the current bank account at €3.2m and bank investments at €493.2m. Government debtors increased by €46.6m to €110.8m mainly due to loans issued to Approved Housing Bodies under the Capital Advance Leasing Facility (CALF). These CALF amounts have been subsequently recouped from the Department of Housing, Local Government and Heritage (the Department). Significant movements are included in the table below:

	31-Dec-24 €m	31-Dec-23 €m	Movement During Year €m	Explanations for Increases or Decreases
Fixed Assets	3,631	3,456	175	Increase in construction and acquisitions of houses and buildings
Work-in-Progress	272	205	67	Increase in activity on Clonburris plus Grange Castle reclassification as WIP
Long-Term Debtors	346	212	134	Increase in CALF loans to AHB's
Current Assets	639	614	25	Increase in government debtors
Current Liabilities	(88)	(94)	6	Decrease in deferred income
Long-Term Liabilities	(409)	(274)	(135)	Increase in CALF loans to AHB's
	4,391	4,119	272	

Chief Executive's Response

The robust financial standing of the Council reflects diligent and effective financial stewardship, integrating both revenue and capital account performance. Our ambitious initiatives to advance county infrastructure and enhance quality of life for residents have resulted in a significant increase in asset value, accompanied by a corresponding growth in working capital.

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 2024	Yield 2023	Yield 2022	Debtors 31-Dec-24	Debtors 31-Dec-23	Debtors 31-Dec-22
Rates	92%	92%	91%	€13.7m	€14.7m	€16.6m
Rents	80%	78%	77%	€9.8m	€9.7m	€9.3m
Housing Loans	92%	84%	77%	€0.4m	€0.9m	€1.3m

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. NEC is being upgraded so that improved debt management reports can be a feature to assist in the collection of rents.

3.2 Rates

The collection yield remained steady at 92% and arrears decreased by €1m to €13.7m. The table below shows that customers in arrears amount to €16.6m and customers in credit with overpayments amount to €2.9m. It is encouraging to note 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	2024	2024	2023	2023	Year on Year
=> €10,000	439	12,984,232	488	13,573,369	(589,137)
<€10,000 and =>€1,000	841	3,463,033	1,028	4,271,487	(808,454)
<1,000 and =>€1	288	118,256	250	117,512	744
<€1, zero, or >(€1)	314	(3)	74	(2)	(1)
In credit <=(€1)	711	(2,900,103)	636	(3,288,347)	388,244
Total	2,593	13,665,415	2,476	14,674,019	(1,008,604)

The Council maintained two capital rates reserves to cover potential future losses on property vacancies and rate valuations for €12.6m and €13m respectively. In the case of the rates valuation reserve most appeals have now been processed and consequently this reserve was used to fund the purchase of Lucan House for €10m.

The Council also has a bad debt provision of €10.3m to cover potential losses on rates arrears. This is considered adequate.

Chief Executive's Response

The Council has demonstrated ongoing progress in improving the collection of outstanding rates, resulting in a sustained reduction in arrears. The Debt Management Unit engages proactively with ratepayers to develop tailored solutions for accounts in arrears, while maintaining a strong focus on our cash flow requirements to ensure the timely fulfilment of financial obligations. In line with prudent financial management, we maintain an appropriately robust bad debt provision to mitigate the risk of potential losses arising from rates arrears.

3.3 Housing Rents

The collection yield of 80% showed an improvement of 2% this year with tenant accounts in arrears decreasing by €184k to €12.8m i.e. excluding those overpaid accounts. The table below shows an increase to 265 in the number of tenants owing over €10k. There are 2,174 tenants owing between €1k and €10k, showing a balance of €7.9m in this category of arrears. It must be noted that RAS and long-term lease rent arrears, currently the responsibility of the housing department, increased by €373k during 2024 to €1.9m representing an increase of 25%.

