



Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of Roscommon County Council for the Year Ended 31 December 2021

Local Government Audit Service

Prepared by the Department of Housing, Local Government and Heritage
gov.ie/housing

Contents

Auditor's Report to the Members of Roscommon County Council.....	1
1 Introduction.....	1
2 COVID-19 – Impact on Local Authorities.....	1
2.1 Overview.....	1
2.2 SBASC Scheme.....	2
2.3 Rates Waiver Scheme	2
3 Financial Standing.....	3
3.1 Statement of Comprehensive Income.....	3
3.2 Statement of Financial Position.....	3
3.3 Members' Approval	3
3.4 Reliance on Government and LPT Funding.....	3
4 Income Collection.....	4
4.1 Summary of Income Collection	4
4.2 Rates	5
4.3 Rents and Annuities.....	5
4.4 Housing Loans.....	6
4.5 Provision for Bad Debts	6
5 Irish Water	6
5.1 Transfer of Functions to Irish Water.....	6
5.2 Transfer of Assets to Irish Water.....	7
6 Fixed Assets.....	7
6.1 Fixed Asset Records.....	7
6.2 Rights of Way and Other Easements.....	8
7 Capital Account	8
7.1 Capital Account Overview	8
7.2 Capital Account - Unspent Balances at Year End.....	8
7.3 Capital Account - Balances Requiring Funding at Year End	9
8 Loans Payable.....	10
8.1 Loan Balances	10
9 Development Contributions	10
9.1 Development Contribution Debtors	10
10 Procurement.....	11
10.1 Procurement Review.....	11
10.2 Payment of Invoices.....	11
11 Local Authority Companies	11

11.1	Council's Interest in Companies.....	11
11.2	Roscommon Leisure Centre	12
11.3	Moylurg Rockingham Limited.....	12
11.4	Back Lane Management Limited.....	13
12	Creditors.....	13
12.1	Trade Creditors	13
13	Other Matters	14
13.1	Unfinished Housing Developments	14
14	Governance and Propriety	14
14.1	Internal Audit Unit	14
14.2	Audit Committee	15
14.3	Investigation into Cheque Payment	15
14.4	Investigation into Councillors' Travel Claims	15
14.5	Ethics Returns.....	16
	Acknowledgement	16

Auditor's Report to the Members of Roscommon County Council

1 Introduction

I have audited the Annual Financial Statement (AFS) of Roscommon County Council for the year ended 31 December 2021, 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 2021 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 9 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 COVID-19 – Impact on Local Authorities

2.1 Overview

The COVID-19 outbreak and the emergency measures taken to mitigate it have continued to have a significant impact on the finances of local authorities during 2021. This has resulted in a reduction in income from some sources, an increased level of COVID-19 related expenditure and related government subvention for the local authority.

At a national level in 2021, the Government introduced the Small Business Assistance Scheme for COVID (SBASC) and extended the Rates Waiver Scheme to support businesses, as noted in paragraphs 2.2 and 2.3 below.

As agreed by the General Accounts Working Group, the audited Annual Financial Statement for 2021 includes revised Notes 23 and 24 in relation to the rates waiver and SBASC respectively.

2.2 SBASC Scheme

As part of the Government's 2021 COVID support package, the Small Business Assistance Scheme for COVID (SBASC) was introduced as a direct aid to companies, self-employed, sole traders or partnerships with a minimum turnover of €50,000 who were not eligible for the Revenue scheme CRSS, Fáilte Ireland Business Continuity Scheme or the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media's Live Performance Support. The scheme was funded by the Department of Enterprise, Trade and Employment but was administered on its behalf by the local authorities.

The SBASC II Scheme was introduced in the second quarter in 2021 and included businesses which were not operating from rateable premises. A €1,000 grant was also introduced for businesses with a pre-COVID turnover between €20,000 and €49,999.

As with the Restart Grant Schemes in 2020, each business had to self-certify by completing the application that it met the relevant criteria. The local authority was required to verify the application against rate accounts, where one existed, and to confirm that the applicant had fully completed the application including the declaration.

