



Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of Monaghan 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 Monaghan County Council

1 Introduction

I have audited the Annual Financial Statement (AFS) of Monaghan County Council for the year ended 31 December 2024, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Funds Flow Statement and notes to and forming part of the accounts. The financial reporting framework that has been applied in its preparation is the Code of Practice and Accounting Regulations for Local Authorities, as prescribed by the Minister for Housing, Local Government and Heritage.

My main statutory responsibility, following completion of the audit work, is to express my independent audit opinion on the AFS of the Council, as to whether it presents fairly the financial position at 31 December 2024 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 5 of the AFS.

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

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

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

2 Financial Standing

2.1 Statement of Financial Position

Net assets increased by €31.6m to €1,567.9m. Fixed assets/Work in progress (WIP) incurred the largest movement with an increase of €27.2m. Current assets exceeded current liabilities, due to increases to debtors, bank and cash of €1.8m and €0.4m respectively and a decrease to creditors and accruals of €2.2m. Table 1 highlights the significant movements.

Table 1 – The Statement of Financial Position year on year movements by category

Assets/ Liabilities	2024 €	2023 €	Inc/ (Dec) €	Explanations
Fixed Assets/WIP	1,573.8m	1,546.6m	27.2m	Increase to housing & buildings.
Long-Term Drs	29.2m	27.8m	1.4m	Increase to housing scheme debtors.
Current Assets	17.1m	14.9m	2.2m	Increase to bank and debtors.
Current Liabilities	(11.3m)	(13.5m)	2.2m	Decrease to accruals.
Long-Term Crs	(40.9m)	(39.5m)	1.4m	Increase to housing scheme creditors.
Totals	1,567.9m	1,536.3m	31.6m	

Chief Executive's Response

The increase in fixed assets reflects the ongoing construction and acquisition of social housing and the level of activity in progressing capital projects during 2024. Several capital projects were completed in 2024 which resulted in an increase in Fixed assets/WIP and also an improvement in the bank balance due to capital balance recoupments.

The increase in debtors is due mainly to an increase in government debtors at year end of €1.6m. The timing of invoices raised at year end which are collected in quarter 1 2025 are also a contributing factor to the rise in debtors. A decrease in Development contribution debtors of €787k and rates debtor decrease of €423k offsets the debtor increases in part.

2.2 The Statement of Comprehensive Income

Income and expenditure increased to €98.82m (2023: €88.9m) and €99.05m (2023: €88.8m) respectively. The Council incurred a deficit of €239k after net transfers to reserves of €4.3m. The cumulative revenue surplus amounts to €291k. Table 2 sets out the 2024 deficit in the context of outturns from previous years.

Table 2 – Schedule of revenue (deficits)/surpluses for the year's 2020-2024

Year End	2024 €	2023 €	2022 €	2021 €	2020 €
Surplus/(Deficit)	(239k)	126k	270k	1.99m	350k

The highest spend and sources of income for each division are set out on

table 3.

Table 3 – The revenue account highest spends and key sources of funding for 2024

Division	Total Spend 2024 €	Area of Highest Spend	Total Income 2024 €	Main Source of Funding	Net Expenditure 2024 €
Housing	(14.28m)	RAS, Leasing, Grants	16.46m	Rents	2.18m
Roads	(29.78m)	Maintenance	22.4m	Grants & ICR ¹	(7.38m)
Water	(8.21m)	Water Schemes	7.7m	Grants & ICR	(0.51m)
Development	(20.31m)	Economic Development	13.55m	Grants & ICR	(6.76m)
Environment	(9.07m)	Fire Service	2.4m	Grants & ICR	(6.67m)
Recreation	(6.44m)	Library Service	0.6m	ICR	(5.84m)
Agri, Educ etc	(0.6m)	Animal Welfare	0.43m	ICR	(0.17m)
Misc.	(6.06m)	Rates Write-offs	6.76m	ICR	0.7m
Rates	-	N/A	15.3m	Local Tax	15.3m
LPT	-	N/A	13.22m	Local Tax	13.22m
Net Transfers	(4.3m)	N/A	-	ICR	(4.3m)
Totals	(99.05m)		98.82m		(0.23m)

A review of the year on year movements for the three largest divisions highlights the following:

- Housing Division - Net expenditure increased by €703k to €2.18m due to increased government grants and rental income from social housing units.
- Roads Division - Net expenditure increased by €79k to €7.38m. This marginal increase is reflective of the division's funding model, which is generally determined by grants from Transport Infrastructure Ireland.
- Development Division - Net expenditure increased by €1.1m to €6.76m due to the Council's processing of the Increased Cost of Business grants.