Closing debtor balance (range)	No. of accounts	Total closing balance €	No. of accounts	Total closing balance €	Variance €
Year	2024	2024	2023	2023	Year on Year
=>€10,000	265	3,994,803	233	3,531,075	463,728
<€10,000 and =>1000	2,174	7,890,505	2,308	8,261,393	(370,888)
<€1,000 and =>1	3,303	889,709	4,715	1,176,746	(277,037)
<€1, zero, or >(€1)	415	(27)	2,376	(13)	(14)
In credit <=(€1)	6,421	(2,972,990)	4,787	(2,646,648)	(326,342)
Total	12,578	9,812,000	14,419	10,322,553	(510,553)
Year End Adjustments		(25,719)		(636,918)	
Reconcile to AFS		9,786,281		9,685,635	100,646

It is welcomed that during 2024 the Council conducted an exercise to clear out old zero account balances however year end adjustments still have to be made to account for timing differences. The Council has a bad debt provision of €6.2m to cover potential losses and this is considered adequate.

Chief Executive's Response

The Debt Management Unit has maintained a diligent and collaborative approach in addressing social rent arrears, contributing to a sustained reduction in arrears over recent years. Particular emphasis is placed on accounts with significant arrears, and, where all alternative solutions have been exhausted, legal action has been pursued. We are committed to working constructively with tenants, supporting gradual yet consistent improvements in collection yields.

A review of procedures for RAS and leasing rent arrears has been completed. Responsibility for managing long-term leased property rent arrears, previously held by the housing department, will transition to the Debt Management Unit within the finance department. In addition, specific staff in the housing department have been assigned to manage RAS arrears in close collaboration with property owners.

3.4 Housing Loans

Housing loan arrears has decreased by €437k. This is reflected in the increase in the collection yield of 8% giving an improved collection yield of 92% in 2024. The only concern remaining relates to the accounts in the arrears category of over €10k. This requires the Council to constantly engage with the mortgagee and monitor the loan account to ensure that progress is made in the collection of these arrears.

Closing debtor balance (range)	No. of accounts	Total closing balance €	No. of accounts	Total closing balance €	Variance €
Year	2024	2024	2023	2023	Year on Year
=>€10,000	26	817,846	31	1,096,551	(278,705)
<€10,000 and =>1000	45	148,749	47	152,479	(3,730)
<€1,000 and =>1	36	12,910	54	22,994	(10,084)
<€1, zero, or >(€1)	48	(2)	46	(2)	0
In credit <=(€1)	432	(547,536)	417	(402,966)	(144,570)
Total	587	431,967	595	869,056	(437,089)

The Council has a bad debt provision of €1.3m to cover potential principal and interest losses. This is considered adequate.

Chief Executive's Response

The Debt Management Unit adopts a collaborative approach in working with customers experiencing housing loan arrears, which has resulted in a sustained reduction in outstanding balances. Particular attention is given to accounts with significant arrears, and, where all alternative solutions have been exhausted, legal action may be initiated. Our preferred strategy is to engage constructively with customers to support the maintenance of their tenure, while also securing the income required to meet our ongoing financial commitments.

3.5 Bad Debt Provision and Capital Transfers

The debt management unit has a staff complement of 27 staff including two rate collectors and four housing rent inspectors. This unit has responsibility for housing loans, rates, differential rents and an oversight role on miscellaneous debtors.

In relation to debt management, the Council does not have a documented bad debt provision policy. The Council's current procedure is to review debtors and decide on the amount they consider adequate. It is important that a detailed bad debt provision policy be put in place for all major income streams, to support the debt management process and ensure debtor accounts are assigned into different bands whether on a specific or general basis. This detailed analysis would provide for a more accurate measurement of the required provision. The policy also needs to record that the Council cannot transfer directly bad debt provisions in the balance sheet from revenue to capital debtors.

Chief Executive's Response

The Council conducts a comprehensive analysis of our debtor balances to ensure robust financial oversight. The bad debt provision process is designed to maintain a prudent reserve against potential losses arising from debtor defaults. This process considers the debtor's income stream, the age of the outstanding debt, and the actions undertaken to secure payment. The current level of bad debt provision across all debtor categories is considered adequate; however, as requested, this process will be formally documented to further strengthen transparency and accountability.

4 Control of Council Land

Previous audits highlighted issues concerning the Council's recording and control of land. The Council has completed a comprehensive property interest register that has mapped all their land holdings. The Council should now ensure that land holdings are properly registered in the Council's name and reconciled to the Land Registry records. The Council also needs to reconcile their 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 lands before recording them in the fixed asset register.

Chief Executive's Response

The development of a comprehensive property register for Council-owned properties was recently finalised. Following completion of this project, we will undertake an assessment and verify that all relevant land holdings are properly registered in the Council's name and reconciled to the Land Registry records, as well as ensuring that all registered properties are recorded on the fixed asset register.