Accordingly the audit of expenditure under these schemes, which amounted to €0.55m in Roscommon County Council for the year ended 31 December 2021, 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 this is set out in Note 24 to the AFS.

2.3 Rates Waiver Scheme

The Government continued its support for the local government sector, with the provision of an amended commercial rates waiver in 2021. This waiver, funded by Government, at a cost of €542m supported local businesses in payment of their rates bills, and ensured continuity of services at local authority level.

The total amount received by Roscommon County Council for the year ended 31 December 2021 was €3m. The accounting treatment for this is set out in Note 23 to the AFS and further disclosure is included in Appendix 7.

In 2021, as in 2020, the methodology and manner for calculating rates income collection differed from previous years.

3 Financial Standing

3.1 Statement of Comprehensive Income

The Council recorded a surplus of €25k in 2021, after net transfers to reserves of €5.5m. At 31 December 2021, the Council had a positive cumulative balance of €244k on the revenue account.

3.2 Statement of Financial Position

The Council continued to record a stable financial position at the end of 2021 and neither sought nor required an overdraft facility for the year.

The Council continued to invest surplus funds with the Housing Finance Agency (HFA) throughout the year to minimise negative interest charges being applied to its accounts.

In common with most local authorities, fixed assets accounted for 98% of the Council's net assets at the year end. Fixed assets decreased by €1.5m primarily due to the reversal of €1.8m of a land asset that was identified in the course of the 2020 audit as being erroneously recorded in both fixed assets and work in progress. The main movements during 2021 related to housing assets namely:

- The acquisition of 16 housing units at a cost of €2.2m and
- The disposal of 14 housing units that cost €1.6m.

3.3 Members' Approval

The Council Members approved the 2021 draft financial statements, in addition to the over expenditure in the year as outlined in note 16 and the transfers to / from reserves as disclosed in Appendix 9 to the AFS, at their monthly meeting on 25 April 2022.

3.4 Reliance on Government and LPT Funding

As highlighted in previous years in both audit reports and management's financial reviews, Roscommon County Council continued to be reliant on government funding for almost two thirds of its revenue income throughout 2021. Note 15 to the AFS highlights that of €77m total revenue income, €37.4m came directly from grants and subsidies (49%) and a further €10.8m (14%)

came from local property tax (LPT). Similar to previous years, Roscommon County Council was a net beneficiary of the LPT equalisation fund, with €7m of the €10.8m received coming from this source.

As part of the budgetary process for 2021, the Council again adopted a resolution to vary the basic rate of LPT upwards by the maximum variation permitted (15%), which I consider prudent under the existing circumstances.

Chief Executive's Response

The Council is heavily reliant on government funding and this is in line with previous years.

The Council is especially sensitive to any changes in Local Property Tax. The county receives €7m in equalisation funding. This funding is needed to maintain essential services in the county. The 'Programme for Government – Our Shared Future' is being implemented in 2023 with equalisation funding being replaced by exchequer funding.

The 15% variation of LPT is retained within the county and helps to attract inward investment in the county and provide services for the citizens.

4 Income Collection

4.1 Summary of Income Collection

The main collection yields for the last five years are as follows:

	Yield %				
Income Source	2021	2020	2019	2018	2017
Rates	89%	68%	89%	86%	83%
Rent and Annuities	93%	93%	91%	92%	91%
Housing Loans	65%	62%	76%	55%	56%

The above comparison shows a general improvement in the collection percentages for all three of the main revenue income streams in this time frame.

The corresponding debtors for the same period are as follows:

	Debtors @ 31/12/				
Income Source	2021	2020	2019	2018	2017
Rates	€1.23m	€2.74m	€1.36m	€1.91m	€2.43m
Rent and Annuities	€0.37m	€0.39m	€0.47m	€0.41m	€0.41m
Housing Loans	€0.14m	€0.15m	€0.12m	€0.14m	€0.14m

This review shows a general reduction in debtor balances for all of the three revenue income streams in this period.