Note 14 in the AFS summaries the transfers to/(from) reserves of €4.3m. The variances between the adopted budget and the actual outturn are recorded in note 16 of the AFS. In accordance with section 104 of the Local Government Act, 2001, the Members at their meeting of 12 May 2025, approved additional expenditure of €10.9m.

Chief Executive's Response

The Council achieved a cumulative surplus in 2024 of €291k. The Council hope to retain a surplus going forward. A cumulative surplus is achieved through accurate budget preparation, cost reduction awareness and careful monitoring of actual spend versus budget. The main items contributing to the annual deficit of €239k are additional pension costs, increase in the bad debt provision, increased spend on local roads general maintenance and additional costs associated with the operation of the fire brigade and the operation of the Peace Campus building.

¹ Main sources of income are a combination of grants and internal sources of income.

3 Income Collection

3.1 Summary of Income Collection

The collection yields for commercial rates and rents remained high and are commendable, while the collection yield for housing loans requires greater improvement. Table 4 sets out the year on year movements. See sections 3.2 to 3.4 for further analysis on each source of revenue income.

Table 4 – Collection Accounts yields and debtors

Collection Account	Yield 2024 %	Yield 2023 %	Debtors 31-Dec-24 €	Debtors 31-Dec-23 €
Rates	99	94	1.9m	2.4m
Rents	95	95	0.3m	0.3m
Housing Loans	87	84	0.2m	0.2m

3.2 Commercial Rates

Commercial rates debtors decreased by €425k to €1.93m and this improvement is reflected in the collection yield which increased by 5% to 99%. Table 5 analyses the commercial rates debtors profile and highlights the following:

Table 5 – Profile of commercial rates debtors 2024-2023

Closing Debtor Balance (Range)	No. of Accounts 2024	Totals Closing Balance € 2024	No. of Accounts 2023	Totals Closing Balance € 2023	Variance	Variance €
€100,001 >	2	541,280	3	715,774	(1)	(174,494)
€10,001 >=€100k	39	1,116,324	52	1,433,031	(13)	(316,707)
€1,001 >=€10k	125	424,526	150	477,983	(25)	(53,457)
€101 >=€1k	83	44,502	115	56,924	(32)	(12,422)
€0 >=€100	17	577	147	606	(130)	(29)
In credit >= (€1)	273	(195,840)	146	(327,562)	127	131,722
Totals	539	1,931,369	613	2,356,756	(74)	(425,387)

- Accounts in arrears decreased to €2.12m.
- Overpaid accounts decreased to €195k.
- The value of arrears from the range €0 to €10k, decreased to €469k and represents 22% of accounts in arrears.
- The value of arrears from the range greater than €10,001, decreased to €1.65m and represents 78% of accounts in arrears.

The increase to the bad debt provision was prudent and at €1.82m it represents 86% of arrears balances. The provision should be reviewed on an

ongoing basis.

Chief Executive's Response

The consistently high collection rates are indicative of and attributable to the considerable efforts of revenue collection staff. The bad debt provision will be reviewed annually in line with the auditor's recommendations.

The ICOB and Power up schemes introduced by Department of Enterprise, Trade and Employment during the year incentivised rate payers with arrears to clear any outstanding balances to avail of the schemes.

3.3 Rents

Rents debtors increased by €65k to €342k, the collection yield remained unchanged at 95%. Table 6 analyses the rents debtors profile and highlights the following:

Table 6 – Profile of rents debtors 2024-2023

Closing Debtor Balance (Range)	No. of Accounts	Totals Closing Balance €	No. of Accounts	Totals Closing Balance €	Variance	Variance €
	2024	2024	2023	2023		
€10,001>	5	81,702	5	70,824	-	10,878
€1,001>=€10k	126	280,469	101	209,053	25	71,416
€101>=€1k	547	174,934	552	185,185	(5)	(10,251)
€0>=€100	476	22,375	547	25,785	(71)	(3,410)
In credit>=(€1)	963	(217,181)	907	(213,509)	56	(3,672)
Totals	2,117	342,299	2,112	277,338	5	64,961

- Tenant accounts in arrears increased to €559k.
- Overpaid tenant accounts increased to €217k.
- The value of arrears from the range €0 to €10k, increased to €478k and represents 85% of accounts in arrears.
- The value of arrears from the range greater than €10,001, increased to €82k and represents 15% of accounts in arrears.