5 Capital Account

5.1 General

In December 2024, the 2025-2027 capital programme was presented to the members in accordance with Section 135 of the Local Government Act, 2001. The programme contains 198 different capital projects/schemes with an estimated expenditure of €1,747m. While the majority of income will come from central grants, funding also will be sourced from the Council's revenue budget and development levies.

The capital account has a surplus at year end amounting to €504m with the main credit balances as follows:

	31-Dec-24	31-Dec-23	Increase/ Decrease
	€m	€m	€
Development Contributions	281.7	219.9	61.8
Grange Castle	42.2	23.4	18.8
Disposals Wayleaves & Rights	29.6	25.8	3.8
General Contingencies	23.9	22.0	1.9
Tourism & Enterprise Development	19.3	17.2	2.1
Rates Vacancies Provision	12.6	12.6	-
Library Recreation & Amenity Fund	10.0	10.0	-

Chief Executive's Response

The Council is delivering an ambitious capital programme which aims to enhance the quality of life and vibrancy for residents, visitors, businesses, and workers in South Dublin County. The programme encompasses a wide range of progressive schemes that are primarily financed through central government grants, which have been further supplemented by the recent development levy waiver scheme, providing significant financial relief for qualifying developments. In addition to external funding, the Council continues to allocate resources from the revenue account via structured transfers, ensuring the necessary financial support for its share of capital investment.

5.2 Clonburris Strategic Designated Zone (SDZ)

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. This SAI programme includes 47 ha of open spaces & parks, 7,300 sqm of community facilities, 8km of new streets, network of cycle & pedestrian ways and 6 new bridges. The three private landowners set up a company, Clonburris Infrastructure Limited (CIL), in partnership with the Council to deliver these SAI projects and both parties signed a development agreement on the 13 June 2024. The SAI infrastructure is being built on land owned by the landowners involved and all land will be transferred to Council ownership once the works are completed. The Council anticipates that this will enable the delivery of an estimated 8,714 housing dwellings by 2032 with 44% identified for social and affordable purposes.

The Council as the sponsoring agency secured preliminary business case approval for URDF and NTA funding of €186.3m and €18.8m respectively towards the full SAI programme. There are currently 11 stages to be delivered over the course of approximately 7 years, and each project must go through further Infrastructural Guidelines decision stages before they can advance. The master budget review in July 2023, included in the development agreement, estimated the cost of delivery at €235.8m exc. VAT on construction and professional fees. By February 2025, this increased to €261.1m exc. VAT and there is currently a funding shortfall of €55m. It is essential that updated master budgets are monitored closely by the Council over the course of the programme to highlight increased costs and increased funding shortfalls.

Currently, final business case approval has been secured for €61m to deliver the Southern Link Street (Stage 1). This funding is provided inclusive of contingency and inflation and is therefore capped with no option to seek additional funding. The amount provided will be the lesser amount of this fixed grant amount or 75% of the vouched eligible expenditure incurred by the Council. The construction final account for stage 1a is complete at €23.5m exc. VAT. The larger 1b stage is in progress with a tendered amount of €42m exc. VAT but it is expected this will increase due to agreed change orders and outstanding claims. The Council must ensure tight monitoring of the project to limit their financial exposure.

Project risks in the main are identified as the €55m funding gap, site delays, market competitiveness, value for money due to the long-term nature of this development and VAT issues. The Council must ensure that proposed public amenities under this programme are completed in accordance with the planning strategic designated zone phasing so that housing developments are served by the appropriate community infrastructure.

Chief Executive's Response

The delivery of strategic abnormal infrastructure in Clonburris Strategic Development Zone under a partnership arrangement is a complex project that is governed under a development agreement with private landowners. This agreement and associated governance strategy mitigate the risk to the Council with a formal working group decision required to be agreed by SDCC (as Sponsoring Agency) to confirm approval to agree, confirm, consent, approve or act as necessary, including for approval of the overall master budget.

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. 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 for a considerable time and need to be formalised again to record the various parties' responsibilities to the apartment tenants.

Chief Executive's Response

Subject to members' approval, the relevant Approved Housing Bodies managing the apartments, have been notified that the management licence agreements will be renewed for 5-year terms.