4.2 Rates

The rates collection level outlined in Appendix 7 to the AFS increased by 21% during 2021. The reduction in the 2020 rates collection yield was a direct result of the application of Departmental guidelines in relation to the treatment of both the rates waiver and the credit balances on ratepayer accounts. As identified in Appendix 7 to the AFS, if the grant income in lieu of the rates waived was recorded as cash received, then the collection yield for rates would have been 91% in 2021 (2020: 78%). Furthermore, if the credit balances on accounts were also treated as income in the year, then the rates collection yield for 2021 would be 97% (2020: 88%).

Debtor balances on rate accounts reduced by €1.5m in the year. A review of these balances found that over half of all rate debtor accounts were overpaid, with total credit balances of just under €1m. 78% of all credit balances in excess of €20k were utilised since the year end and 84% of all debit balances in excess of €20k have been cleared since the year end. All of the sample balances examined at audit were being appropriately pursued by the Council.

Chief Executive's Response

Rates are an important income source for the Council and all outstanding debt will be actively pursued up to and including legal action to ensure funding is available to provide services to the citizens of County Roscommon.

4.3 Rents and Annuities

At 93%, the Council continued to perform well in relation to the rent and annuity income stream. 62% of customer accounts were in credit to the value of €228k at the end of December 2021. Of the balances reviewed in the course of the audit, 59% were performing or engaging with the Council, 23% were being addressed through the Mortgage Arrears Resolution Process (MARF) and the remaining 18% were with the Council's legal representatives for follow up action.

At the time of audit, rent reviews were being conducted on all Council tenants. However, the last global HAP rent review was completed in November 2019. This review should be carried out on a more regular basis to ensure that rent charges are up-to-date, as while these rents do not accrue to the Council, they nevertheless impact public funds.

Chief Executive's Response

Roscommon continues to be one of the best performing local authorities in

relation to rent collection. This is due to regular monitoring of accounts and intensive engagement with customers, with the aim of maximising income to reinvest in the housing stock.

In 2022 rent reviews are being conducted on an ongoing basis by Municipal District. RAS and HAP rent reviews are due to start in 2023. Rent reviews were delayed due to the COVID-19 pandemic.

4.4 Housing Loans

The housing loan collection level increased by 3% to 65% during the year. Almost 2/3rds of the loan accounts were in credit at the end of 2021, with credit balances totalling €41k, with the remaining 1/3rd of loans owing €177k to the Council. Five debtors, who each owed more than €15k, accounted for 72% of this balance. A review of a sample debtor accounts found 39% were compliant with the loan agreements or were overpaid, 30% had a charge registered against them, 22% were being legally pursued and the remaining 9% were being addressed through MARP.

Chief Executive's Response

The loans issued under the Rebuilding Ireland Home Loan Initiative are performing well. Collection percentages have improved due to an increased focus on client accounts. However as in previous years the issues surrounding the loans advanced during the 1980's and 1990's remains the same. In certain cases, the occupiers of the houses have complex needs which must be taken into account when coming to a decision, as to either initiate legal action or wait for ownership of the house to pass to the Council upon bereavement of the occupier as the Council maintains an interest in the property.

4.5 Provision for Bad Debts

At 61% of applicable debtor balances, the provision for bad debts at the end of 2021 appears to be adequate. However, this provision needs to be kept under constant review given the ongoing effects on the economy of COVID-19 and other national and international factors.

Chief Executive's Response

Noted that provision is adequate.

5 Irish Water

5.1 Transfer of Functions to Irish Water

All functions relating to the provision of water and sewerage, other than rural

water schemes, transferred to Irish Water (IW) from 1 January 2014, with a twelve-year service level agreement signed between the parties on 31 December 2013. As this agreement was due to terminate in December 2025, negotiations have taken place with a view to arranging services post December 2025. Agreement has recently been reached regarding the funding of staffing costs, legacy pension costs and the central management charges currently allocated by the Council to IW.