The rents bad debt provision was increased to €190k and represents 33% of accounts in arrears. The value of arrears from the ranges €1,001 to €10,000>, increased to €362k. These arrears require significant attention and the bad debt provision should be reviewed on an ongoing basis to ensure it is adequate.

Chief Executive's Response

Monaghan County Council Finance section continually prioritises debt collection. An additional resource has been assigned to focus primarily on rent debtors during 2025. The bad debt provision is reviewed annually.

3.4 Housing Loans

Housing loan debtors decreased by €36k to €171k. The collection yield increased by 3% to 87% which is an improvement, but further work is required to match the collection yields for rates and rents. Table 7 analyses the housing loans debtors profile and highlights the following:

Table 7 – Profile of housing loans debtors 2024-2023

Closing Debtor Balance (Range)	No. of Accounts	Totals Closing Balance €	No. of Accounts	Totals Closing Balance €	Variance	Variance €
	2024	2024	2023	2023		
€10,001>	7	122,090	9	146,716	(2)	(24,626)
€1,001>=€10k	17	63,680	15	46,617	2	17,063
€101>=€1k	137	63,086	143	66,795	(6)	(3,709)
€0>=€100	4	186	5	210	(1)	(24)
In credit >=(€1)	41	(77,391)	36	(52,923)	5	(24,468)
Totals	206	171,651	208	207,415	(2)	(35,764)

- Loan accounts in arrears decreased to €249k.
- Overpaid loan accounts increased to €77k.
- The value of arrears from the range €0 to €10k, increased to €127k and represents 51% of loan account in arrears.
- The value of arrears from the range greater than €10,001, decreased to €122k and represents 49% of loan accounts in arrears.

The bad debt provision was increased to €149k and represents 60% of debtors in arrears. The bad debt provision should be reviewed on an ongoing basis to ensure it is adequate.

Chief Executive's Response

Loan collection rates have increased, and borrowers have multiple payment options available to them. The bad debt provision was calculated with consideration given to borrowers who are on performing payment plans and this will be reviewed annually.

4 ICOB and Power-Up Grants

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. As part of Budget 2025, the Government also signed off on a package of €170 million for the Power-Up grant, which is aimed at SME's in the hospitality, retail and beauty sectors. The Department of Enterprise, Trade and Employment (DETE) were responsible for defining the eligibility for payment and also the general oversight of the schemes.

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

Accordingly, the audit of expenditure under these scheme's, which amounted to €6.2m in Monaghan County Council for the year ended 31 December 2024, and €480k in early 2025, was limited to the specific responsibilities of local authorities, as set out above, and did not include the verification of other eligibility criteria declared by the applicants. The accounting treatment for the grant is set out in Note 25 in the AFS.

Chief Executive's Response

Monaghan County Council, funded through DETE, managed the rollout of the ICOB grant to qualifying businesses. Eligible businesses received a once-off grant payment. The amount of the grant paid to eligible businesses was based on the value of the Commercial Rates liability for the business in 2023. Monaghan County Council processed 1,823 ICOB grants in 2024 with a total value of €3.158m.

The power up grant was available to qualifying businesses as a contribution towards the rising costs faced by businesses. The grant was intended to provide financial support to businesses but not intended to directly compensate for all increases in wages, or other costs, for every business. Monaghan County council processed 761 Power up grants in 2024 with a total value of €3.044m.

5 Uisce Éireann

The Council and Uisce Éireann (UÉ) entered into a signed Support Services Agreement (SSA) in 2024. The SSA covers core and ancillary services specific to each local authority until they are fully transitioned to UÉ by the end of 2026. During 2024, the Council recognised €3.5m of income from UÉ, (2023: €4.4m). This source of income will cease during 2026.

Chief Executive's Response

A Memorandum of Understanding was issued during 2023 by the Department of Housing, Local Government and Heritage (the Department) in relation to payments to Local Authorities for stranded costs arising from the Water Services Transformation Programme. For the period 2024 to 2026 which is the period foreseen in the framework for withdrawal of local authority staff from the provision of water services, Central Management Costs (CMC) relating to Water services are recouped from the Department, instead of Uisce Éireann as was previously the case. This has resulted in a reduction in this income stream as the majority of this recoupment will be based on 2022 CMC costs.

6 Debtors

6.1 Debtors and Bad Debt Provisions

Trade debtors and prepayments after bad debt provisions increased to €9.8m (2023: €8.1m). The categories incurring the largest increases were government, other services and other debtors.

