



Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of Monaghan County Council for the Year Ended 31 December 2022

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 Monaghan County Council	3
1 Introduction	3
2 Financial Standing	4
2.1 Statement of Financial Position	4
2.2 The Statement of Comprehensive Income	4
3 Income Collection	5
3.1 Summary of Income Collection.....	5
3.2 Commercial Rates.....	6
3.3 Rents.....	7
3.4 Housing Loans	8
4 Capital Account.....	9
4.1 Capital Account Overview	9
4.2 Funding of Capital Projects	10
4.3 Monaghan Peace Campus	11
5 Procurement	11
6 Fixed Assets	12
7 Development Contributions.....	12
8 Parking Charges and Fines.....	13
9 Uisce Éireann.....	14
10 Loans Payable	14
11 Governance and Propriety Overview	15
11.1 The Public Spending Code.....	15
11.2 Internal Audit Function	15
11.3 Audit Committee.....	15
11.4 Ethics Declarations.....	16
11.5 Investigations into Financial Irregularity	16
11.6 Risk Register	16
11.7 Local Authority Companies.....	16
12 Climate Action Plan	17
Acknowledgement	18

Auditor's Report to the Members of Monaghan County Council

1 Introduction

I have audited the Annual Financial Statement (AFS) of Monaghan County Council for the year ended 31 December 2022, 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 2022 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 5 of the AFS.

The Council is by law, responsible for the maintenance of all accounting records including the preparation of the AFS. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion. I conducted my audit in accordance with the Code of Audit Practice. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the AFS. It also includes an assessment of the significant estimates and judgments made by the Council's management in the preparation of the AFS, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations, which I considered necessary to provide sufficient evidence to give reasonable assurance that the financial statement is free from material misstatement, whether caused by fraud or error.

This report is prepared in accordance with Section 120(1) (c) of the Local Government Act, 2001 and should be read in conjunction with the audited AFS.

2 Financial Standing

2.1 Statement of Financial Position

Net assets increased by €23.7m to €1,519.6m during the year. Table 1 below highlights the significant movements during the year that includes the provision of social housing and improvement works to towns, public amenities and facilities.

Table 1 – The statement of financial position year on year movements by category

Assets/Liabilities	2022 €	2021 €	Inc/(Dec) €	Explanations
Fixed Assets/WIP	1,518.2m	1,490.1m	28.1m	Increase to housing, land and the construction of a public amenity
Long-Term Drs	23.1m	22.3m	0.8m	Increase to CALF debtors and the provision of mortgage funding
Current Assets	26.6m	27.4m	(0.8m)	Decrease in government grant debtors
Current Liabilities	(12.9m)	(10.4m)	(2.5m)	Increase in expenditure on the construction of a public amenity
Long-Term Crs	(35.4m)	(33.5m)	(1.9m)	Increase in CALF liabilities, refundable deposits and decrease in loans payable.
Totals	1,519.6m	1,495.9m	23.7m	

Chief Executive's Response

The increase in fixed assets mainly reflects the ongoing work that the Council is engaged in, in terms of acquisition and construction of social housing. Current liability balance has increased mainly due to timing of invoices around year end and also a higher balance owed to the Revenue Commissioners at year end due to reverse charge VAT.

2.2 The Statement of Comprehensive Income

The Council recorded a surplus for the year of €0.27m (2021: €1.99m) after transfers to reserves of €2.4m. Note 16 in the AFS outlines the difference between the adopted estimates and the actual outturn. The over expenditure amounts to €1.07m (2021: €9.9m) and was approved by the members at their May 2023 meeting.

Table 2 below sets out the 2022 surplus in the context of previous years.

Table 2 – Schedule of surpluses/(deficits) for the year’s 2022-2018

Year End	2022 €	2021 €	2020 €	2019 €	2018 €
Surplus/(Deficit)	0.27m	1.99m	0.35m	0.07m	0.07m

Table 3 below, highlights each division’s highest spend and source of funding. The roads and development divisions continued to incur the highest levels of expenditure.