During 2021 costs totalling €5.6m, which were incurred by the Council relating to the provision of services under the terms of this agreement, were recouped from IW as reflected in Appendix 4 to the AFS.

Chief Executive's Response

Noted. Discussions are continuing with IW regarding the Irish Water Transformation Programme, in relation to the ending of the service level agreement with all local authorities.

5.2 Transfer of Assets to Irish Water

The position regarding the transfer of assets to IW remained unchanged from that previously reported. Of the 211 water related assets identified for transfer, to date 181 assets (86%) have transferred in full or part, with the remaining 30 assets having ongoing ownership issues that need to be resolved to enable the transfer to be completed.

Chief Executive's Response

This work is ongoing and as with any legal process it can take time to complete.

6 Fixed Assets

6.1 Fixed Asset Records

The exercise of recording the Council's portfolio of fixed assets was allocated a dedicated resource since the previous audit. The data previously returned by sections has now been validated and numerous adjustments to the fixed asset register (FAR) were in the process of being posted as the audit was concluding. This exercise should be completed and will be reviewed at the next audit.

Chief Executive's Response

Significant resourcing and work was completed on this project during 2022 and a significant number of adjustments will be made to the FAR in 2022.

6.2 Rights of Way and Other Easements

As reported last year, the Council identified 21 rights of way or other easements, 3 of which had been registered. The remaining 18 cases have been assessed since last year's audit and it has been determined that 17 of these cases do not require registration. The remaining case needs to be registered, to bring this matter to a conclusion.

Chief Executive's Response

A review of the 18 cases occurred since the last audit and it was agreed that 1 case needs to be registered in the near future so as to ensure the Council's entitlements are adequately protected.

7 Capital Account

7.1 Capital Account Overview

The capital account recorded a net credit balance of €37.9m at the end of 2021, which represents an increase of €14.6m in the year. The component parts of the closing balance are reflected in notes 2 and 10 to the AFS and details of the income and expenditure in the year are outlined in note 11.

45% of the expenditure in the capital account during 2021 related to road projects, 25% related to housing projects with a further 23% relating to development management projects. Capital expenditure (net of transfers) in the year totalled €44.3m, of which the largest projects were:

- N5 Ballaghaderreen to Longford...€12.4m
- URDF Roscommon...€3.6m
- 18 housing units at Meadowbrook, Ballyleague...€1.9m
- Energy efficiency retrofit...€1.8m
- NRDO costs...€1.6m
- 10 housing units in Elphin...€1.6m

The balance consisted of multiple jobs, each with expenditure below €1m in the year.

7.2 Capital Account - Unspent Balances at Year End

The Council had a total of 217 credit balances valued at €44.2m included in the Capital Income and Expenditure Account at the end of 2021. In summary these included:

- €25.4m funding for specified jobs: (i) 13.4m for road projects, (ii) €4.2m for housing projects and (iii) €7.8m for projects other than roads or housing.

- €5.4m reserves, which consisted of: (i) €1.4m matched funding for future capital projects, (ii) €1m provision for rates revaluations, (iii) €1m provision for footpath remediation works, (iv) €0.85m for machinery replacement, (v) €0.6m provision for the rental accommodation scheme (RAS), (vi) €0.5m provision for future election costs, and (vii) €0.05m for various other purposes.
- €4.2m relating to development levies. These funds can only be applied to jobs once the amounts due have been collected and can only be allocated in accordance with the terms and conditions of the development contribution scheme adopted by Council.
- €2.2m funding drawn down to remediate unfinished housing developments.
- €1.1m due from Moylurg Rockingham Ltd. This consisted of the €2m loan provided to the company on its commencement less €0.9m, which is the Council's portion of the company's accumulated losses from early years. These transactions are discussed further in paragraph 11.3.
- €1.1m of refundable amounts, namely €0.35m RAS deposits and €0.75m Road Opening Licences.
- €0.5m derelict site levies, which cannot be expended until collected (nil collected to date).
- €0.3m Non-Principal Private Residence (NPPR) income due in instalments.