Chief Executive's Response

Monaghan County Council finance section continually prioritises debt collection and are actively following up on outstanding debt.

6.2 Development Contributions

The previous audit highlighted the level of arrears and the rate of collection for development contribution debtors (DCD). The decrease in arrears this year to €1.8m (2023: €2.6m), represents a decrease of 30%. In 2024, the rate of collection increased to 42% (2023: 37%). This movement is positive, however, a considerable amount of work, remains to increase the rate of collection. Management increased the bad debt provision to €610k (2023: €248k) the provision represents 34% of DCD debtors in arrears. It is important that the Council keep the provision under review. Table 8 below places the 2024 outturn for DCD debtors in the context of previous years.

Table 8 – Analysis of DCD and collection percentages

Analysis of DCS Drs	2024	2023	2022	2021	2020
	€	€	€	€	€
Year-End Debtor Balances	1.8m	2.6m	2.5m	2.8m	2.5m
Collection Percentages	42%	37%	39%	21%	29%

The year end debtors balance of €1.8m, included waivers of €669k. The Temporary Development Waiver Scheme is a government-backed initiative to waive development contributions for qualifying residential developments to encourage construction. The scheme requires development to commence

between 25 April 2023 and 31 December 2024, with completion by 31 December 2026. Under the scheme, it is the Department rather than the developer who pays the relevant charge to the Council. This waiver is recorded in the capital account with further details disclosed in Note 24 to the AFS. In 2024, €669k was granted in Development Contribution Waivers by Monaghan County Council.

The Council is required to put in place procedures to monitor the construction of houses subject to the waiver and identify sites on which properties are not constructed. The Council is also responsible for the clawback of waivers if properties are not constructed.

Chief Executive's Response

Dedicated staff members have been assigned to development contribution debt collection. The bad debt provision will be reviewed annually in line with the auditor's recommendation.

7 Capital Account

7.1 Capital Account Overview

Capital expenditure increased in 2024 to €59.2m (2023: €56.3m). Housing incurred the largest expenditure with €35.1m, followed by development with €8.7m and roads with €7.9m. The Department provides the Council with its largest source of grant funding. Table 9 records each programme group's expenditure and its main source of funding.

Table 9 – The capital programme's highest spend and main source of funding for 2024

Capital Programme	Total Spend €	Area of Highest Spend	Total Income €	Main Source of Funding	Surplus / (Deficit) €
Housing	(35.1m)	Acquisitions	33.46m	Grants	(1.64m)
Roads	(7.9m)	Improvements	6.8m	Grants	(1.1m)
Water	(0.2m)	Private schemes	0.02m	Grants	(0.18m)
Development	(8.7m)	MD improvements	7.3m	Grants	(1.4m)
Environment	(2.1m)	Fire Service	2.0m	Grants	(0.1m)
Recreation	(2.0m)	Outdoor spaces	7.4m	Grants	5.4m
Misc.	(2.3m)	Amenities	1.6m	Grants	(0.7m)
Transfers	(0.9m)	To SoCI ²	5.0m	From SoCI	4.1m
Totals	(59.2m)		63.58m		(4.38m)

Chief Executive's Response

The Capital Account shows the investment in capital infrastructure by the Council for the year. The increase in spend and grants received includes the addition of a number of new dwelling houses to the Council's housing stock, improvements to the road network and the completion of a number of projects which aims to enhance the existing infrastructure within the County.

² Statement of comprehensive income/revenue account

7.2 The Funding of Capital Projects

The composition of the capital account by debit and credit balances is highlighted on table 10. The table highlights a marginal decline in the number of job codes with credit balances to 100, while capital job codes with debit balances marginally increased to 181.

Table 10 – Profile of the capital account by debit and credit job codes

The Number of Capital Job Codes	2024	2023	2022	2021	2020
Capital job codes with credit balances	100	102	116	117	151
Capital job codes with debit balances	181	179	143	173	151
Total Number of Capital Job Codes	281	281	259	290	302

Table 11 highlights the capital account deficit, decreased to €1.5m (2023: €5.9m). Last year's audit report referred to capital projects containing elements of self-funding and the need for the Council to identify sources of funding to ensure projects are 100% funded. The capital account includes projects and schemes with debit balances arising from the construction and acquisition of assets, but there remains funding shortfalls. Table 11 highlights the retention of significant levels of credit balances. When appropriate the credit balances should be used to eliminate debt balances, otherwise sources of funding should be identified to eliminate the debit balances. The on-going need to eliminate debit balances, increases with the Council's growing role of constructing and providing facilities for community, cultural, economic and social activities.