Table 3 – The revenue account’s highest spends and main source of funding for 2022

Division	Total Spend 2022 €	Area of Highest Spend	Total Income 2022 €	Main Source of Funding	Surplus / (Deficit) 2022 €
Housing	(9.95m)	Lease AHB RAS	10.73m	Rents	0.78m
Roads	(26.61m)	Maintenance	20.14m	Grants & ICR ¹	(6.47m)
Water	(9.68m)	Water Schemes	9.57m	Grants & ICR	(0.11m)
Development	(12.76m)	Economic	7.27m	Grants & ICR	(5.49m)
Environment	(7.11m)	Fire Service	1.39m	Grants & ICR	(5.72m)
Recreation	(5.71m)	Libraries	0.61m	Grants & ICR	(5.10m)
Agri, Edu etc	(0.54m)	Animal Welfare	0.35m	ICR	(0.19m)
Misc.	(5.57m)	Rates Write-offs	4.63m	ICR	(0.94m)
Rates	-	N/A	14.09m	Local Taxation	14.09m
LPT	-	N/A	11.82m	Local Taxation	11.82m
Transfers	(2.40m)	N/A	-	ICR	(2.40m)
Totals	(80.33m)		80.60m		0.27m

¹ Internal cash receipts

Chief Executive’s Response

Monaghan County Council budget holders and the Finance Section actively monitor and manage expenditure versus budget in order to protect the surplus position and protect cash flow. Material positive variances at year end are: a reduction in irrecoverable rates, savings in payroll and additional income for administration to deliver capital housing projects. Material negative variances at year end are: increased pension costs and increased costs for parks & open spaces.

3 Income Collection

3.1 Summary of Income Collection

Outlined at table 4 below is a summary of year on year revenue collection yields and debtors for commercial rates, housing loans and rents.

Table 4 – Collection Accounts yields and debtors

Collection Account	Yield 2022 %	Yield 2021 %	Debtors 31-Dec-22 €	Debtors 31-Dec-21 €
Rates	98	95	1.95m	2.18m
Rents	96	96	0.20m	0.19m
Housing Loans	83	80	0.22m	0.23m

3.2 Commercial Rates

The collection yield for commercial rates increased to 98% (2021: 95%) and net debtors' balances decreased to €1.95m (2021: €2.18m). Year on year the performance of the rates debtors control account improved with accounts in arrears amounting to €2.22m (2021: €2.8m) and overpaid accounts amounting to €267k (€665k). Table 5 analyses the composition of the debtors balances by range of values. The analysis highlights decreased levels of arrears across all ranges of values.

Table 5 – Analysis of commercial rates debtors by amounts outstanding 2022-2021

Range of Values	No. of Drs 2022	Totals € 2022	No. of Drs 2021	Totals € 2021	Inc/(Dec) No. of Drs	Inc/(Dec) €
€100,001 >	1	337,799	3	763,503	(2)	(425,704)
€10,001 to >=€100k	54	1,301,114	63	1,403,582	(9)	(102,468)
€1,001 to >=€10k	165	520,526	185	610,059	(20)	(89,533)
€101 to >=€1k	115	57,549	142	66,842	(27)	(9,293)
€0 to >=€100	19	896	29	1,026	(10)	(130)
In credit > (€0)	293	(266,592)	482	(665,213)	(189)	398,621
Totals	647	1,951,292	904	2,179,799	(257)	(228,507)

Central Government's targeted rates waiver scheme operated during quarter 1 2022. The rates waiver scheme altered the calculation of the rates collection yield, by excluding the recouped waivers from rates income, had waivers formed part of rates income, the collection yield was 98%, (2021: 96%).

At year end property valuations for appeal with the Rates Valuation Tribunal totalled €1.2m, the Council's corresponding reserve under the rates limitation order amounted to €1.0m.

The bad and doubtful provision for commercial rates of €1.73m (2021: €1.65m) represents 77.9% of debit balances and is considered adequate.