There are €3.5m of balances remaining available for allocating to specific project(s) with a further €0.5m balances that require further examination to determine their precise status. These projects should be reviewed in advance of the next audit to ensure that all are accurately classified.

Chief Executive's Response

The overall capital account has continued to maintain its strong position in 2021. Funds will be redistributed across a range of projects.

7.3 Capital Account - Balances Requiring Funding at Year End

There were 100 job codes recording €6.3m debit balances at the end of 2021. While most of these represent ongoing jobs that will be funded as the project advances, the following issues were identified:

- €2.4m expenditure relates to land purchased for housing purposes. This expenditure can only be recouped once the projects to which it relates progresses to design and build stage.
- €400k energy efficiency retrofit costs, which have not been funded since the year end.
- €125k expenditure (of which €3k was incurred in 2021) has been incurred since 2016 in relation to an unfinished housing development for which the applicable bond remains due to the Council.

The affordable house project referred to in previous audit reports, was funded by

the Department at the end of 2021 as outlined in paragraph 8.1.

Chief Executive's Response

The €2.4m of land purchased will be recouped as the project progresses through the various stages.

The recoupment of costs associated with the €400k energy efficiency retrofit programme is currently being negotiated with the applicable Department. There may be a shortfall in the recoupment but this has yet to be agreed and realised.

The €125k applicable bond is still due to the Council.

8 Loans Payable

8.1 Loan Balances

At the end of 2021, loans of €29.3m remained payable by the Council as outlined in note 7 to the AFS. This balance consisted of:

- €22.6m non-mortgage loans - the Council funded the €825k repayments of both interest and principal for these loans in the year from revenue income. This balance consisted of €19.4m to fund the corporate headquarters and €3.2m to fund historic capital balances.
- €2.5m non-mortgage loans - the Department funded the repayments of both interest and principal for these loans at a cost of €277k in the year. This balance consisted of €1.3m water loans and €1.2m voluntary housing loans to AHBs.
- €3.5m mortgage loans - housing customers funded the repayments on these loans.
- €0.7m non-mortgage loans - the Department funded the €9k interest only repayments for these bridging finance loans in the year. These loans related to unsold affordable housing units, which were previously leased to AHBs. As stated in paragraph 7.3, these costs were funded by the Department at the end of 2021 and the applicable loans were redeemed in early 2022.

Chief Executive's Response

Noted.

9 Development Contributions

9.1 Development Contribution Debtors

At the end of 2021, development contribution debtors as recorded in note 5 to the AFS had increased to €5m due to charges raised during the year. A review of a sample of these debtors found 21% were either paid or were in compliance

with an agreement and were making payments as houses were sold. A further 12% had been written off since the year end. Of the balance, 34% were in ongoing negotiations with the Council in relation to the debt and the remaining 33% were the subject of enforcement procedures.

Chief Executive's Response

Development Contributions are being actively pursued by the Council and this will continue in 2022.

10 Procurement

10.1 Procurement Review

A review of a sample of contracts in place during the year was carried out, to determine if the procurement controls were operating effectively. This review covered both the tendering and quotation processes. In all cases reviewed, the contracts were validated as having been appropriately procured.

Chief Executive's Response

Noted. Procurement continues to be adequately staffed to ensure improved compliance and efficiencies.

10.2 Payment of Invoices

During 2021, the Council paid 98% of all invoices received within 30 days, a further 1% improvement in the year. Once paid within 30 days, invoices do not attract interest or penalties under the European Communities (Late Payment in Commercial Transactions) Regulations. Roscommon County Council paid no interest or penalties during the year under these regulations.

Chief Executive's Response

Noted. Payment of invoices on a timely basis is a priority for the County Council.