Table 11 – The monetary value of capital job codes by credit and debit balances

Monetary Value of Capital Job Codes	2024	2023	2022	2021	2020
	€	€	€	€	€
Capital job codes with credit balances	23.5m	28.7m	27.5m	27.5m	25.1m
Capital job codes with (debit) balances	(25.0m)	(34.6m)	(21.4m)	(16.3m)	(18.9m)
Net Value of Capital Job Codes	(1.5m)	(5.9m)	6.1m	11.2m	6.2m

Chief Executive's Response

The Council continue to review unfunded balances and have made significant progress in ensuring that these balances are reduced year on year. There are strict controls in place with a process of reviewing, monitoring funding and clearing capital balances within all service divisions. In 2024, there was a further allocation of €100k provided to reduce these balances.

7.3 The Carrickmacross TEK Building 2

The facility is now constructed and operating to support small and medium-sized businesses to promote the locality and provide businesses and individuals with a remote working service. The construction costs totalled €4.9m and incurred change orders. At year end 2024 and at the time of audit,

the project recorded a debit balance of €1.4m. In addition, the lease agreements with tenants are not finalised. The cost of the land on which the property was constructed was not included in the facility's cost. At the time of audit, the value of the land is recorded in the Council's fixed assets and requires transferring to the project's job code. To eliminate the project's debit balance the Council need to identify a source of funding, taking into account further expenditure, including retention payments.

Chief Executive's Response

The executive has sought additional funding of €1,131,295 from the Department of Rural and Community Development and the Gaeltacht to offset the greater part of the debit balance. Additionally, Monaghan County Council intends to enter into a long-term lease agreement with the operator of the facility, Enterprising Monaghan. The terms of the lease agreement provide for a yearly rental income that will be used to offset the remainder of the debit balance.

7.4 The RRDF Carrickmacross & Castleblayney Municipal District Centre in Castleblayney

The purpose of the centre constructed in Castleblayney is to provide support for small and medium sized firms and to attract businesses to the locality. The construction totalled €4.5m and incurred change orders. At year end the project recorded a debit balance of €702k. The cost of the land on which the facility was constructed was not included in the facility's cost. At the time of audit, the value of the land is recorded in the Council's fixed assets and requires transferring to the project's job code. When eliminating the projects debit balance the Council need to take into consideration further expenditure, including retention payments.

Chief Executive's Response

The revised defects period for the design & build contract is due to conclude on the 22 October 2025, whereupon Monaghan County Council's project partner Castleblayney Community Enterprise CLG shall reimburse Monaghan County Council for their portion of the match funding commitment for the project. Additionally, Monaghan County Council shall enter into a long-term lease agreement with Castleblayney Community Enterprise CLG immediately following the conclusion of the defects period. The terms of the lease agreement provide for a yearly rental income that will be used to offset the remainder of the debit balance.

7.5 The Peace Campus Monaghan

The Peace Campus centrally located in Monaghan Town is operational for more than a year. At the time of audit, the project records a debit balance of €1.1m. The facility's revenue operations for 2024 incurred a deficit of €550k.

To eliminate the project's debit balance the Council need to identify a source of funding, taking into account further expenditure, including retention payments.

Chief Executive's Response

Construction of the Monaghan Peace Campus reached substantial completion in May 2024, marking its transition to Stage 5 Handover under the Capital Works Management Framework project stages. This phase focuses on addressing snagging issues, with a portion of the retention sum held until the conclusion of the Defects Period. Stage 5 runs concurrently with the building becoming operational, ensuring that any outstanding works are resolved while the facility begins serving its intended purpose. A provision of €100k per annum is intended to clear the debit balance.

7.6 New Civic Offices

The Council plans to publically tender for Bills of Quantities to construct new Council offices, in Monaghan Town. After the assessment of tenders and costs, the Members will determine if the project will proceed. At year end 2024, total expenditure incurred for the new civic offices is €2.3m.

Chief Executive's Response

In April 2021, the Elected Members endorsed a Preliminary Business Case for Monaghan County Council to prepare design proposals to proceed through the approval gateways of the Public Spending Code. After a process of procurement, design, and statutory approvals the project is now entering into the last stage of the Final Business Case, Tender Action. The Final Business Case and Tender Report will then be presented to the Elected Members for a decision on borrowing/loan and whether to proceed to construction stage.