Chief Executive's Response

Rates collection has increased over the last few years due to implementation of a number of measures namely: early and accurate billing, use of all types of payment methods, use of specialised law firm, use of specialised debt management system, experienced revenue

collectors and Reval 2019. The final year for rates valuation appeals in relation to the most recent Reval is 2024.

3.3 Rents

The rents collection yield continues to record a strong performance of 96%. Net debtors increased to €202k (2021: €194k). The analysis at table 6 below highlights that tenants in arrears increased to €411k (2021: €385k), while tenants in credit increased to €208k (2021: €190k).

Table 6 – Analysis of rents debtors by amounts outstanding 2022-2021

Range of Values	No. of Drs 2022	Totals € 2022	No. of Drs 2021	Totals € 2021	Inc/(Dec) No. of Drs	Inc/(Dec) €
€10,001 >	3	38,305	2	25,925	1	12,380
€1,001 to >=€10k	77	192,121	92	199,433	(15)	(7,312)
€101 to >=€1k	482	157,590	450	137,261	32	20,329
€0 to >=€100	477	23,167	471	21,974	6	1,193
In credit >= (€0)	912	(208,341)	869	(189,774)	43	(18,567)
Totals	1,951	202,842	1,884	194,819	67	8,023

The analysis highlights the below balances totalling €230k that are a concern, based on the size of individual account balances;

- Arrears - €1k to €10k - €192k - number of tenants, 77
- Arrears - greater than €10k - €38k - number of tenants, 3

The bad debt provision for rents is €118k (2021: €130k) and represents 28.76% (2011: 34%) of arrears. Because of the size of individual accounts in arrears there is a potential that tenants may not repay all outstanding arrears. Therefore the rents bad debt provision is considered insufficient. I have requested that the Council review their overall bad debt provisions for the different income streams to take account of these concerns.

Chief Executive's Response

The consistently high rent collection is indicative of considerable efforts of the revenue collection staff. New housing tenants in receipt of social welfare are required to pay through An Post household budget. For other tenants there are multiple payment options available such as standing orders, cash desk, customer app, web payments and An Post billpay.

The bad debt provision was calculated based on the section's detailed knowledge of the customers and has been considered adequate heretofore. This will be reviewed in 2023 with the comments above taken into consideration.

3.4 Housing Loans

The collection yield for housing loans returned to 2020 levels with a yield of 83%, (2021: 80%) and year end net debtors amounting to €221k (2021: €230k). Table 7 below analyses the composition of the housing loans debtors with arrears of €264k (2021: 267k) and credit balances of €44k (2021: €38k).

Table 7 - Analysis of housing loans debtors by amounts outstanding 2022-2021

Range of Values	No. of Drs	Totals €	No. of Drs	Totals €	Inc/(Dec)	
	2022	2022	2021	2021	No. of Drs	Inc/(Dec) €
€10,001 >	10	158,338	8	136,958	2	21,380
€1,001 to >=€10k	13	43,914	17	71,512	(4)	(27,598)
€101 to >=€1k	139	61,737	133	58,642	6	3,095
€0 to >=€100	7	316	6	322	1	(6)
In credit >= (€0)	34	(43,717)	39	(37,712)	(5)	(6,005)
Totals	203	220,588	203	229,722	-	(9,134)

The analysis highlights the balances totalling €202k that are a concern, because of the size of individual amounts outstanding;

- Arrears - €1k to €10k - €44k - number of debtors, 13
- Arrears - greater than €10k - €158k - number of debtors, 10

The bad debt provision for housing loans is €83k (2021: €120k) and represents 31% (2021: 45%) of debtors in arrears. Because of the size of individual accounts in arrears there is a potential that loan debtors may not repay all outstanding arrears. Therefore the housing loans bad debt provision is considered insufficient. I have requested that the Council review their overall bad debt provisions for the different income streams to take account of these concerns.