5.4 Clonburris Housing Development

The Council's planned development at Clonburris includes over 2,400 mixed tenure social, affordable and cost-rental homes, which will be delivered over six phases up to 2030. Current cumulative expenditure on the housing phases amounted to €42.5m. The first phase, which will deliver 56 social and 60 affordable housing units in the Canal Extension area of the SDZ is due for completion at the end of the year. The Department has approved funding for the social units and also approved Affordable Housing Funding (AHF) at €100k per unit for the discounted properties. The other phases are in various stages of development.

Chief Executive's Response

Development of social and affordable housing on the Council's lands within Clonburris SDZ is being delivered across six phases. The first phase, which will deliver 116 social and affordable homes in the Canal Extension area of the SDZ, is due for completion in 2025. Part 8 planning permission has been approved and contractor appointed for 284 social and affordable homes in the Kishogue sector of the SDZ. A Part 10 planning application seeking approval for 1,270 additional social and affordable homes across three phases on Council-owned lands has been submitted to An Coimisiún Pleanála while a tender process is underway for a development partner for 650 social, affordable, and cost rental homes in Kishoge Urban Centre. We will continue to engage with the Department of Housing, Local Government and Heritage on relevant funding approval processes as we progress our plans within the SDZ.

5.5 Kilcarbery Housing Development

In March 2021, the Council entered into development agreements with a developer to develop housing on Council land at Kilcarbery Grange Clondalkin. The Council received consideration of €38m from the developer for the lands and paid over €23.5m to Dublin City Council for their ownership rights in accordance with the provisions of the Local Government Act (Dublin), 1993. The developer, subject to planning permission, is to build 1,034 properties. This development is to include 310 social units for €51.4m exc. VAT plus 50 affordable properties at a discount of €900k on market prices. The developer is also to construct a community building, crèche and a retail unit.

Currently, 291 social units have been delivered with the remaining 19 from the original development agreement scheduled for delivery at Q3 2025. The Department approved funding for these units to a total of €61.2m for the 310 units. All the affordable properties have now been completed and sold. The successful applicants received a discounted price on the properties with the Department approving AHF funding of €75k per unit.

In December 2024, the Council entered into a supplemental agreement with the same developer to transfer neighbouring Council lands, within the same master plan site, at a nominal fee and the developer is to construct 18 social and 70 affordable properties. The Department has approved funding of €5.1m for 18 social units and AHF funding of €75k per unit for the 70 affordable units. Estimated completion is March 2026, however handover will be in phases expected to commence November 2025.

The community building is under construction and is scheduled for completion on Q4 2025. Once completed the Council must conduct fit-out works on the building as soon as possible.

Chief Executive's Response

The initial joint venture development in Kilcarbery Grange is nearing completion, with three phases delivered and the final phase due for practical completion this year. This will mean a total of 1,034 new homes having been delivered including 310 social homes, 126 cost rental homes, delivered by an Approved Housing Body, and 50 affordable homes. The subsequent fifth phase which comprises an additional 88 social and affordable homes is expected to be completed by March 2026.

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. The Council awarded the construction contract for the tender amount of €47.6m exc. VAT and the final account was agreed and successfully delivered on budget. The units are complete and will be advertised shortly on the Council's portal with allocation based on S.I. No. 775/2021 Affordable Housing Act 2021 (Cost Rental Lettings and Eligibility) regulations 2021 and Circular 33.2023.

In September 2025, the Department granted final approval for this project with AHF funding of €19.95m (€150k per apartment). This funding is based on both the final cost of the project and the calculated cost rents submitted by the Council. The Council has decided not to drawdown any external bank loan to finance the remainder of the cost of this project but will use its own reserves. The total cost of the project is currently €55.8m inc. VAT.

Chief Executive's Response

This development has now received formal cost rental designation. A tender has been completed for the appointment of a property managing agent for the development. We are making final preparations to advertise for letting in accordance with the regulations to new tenants with significant reductions on market rents for moderate income households who are above the income thresholds for social housing.

5.7 Part V Agreements

Audit testing identified that the Council's Part V calculations showed significant errors conducted by the external consultant quantity surveyor with errors resulting in understatement of the Council's Part V entitlement. The Council did not review these calculations for correctness at the time. I acknowledge the Council's immediate actions to rectify these losses in the most serious case. I have recommended that the Council's internal audit function review all Part V completed transactions conducted by the external consultant to provide assurance that no further losses have been incurred by the Council.