11 Local Authority Companies

11.1 Council's Interest in Companies

Appendix 8 to the AFS lists the three companies in which the Council had an interest during 2021. These were:

- Roscommon Leisure Centre Ltd
- Moylurg Rockingham Ltd
- Back Lane Management Ltd.

Audited accounts and all the requested documentation for these three

companies were made available to me in the course of the Council's audit.

The Council did not prepare consolidated accounts in relation to these companies, as it availed of the materiality exemption permitted under the Accounting Code of Practice. Instead, the Council treated these as associate companies, in accordance with the Code.

11.2 Roscommon Leisure Centre

Throughout 2021, Roscommon Leisure Centre Ltd (RLC) remained a wholly owned subsidiary of Roscommon County Council.

This company's activities continued to be severely impacted by the COVID-19 pandemic throughout 2021, with the Council providing €300k subvention to it (2020: €263k), in addition to an advance subsidy of €150k. The company recorded a surplus of €16k for the year ended 31 December 2021. Despite this surplus, the company had incurred €187k accumulated losses to the end of 2021.

During 2021, the company made a €5k repayment on a loan received from the Council in 2016, with a balance of €193k remaining due at the year end.

The auditor's report for RLC included a paragraph outlining the material uncertainty related to going concern for this company. This drew the reader's attention to the company's accumulated losses and the fact that the company's liabilities exceeded its assets at the end of 2021. Despite this, the audit opinion was not qualified due to undertakings given by the Council to continue its support for this entity.

Chief Executive's Response

The Executive and Elected Members are committed to supporting RLC as it provides significant value and health benefits to the local community.

11.3 Moylurg Rockingham Limited

Throughout 2021, Moylurg Rockingham Ltd (MRL) remained 50% owned by Roscommon County Council. This company did not receive any subvention from the Council during the year. Like most businesses in the leisure / tourism sector, MRL continued to be impacted by COVID-19, despite which it recorded a profit of €104k for the year (2020: loss of €202k).

The Council's 50% share of the reserves at the end of 2021 amounting to €646k was reflected in note 3 to the Council's AFS.

Included in note 5 was the €2m loan repayable by MRL to the Council, reduced by the Council's portion of the accumulated losses incurred by MRL of €895k for the years 2005 to 2012 inclusive. This net balance should be recorded in note 3 for future years, unless there is agreement to repay these amounts within the

following twelve months.

The auditors of MRL continued to recommend that the joint venture agreement between Coillte, MRL and the Council needs to be updated, particularly in relation to the €2m loan from the Council to MRL. The auditors specifically stated that the terms for the repayment of this loan need to be re-negotiated, with more transparent terms being agreed. I endorse this recommendation.

Chief Executive's Response

The net balance due to the Council will be recorded in note 3 of the 2022 accounts. During 2022 the Council received independent advice regarding the terms of the repayment of the loan by MRL and negotiations between the various parties are at an advanced stage.

11.4 Back Lane Management Limited

During 2021, the Council continued to own 50% of Back Lane Management Limited (BLM). I note from the audited accounts supplied, that the annual income and expenditure of this company was not material in the context of the Council. However, there continued to be no Council representative listed as a director of this company in its audited accounts. The Council should consider if this represents best practice or achieves corporate governance requirements for a public body.

Chief Executive's Response

In 2023 the Council will address the corporate governance requirements of this company. The Housing Section of the Council will be made aware of the requirement for a Council representative to be a director of this company.

12 Creditors

12.1 Trade Creditors

The trade creditor figure at the end of 2021 totalled €3.8m. A review found that €0.8m of the balance examined remained unpaid five months later, which included €545k related to house purchases.

These invoices had been received, processed and the goods / services receipted on the system prior to the end of 2021, but as the work was either not completed or not completed to a satisfactory standard, the payments were then parked on the financial system and remained unpaid five months later.