Chief Executive's Response

Loan collection rates have increased. New borrowers are required to pay their loan repayment by direct debit. Other borrowers have multiple payment options available such as standing order, cash desk, customer app and cash desk. The bad debt provision was calculated with consideration given to borrowers who are on performing payment plans. The auditor's comments will be considered going forward.

4 Capital Account

4.1 Capital Account Overview

During 2022 capital expenditure increased by €24.9m to €54.9m representing an increase of 83%. Historically, the housing and roads programme groups incurred the largest expenditure and this trend continued in 2022, with expenditure of €27.9m and €9.6m respectively. The construction of housing at a cost of €23.6m resulted in the provision of 120 social housing units. A further €3.4m was spent on upgrading and maintaining the social housing stock. For the roads programme, works on the national primary roads and bypasses incurred the majority of expenditure.

Table 8 below includes the expenditure for the development and recreation programme groups with respective expenditure of €6.6m and €6.0m. The underlying drivers for the development programme group's expenditure includes enhancements to the county's towns and villages and the upgrading of a municipal public service centre. The increased expenditure for the recreation programme group mainly consists of the construction of the Peace Campus.

Table 8 – The capital programme's highest spend and main source of funding for 2022

Capital Programme	Total Spend €	Area of Highest Spend	Total Income €	Main Source of Funding	Surplus / (Deficit) €
Housing	(27.9m)	Acquisitions	28.1m	Grants	0.2m
Roads	(9.6m)	Improvements	10.2m	Grants	0.6m
Water	(0.6m)	Schemes	0.5m	Grants	(0.1m)
Development	(6.6m)	T & V ¹	5.3m	Grants	(1.3m)
Environment	(0.7m)	Restoration ²	0.4m	Grants	(0.3m)
Recreation	(6.0m)	Amenity ³	1.4m	Grants	(4.6m)
Misc.	(2.3m)	Administration ⁴	0.6m	Grants	(1.7m)
Transfers	(1.2m)	To SoCI ⁵	3.3m	From SoCI	2.1m
Totals	(54.9m)		49.8m		(5.1m)

¹ Town and village improvements

² Restoration of landfill offices

³ Peace Campus located in Monaghan town

⁴ Incorporating the acquisition of property for €915k

⁵ Statement of comprehensive income/revenue account

Capital income also increased by €14.9m to €49.8m representing an increase of 42.6%. Historically, the Council's two largest sources of grant funding are the Department of Housing, Local Government and Heritage (DHLGH) and Transport Infrastructure Ireland, this trend continued in 2022.

Chief Executive's Response

The capital account shows the investment in capital infrastructure by the Council for the year. The increase in expenditure and income reflects a recovery from the slowdown in capital construction for 2020 and 2021 as a result COVID-19 restrictions.

4.2 Funding of Capital Projects

Table 9 below sets out the analysis of the capital account's job codes by debit and credit balances. The number of capital job codes with debit balances continue to exceed credit balances. At year end, job codes with debit balances decreased by 30 to 143, while credit balances decreased by 1 to 116. The two programme groups with the largest number of job codes for both credit and debit balances were roads and development.

At year end, the environmental and recreation programme groups recorded debit balances of €1.26m and €4.59m, respectively, a total of €5.85m, the comparative total in 2021 was €1.5m, a year on year increase of €4.35m.

Table 9 – Analysis of the capital account by the number of debit and credit job codes

The Number of Capital Job Codes	2022	2021	2020
Capital job codes with credit balances	116	117	151
Capital job codes with debit balances	143	173	151
Total Number of Capital Job Codes	259	290	302

Table 10 below sets out the capital account's net balance in the context of previous years. The decrease in the credit balance at year end was due to the construction of amenities including the Peace Campus (recreation), the acquisition of land and property for future retail and civic zones (development) and derelict sites (environmental).

Table 10 – The monetary value of capital job codes by credit and debit balances

Monetary Value of Capital Job Codes	2022	2021	2020	2019
	€	€	€	€
Capital job codes with credit balances	27.5m	27.5m	25.1m	20.6m
Capital job codes with (debit) balances	(21.4m)	(16.3m)	(18.9m)	(17.3m)
Net Value of Capital Job Codes	6.1m	11.2m	6.2m	3.3m

The composition of the capital account requires the Council to identify and apply sources of funding to reduce its debit balances.