Chief Executive's Response

Procedures for Part V have been reviewed and strengthened by the housing department in conjunction with the architectural services department to include a standard calculation template, a protective clause in associated legal agreements, training for all external consultants and enhanced oversight of processes. Our internal audit function will also review all Part V transactions conducted by external consultants to further improve oversight of the process.

5.8 Lucan Swimming Pool

On June 2019, the Council awarded a contract for the construction of a swimming pool and leisure facility in Griffeen Park, Lucan for €12m exc. VAT with a substantial completion date of February 2021. The contractor has been paid €14.2m exc. VAT, representing an 18.3% increase on the contract with only the dry site substantially completed by July 2025, and now opened to the public. The swimming pool is still not complete. On 22 August 2025, the Council terminated the building contract under clause 12.1 of the building contract with immediate effect due to failure of the contractor to comply with its obligations under the building contract and failing to proceed regularly and diligently with the execution of the works.

The Department of Transport supported this capital project with a grant of €3.8m and the remainder has to be funded from Council's internal resources. It is essential that on completion of this project a full post project review be completed so that lessons learnt on this project can be disseminated to all Council staff involved on capital projects.

Chief Executive's Response

A post-completion review of the Lucan Swimming Pool project will be undertaken in accordance with the Capital Works Management Framework guidance which sets out the broad format and methodology for such reviews. The experience of dealing with the myriad of challenges arising during this project will inform and enhance future project management by the Council.

6 Voluntary Housing and Approved Housing Bodies

The occupancy register for all properties under approved housing bodies (AHB's) schemes is not complete and tenant details are not recorded on the register. It is essential that the Council record all properties on the register and subsequently complete the tenancy details based on the occupancy statements submitted by the AHBs. The Council cannot provide assurance that the current tenancies are allocated in accordance with the scheme guidelines without this completed register.

Chief Executive's Response

The housing department have assigned a specific staff resource to maintain the occupancy register for all properties in the Council's administrative area owned by Approved Housing Bodies. The current register is up-to-date, and historic data is in the process of being transferred to our integrated housing system. A selection of records in the register will be periodically audited by verification of tenant details to ensure tenancies are allocated in accordance with our Allocation Scheme.

7 Development Contributions

The Development Contribution Waiver Scheme commenced in 2023 for all permitted residential developments meeting the eligibility criteria with the completion date extended to 31 December 2026. Under this scheme, the Department pay the development contributions to the local authority instead of the housing developers. The Capital Account for 2024 includes expenditure of €46.4m, representing the amount of development contributions for eligible residential developments, and corresponding grant income for the recoupment from the Department. The Part V element of these housing developments once delivered will form part of a balancing exercise with the Department. The Council need to quantify and record this potential liability for the 2025 annual financial statements.

Chief Executive's Response

The planning department is preparing for the monitoring of the Temporary Waiver Scheme which is dependent on the completion of the relevant units before December 2026. This will include reconciliation of agreed Part V units with the Council's housing department and the Department of Housing, Local Government and Heritage.

8 District Heating

South Dublin District Heating Company Limited by Guarantee (SDDHCLG), a wholly owned subsidiary of the Council, is Ireland's first publicly owned, not-for-profit energy company that provides low-carbon heat to public buildings in the area. SDDHCLG contracted an energy supply company (ESCo) with extensive district-heating experience in Europe, to carry out the design, construction, operation and maintenance of the Tallaght district heating network. The network uses excess heat from a nearby data centre to provide low carbon heat to buildings in the network. SDDHCLG will assist Ireland in meeting its EU 2030 national heating and carbon-reduction targets. Customers of the network include Technological University Dublin, County Hall, Tallaght County Library, the SDCC Innovation Centre- Work IQ, and the 133 cost-rental innovation apartments.

The contract for this first phase of the capital project was increased by €1m due to contract variations to €8.9m exc. VAT. The final account is complete at €9.9m exc. VAT representing a further increase of 11% due to inflation and unforeseen constraints. This project has been funded by Climate Action Funding of €4.5m, EU Interreg funding of €511k, a 10-year interest free loan of €3.1m by the ESCo (repayable monthly by SDDHCLG) and council internal resources. In September 2025, the Council received additional funding from the Department of Climate, Energy and the Environment of €467k to cover 50% of the increased cost of the project.