The reason for the practice adopted by the Council is to enable the claiming of grant allocations from funding bodies by the year end, without spending the funds within the financial year. For future years, it is vital that where income is drawn down in advance it is deferred and the expenditure to which it relates is

treated as a prepayment. Also the Council should seek and obtain the written permission of the funding body to adopt this practice.

Chief Executive's Response

As highlighted in previous audit reports this issue is not unique to Roscommon County Council and requires a whole of government approach / resolution. There is a conflict between the local authority accounting system which is based on accrual accounting and the various funding departments that operate on a receipts and payment basis. The Council has an obligation to ensure funding is in place to discharge contractual obligations as they fall due.

13 Other Matters

13.1 Unfinished Housing Developments

At the end of 2021 there were 87 unfinished housing developments (UHDs), consisting of 2,086 housing units in the county (2020: 105 estates with 2,521 housing units).

At the end of 2021, the Council had:

- Received €4.8m (€0.5m received in 2021) from bonds drawn down in relation to 49 developments, of which €1.9m remains unspent to date.
- Cash bonds were held in relation to 16 estates worth €0.6m.

Remediation works costing €0.5m were carried out by the Council on these estates during 2021. Further works are ongoing, with another 10 developments remediated by June 2022. This represents an almost halving of UHDs in the county since the end of 2018, when there were 149 such developments awaiting remediation.

Chief Executive's Response

The Council is committed to reducing the number of unfinished estates in the county. The reduction of unfinished estates year on year requires significant council resources.

14 Governance and Propriety

14.1 Internal Audit Unit

The internal audit unit (IAU) was resourced with a full time member of staff throughout 2021. The Unit produced six reports in the year, along with the 2020 Public Spending Code Quality Assurance Report for the National Oversight and Audit Commission (NOAC). I have taken account of the findings in these reports, where appropriate, in the course of my audit.

Chief Executive's Response

Noted.

14.2 Audit Committee

The Audit Committee held the required minimum of four meetings in 2021. I attended the meeting on 7 December 2021 to discuss my 2020 audit report, following which the Audit Committee submitted their report to the Council Members as required under Section 60 of the Local Government Reform Act, 2014. This was adopted at the Council's plenary meeting on 20 December 2021. The Committee also prepared their 2021 annual report, which was adopted at the Council's plenary meeting on 28 March 2022.

14.3 Investigation into Cheque Payment

An investigation was carried out by the IAU into a cheque payment during 2020. This matter was referred to the Gardaí, who have advised the Council that they will be taking no further action in relation to this matter.

Chief Executive's Response

The Council note the Gardaí position on this matter. The Council have now closed this issue.

14.4 Investigation into Councillors' Travel Claims

An investigation was carried out by the IAU during the year into all conference and training related payments to Council Members during 2016. A number of errors were noted, which netted off to a total overpayment of €778. This included an instance where one Councillor claimed for two events on the same date. The duplicated claim was investigated by management and the amount involved was refunded. Changes have since been implemented in the procedures for processing and recording members' travel claims, to prevent any future recurrence and to improve controls in this area.

Chief Executive's Response

Noted. The Council wrote to the Council Member highlighting the duplicated claim and received a reply regarding this matter. This issue is now closed.

Procedural changes have been implemented to travel claims negating the risk of this reoccurring.

14.5 Ethics Returns

Roscommon County Council introduced an electronic platform for submitting the 2021 ethics returns, which were due at the end of February 2022. This new system applied to both staff and Council Members' returns and made all sections of the ethics form mandatory, thereby removing the issue of partially completed forms that had previously been identified during audit.

A review of the returns found that all Council Members submitted their returns by the due date, but 14 staff members (11%) were later in submitting their forms. Three of these late returns related to former employees or people on long term leave of absence.

Chief Executive's Response

Noted. The Council will review its Standard Operating Procedures in light of the late returns from former employees and people on long term leave of absence.

Acknowledgement

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



Mary Kearney.

Local Government Auditor.

26 August 2022.

gov.ie/housing

Department of Housing, Local Government and Heritage



Rialtas na hÉireann
Government of Ireland