Chief Executive's Response

Capital balances are reviewed and reconciled quarterly. Where possible budget provisions are made for capital balances that have no identified source of funding. Funding for all new capital projects is identified in advance of the project progressing. The number of capital balances has

reduced in recent years due to active management of all balances. This focus will continue going forward.

4.3 Monaghan Peace Campus

In 2020, the Council commenced the construction of the Monaghan Peace Campus, a facility to provide services to the general public. The original bill of quantities (BOQ) was significantly underestimated, which has resulted in a revised budget of €20.1m. The Council placed the architect led design team on notice of its intention to pursue incurred losses. To date the Council has not submitted a claim against the architect. The revised funding for the project has been committed from the Department of Rural and Community Development (€2.8m), the Special EU Programmes Body (€13.3m) and internal Council receipts (€4.0m). At the time of writing this report, €13.3m was paid out to date and €7.8m received in funding, the largest funder the Special EU Programmes Body, paid €3.9m to date.

Chief Executive's Response

Monaghan County Council on becoming aware of the inaccuracies in the bill of quantities immediately took steps to address this including; implementing cost savings, working with funding partners to secure increased funding and placing the design team on notice of the Council's intention to pursue losses, once all BOQ inconsistencies are identified.

The Council submits claims for funding on an ongoing basis and continues to actively engage with funding partners to ensure all information required by funders is submitted to allow assessment by them. The Council actively works with funders to mitigate against potential delays in funding drawdown.

5 Procurement

In July 2021, the position of Procurement Officer became vacant and remained unfilled at year end. I acknowledge the Council's efforts to obtain a suitably qualified individual and the subsequent appointment to the role in March 2023. However, the absence of a Procurement Officer for this length of time hindered management's plans to improve the Council's procurement practices and risked undermining the procedures and work implemented by the previous Procurement Officer.

Chief Executive's Response

While the position of Procurement Officer was vacant in 2022, Monaghan County Council did have contingency measures in place. The Grade V in the Roads Section who manages procurement on behalf of Roads and the

Machinery Yard and who has significant procurement experience and academic qualifications, was providing procurement advice and guidance in the absence of an appointed Procurement Officer. In addition, a procurement team consisting of trained leads and administration supports was embedded in the majority of Council divisions. The Procurement Officer role has now been filled and a Procurement Section consisting of three staff, including the Procurement Officer and the Grade V referred to above, has now been established.

6 Fixed Assets

The following audit issues arose from the review of fixed assets during the audit

- A third party valuation was not obtained to acquire the lease for building fixed asset, Community Facility Rockcorry, at a cost of €54k
- Evidence to support the disposal, including a third party valuation for land fixed asset, Site No 4 at Convent Lands Carrickmacross, (cost of €230k), was not available to review
- At year end, 56 land registry titles remained transferable to Uisce Éireann.

Chief Executive's Response

All staff involved in the disposal/acquisition of land/property now adhere to Monaghan County Council's Land and Building Asset Acquisition and Disposal Procedure. The procedure provides for the comprehensive documentation of property conveyancing, including the securing and recording of third party valuations.

7 Development Contributions

Development contribution (DC) debtors decreased to €2.51m (2021: €2.77m). Table 11 below analyses the composition of debtors and highlights the largest level of arrears as follows;

Arrears - greater than €1k but equal to €10k - €1.07m

Arrears - greater than €10k - €1.45m

Table 11 – Analysis of DC debtors by amounts outstanding 2022-2021

Range of Values	No. of Drs	Totals €	No. of Drs	Totals €	Inc/(Dec) No. of Drs	Inc/(Dec) €
	2022	2022	2021	2021		
€10,001 >	38	1,452,383	36	1,496,424	2	(44,041)
€1,001 to >=€10k	340	1,070,774	387	1,287,290	(47)	(216,516)
€101 to >=€1k	62	33,639	77	42,136	(15)	(8,497)
€0 to >=€100	26	566	32	766	(6)	(200)
In credit >= (€0)	77	(47,241)	117	(59,633)	(40)	12,392
Totals	543	2,510,121	649	2,766,983	(106)	(256,862)