Chief Executive's Response

Phase 1 of our District Heating project is now complete and has demonstrated significant climate benefits, saving 1,264.98 tons of CO₂ in 2024 alone, contributing significantly to local decarbonisation goals. Crucial next steps include expanding the customer base and incorporating thermal-storage capabilities to achieve maximum operational efficiency. Additional network pipes were installed as part of the Airton Road extension project to enable potential Phase 2 connections from key development lands at Cookstown and Tallaght University Hospital. Discussions are also ongoing with the Department of Climate, Energy and the Environment in relation to potential phase 2 funding.

9 Corporate Affairs & Governance

9.1 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 Mayor of the Council and the Chief Executive.

The annual report of South Dublin County Council, which includes the SIFC and the Governance Statement, was published in September 2025.

9.2 Internal Audit

Internal Audit has a staff complement of 6 including the Head of Internal Audit. During 2024, the unit completed 3 in-depth checks to support the Council's annual quality assurance work on the Infrastructure Guidelines and the annual review of the Social Inclusion and Community Activation Programme. Internal Audit completed only one further report from their 2024 audit plan during the year. The National Oversight and Audit Commission (NOAC) issued a national report (March 2024) on internal audit in the local authority sector, and the Council must ensure these recommendations are implemented, especially that Internal Audit examine or report on compliance in relation to EU co-funded projects.

Chief Executive's Response

The low number of reports produced by Internal Audit in 2024 is acknowledged and related to the significant data analysis required in the audit work conducted along with staff vacancy. However, it is accepted that there should have been more audits completed in the year and this will be improved to bring the number of reports up to the usual standard.

The Council is working to ensure full compliance with the NOAC report recommendations and will include reporting on EU co-funded projects in its 2026 programme of work.

9.3 Audit Committee

The Audit Committee only met 3 times during 2024, where a minimum of 4 meetings is required under legislation. At the November 2024 Council meeting, the Chairperson of the Audit Committee presented a report in accordance with Section 60 of the Local Government Act, 2014. At the March 2025 Council meeting, the Committee's 2024 Annual Report was approved. The Head of Internal Audit has introduced governance action tracker reports. This will improve the committee's oversight in the performance by the Council of addressing identified weaknesses recorded in the internal audit reports. I have requested that external audit issues be included in these governance tracker reports.

Chief Executive's Response

Due to extenuating circumstances of local elections and the completion of the term of the outgoing Audit Committee, it was not possible to convene sufficient meetings in 2024. At its final meeting in May 2024, the outgoing Audit Committee confirmed that it had fulfilled all its other statutory obligations, the Committee had met a minimum of four times in all other years of its term which is intended to be the standard maintained going forward. In addition, the inclusion of the external audit issues will be now included in the tracking system.

9.4 Procurement

The dedicated procurement unit have a staff of 7 including the Procurement Officer. The Council's Procurement Steering Group, whose membership includes the Chief Executive, Director of Corporate along with representatives from the Council's spending departments, met 4 times in 2024. The Chief Executive has approved the Corporate Procurement Plan 2024 – 2026. This three-year strategy is to form the basis for strong management, risk management, audit and corporate governance systems for procurement by the Council. One of the key goals in the plan is for the Council to achieve value for money on cost and contract performance and the Council must ensure that there is an adequate reporting structure to support this goal.

The plan also included a requirement that the Council, under the Climate Action Plan 2024 – 2029, will ensure Green Public Procurement implementation in all tenders as part of the scored quality assessment, in order to source goods, services and works with reduced climate and environmental impact. The Council set up a Green Procurement working group and are currently completing a sustainable procurement policy.

Chief Executive's Response

Under the revised corporate structure, the procurement department is integrated into the finance department and enhanced performance in procurement will be driven by our Procurement Plan and the Procurement Steering Group. In addition, a comprehensive sustainable and green public procurement policy is being formulated to align with best practices and regulatory requirements.

9.5 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

The responsibility to establish and uphold robust controls and procedures to ensure propriety and sound governance within our subsidiary companies is recognised. To safeguard the public interest and fulfil its obligations, the Council has appointed Directors to these subsidiaries, ensuring that all transactions are conducted in full accordance with the Council's statutory and ethical commitments.

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

29 October 2025

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