The bad debt provision for development contributions decreased by €36k to €252k and this provision represents 9.8% of debtors in arrears. Arrears six years and older amount to €780k or 30.5% of overall arrears. Due to the level of arrears that are six years and older, the development contribution bad debt provision is considered insufficient. I have requested that the Council review the bad debt provision for development contributions and its debt collection procedures.

Chief Executive’s Response

Monaghan County Council will allocate a dedicated resource to development contribution debt collection from Q4, 2023. The purpose of this is to put a stronger focus on debt collection particularly in light of the new waiver. This new waiver is in respect of development contributions for residential developments commencing between 25th April 2023 and 24th April 2024. The expectation is that the debtors balance will reduce going forward due to the introduction of the waiver and the focus on debt collection. Bad debt provision will be calculated at 2023 year end taking cognisance of the auditor’s comments above.

8 Parking Charges and Fines

Parking charges and fines of €562k (2021: €395k) represents a significant source of income. Audit tests showed that controls and procedures for parking charges and fines are inadequate and require immediate improvement.

Chief Executive’s Response

A monthly working will be introduced which will clearly identify all parking charges and fines income and this will be reconciled with Agresso. In addition to this, the municipal district office are creating a monthly sign-off cover sheet to ensure timely checks are in place.

9 Uisce Éireann

The Council is contracted to provide services to Uisce Éireann until the expiry of the current service level agreement (SLA) in 2026. Income in 2022 increased by €260k to €4.19m.

Chief Executive's Response

The SLA income is to support the provision of Water Services. The increase for 2022 relates to income related to the defrayment of additional central management charges (CMC) and other water services expenses year on year.

Memorandum of Understanding (2024 – 2026)

From 2024 to 2026 a new recoupment defrayment mechanism will be in place for local authorities (LAs). A Memorandum of Understanding will set out the basis on which the DHLGH will make payments to LAs to meet costs relating to historical water services roles that continue to be incurred by LAs but are no longer funded by Uisce Éireann following the termination of SLA. This will ensure that no cost burden is imposed on LAs as a result of employing staff who do not wish to transfer to Irish Water.

New arrangements for payments by Uisce Éireann to LAs will take effect from 1 January 2024. LAs will have a reduced income stream as the payment from Uisce Éireann under the Master Agreement/Support Service Agreement will be less than the SLA payment and this would expose the local authorities to potentially stranded costs.

10 Loans Payable

The long-term borrowing position (before amounts due within one year) decreased to €22.3m (2021: €22.7m). Table 12 sets out the analysis of the outstanding loans payable. The largest use for borrowings relates to the issuing of long-term mortgages to former tenants and eligible applicants.

Table 12 – Analysis of outstanding loan principle by year end

Analysis of Loans Payable Balances	2022	2021	2020	2019
	€	€	€	€
Mortgage Loans	11.8m	11.5m	11.5m	11.3m
Assets/Grants	5.3m	5.6m	5.8m	6.0m
Recoupable	4.7m	5.1m	5.4m	5.7m
Shared Ownership	0.5m	0.5m	0.6m	0.6m
Balance at 31 December	22.3m	22.7m	23.3m	23.6m

Three of the four categories of loans are self-financing, however the

category of shared ownership remains unchanged with outstanding arrears of €500k. Note 3 in the AFS records redemptions of €61k from shared ownership loans, however these redemptions were not applied against the outstanding loan principal. Note 12 in the AFS records a funding gap of €113k, where loans payable exceed loans receivable.

Chief Executive's Response

The €61k from shared-ownership loans were redemptions and should have been subsequently redeemed with the HFA. Our processes have been updated to reflect this so this omission won't reoccur going forward.

11 Governance and Propriety Overview

Corporate governance comprises of the systems and procedures by which enterprises are directed and controlled. The Chief Executive, the management team and the elected members are responsible for ensuring that there are robust systems of financial management and internal control in place.

11.1 The Public Spending Code

Internal Audit performed the Council's 2022 public spending code review on a turnkey project that acquired 41 houses. Internal Audit, reported the projects' procurement and management was satisfactory but recommended several improvements.

11.2 Internal Audit Function

The Internal Audit unit forms an important role in identifying and mitigating risk. The unit consists of two officers. In accordance with best practice the Head of Internal Audit reports to the Chief Executive. During the year, Internal Audit presented 13 audit reports to the Audit Committee. Between the years 2019 to 2022 the Internal Audit unit issued a total of 148 recommendations of which 142 or 96% were implemented before the current year end.

I reviewed the Internal Audit reports and I took into consideration the reports' findings where appropriate.

11.3 Audit Committee

The Audit Committee met five times during 2022 and produced its annual report in January 2023. The Audit Committee's annual report was

presented to the Council in March 2023.

11.4 Ethics Declarations

Part 15 of the Local Government Act, 2001 obliges Council members and designated members of staff to submit an annual declaration of specific interests. Council members and designated members of staff submitted the required declarations.

11.5 Investigations into Financial Irregularity

Previous reports highlighted instances of financial irregularity by two former members of staff. These matters are still the subject of Garda investigations and court proceedings.

Chief Executive's Response

One of the cases was concluded during 2023 with charges pending. There is no change in the status of the other case.

11.6 Risk Register

The Council maintain a risk register by service division, which is in the process of being updated.

Chief Executive's Response

Monaghan County Council management and staff are acutely aware of the importance of risk management and mitigation. The risk register is one means of identifying management mitigation measures. Irish Public Bodies are assisting with a full review of the risk register in the coming weeks.

11.7 Local Authority Companies

The Council declared interests in the below companies.

Bioconnect Innovation Centre CLG

The company's principal activity is to establish a regional biotechnology centre of excellence, the planned completion of the facility is 2023. The Auditor's opinion of the latest audited financial statements, stated, they provided a true and fair view. The Auditor in the previously audited and current financial statements, included a non-modifying emphasis of matter paragraph concerning the company's continued losses (€161k) and its financial dependency on other entities including the Council. The company

recorded liabilities falling due within one year of €1.84m.

Chief Executive's Response

The Bioconnect Innovation centre is currently under construction and is expected to be completed by December 2023. The company will start to operate and generate income when its core business of food research is initiated in Q1, 2024. Enterprise Ireland's Regional Enterprise Development Fund provide 80% funding for this project. Match funding will be provided by Monaghan County Council and a consortium of other Agri Food companies.

Focus Engineering Network DAC

The principal activity of the company is to develop a platform to bring engineering companies together to share information and related services. The latest financial statements were available. On the basis of the director's judgement that the company was statutorily exempt from audit, the Auditors did not perform an audit and did not express an opinion on the financial statements. Profit/loss for the year was zero, with net assets and share capital both valued at €2.

National Data Platform DAC

The principal activity of the company is to assist the development of artificial intelligence. The latest financial statements were available. On the basis of the director's judgement that the company was statutorily exempt from audit, the Auditors did not perform an audit and did not express an opinion on the financial statements. Profit/loss for the year was zero, with net assets and share capital both valued at €3.

12 Climate Action Plan

The Council submitted its 2022 Climate Adaption Strategy to the Eastern and Midlands, Climate Action Regional Office. Progress on the identified 61 actions is as follows:

- Completion of all 61 actions is planned within the following 5-10 years
- The percentage of total actions implementation - 9.8%
- The percentage of total actions ongoing - 82.0%
- The percentage of total actions ongoing and completed - 8.2%

Acknowledgement

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

Martin White

Martin White

Local Government Auditor

28 September 2023

gov.ie/housing