8 Procurement

The previous audit highlighted the issue of staff members not being required to liaise with the Procurement Unit to ensure compliance with procurement legislation. I welcome the subsequent management requirement that all members of staff procuring goods and services in excess of €25k, liaise with the Procurement Unit.

Greater centralised tendering for goods and services throughout the Council is necessary to ensure adherence to procurement legislation and guidelines.

Chief Executive's Response

I acknowledge the above and note that the centralised tendering of goods / services and works improves compliance with procurement legislation and government policy.

9 Fixed Assets & Property Interest Register

The previous audit highlighted the importance of a properly functioning Property Interest Register (PIR). In particular, the PIR is essential for the Council's control and management of land. The Council is currently updating the functionality of the PIR application and plans to roll out training to all Council sections. To ensure the effectiveness of the PIR it is vital that all Council sections comply with their responsibility and update the PIR with their section's assets. In addition, reconciliations for the various categories of assets should be performed between the PIR and the fixed asset register. The level of compliance with this requirement is low.

At 31 December 2024, 24 titles of ownership had yet to be transferred to Uisce Éireann for former water and sanitary assets.

Chief Executive's Response

The Council's Property Interest Register serves as the central system for recording, storing, and mapping all property assets, including land and buildings, under the ownership and management of the Council. The PIR is currently undergoing an upgrade to incorporate enhanced functionality aimed at improving data accuracy, accessibility, and functionality. Comprehensive training will be delivered to all relevant staff to ensure effective utilisation of the updated system.

Authorised Council sections will continue to have responsibility for updating the PIR as required to maintain the integrity of the data. In addition, the Council will undertake a review of existing procedures and resource allocations to strengthen compliance and seek to ensure that all asset information remains current, accurate, and aligned with organisational governance standards.

10 Loans Payable

Loans payable decreased by €1m to €20.3m (2023: €21.3m). Table 12 highlights the composition of outstanding loan principle and the movement of loans over previous years.

Table 12 – Profile of outstanding loan principle by year end

Profile of Loans Payable Balances	2024	2023	2022	2021	2020
	€	€	€	€	€
Mortgage Loans	11.2m	11.6m	11.8m	11.5m	11.5m
Assets/Grants	4.6m	4.8m	5.3m	5.6m	5.8m
Recoupable	4.1m	4.4m	4.7m	5.1m	5.4m
Shared Ownership	0.4m	0.5m	0.5m	0.5m	0.6m
Balance at 31 December	20.3m	21.3m	22.3m	22.7m	23.3m

Council borrowings for assets/grants must be matched by internal resources, while, borrowings for recoupable and mortgage related loans must be offset by corresponding long term debtor loans in Note 3 of the AFS.

The previous audit highlighted the low rate of repayment from shared ownership rent equity loans. During 2024, this loan category decreased by €86k to €390k. I acknowledge that the age profile of the borrowers is elderly and recommend that the Council continue to liaise with the Department and find a solution to the issue of the outstanding principal.

Chief Executive's Response

The outstanding principal for all categories of loans payable continued to decrease. In relation to the shared ownership loans, the Council will take the Local Government Auditors comments on board and will continue to liaise with the Department in order to find a solution.

11 Governance and Propriety

11.1 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.

Chief Executive's Response

Monaghan County Council has a corporate governance framework in place with a clearly defined structure, independent oversight, risk management system and internal control mechanisms in place.

11.2 Statement of Internal Financial Control (SIFC)

In accordance with Circular LG08-2025, local authorities are now required to prepare and publish a SIFC and a Governance Statement as part of their Annual Reports for 2024. The SIFC, which is signed by the Chief Executive, includes their summary of the financial standing of the local authority and the key internal financial controls. The Governance Statement affirms the Council's compliance with the Local Government Code of Governance

obligations and is signed by the Cathaoirleach of the Council and the Chief Executive.

The annual report of Monaghan County Council, which includes the SIFC and the Governance Statement, was published in March 2025.

Chief Executive's Response

As part of the implementation of the Local Government Code of Governance Monaghan County Council has prepared a Statement of Internal Financial Control for 2024 as part of the annual report process.

11.3 The Public Spending Code (SPC)

The public spending code quality assurance report for 2024, consisted of reviewing three projects:

- Civic Offices Accommodation
- Programme DO6 Community & Enterprise
- N54 Tullybryan Realignment

The reviews were performed by the Internal Auditor, who found satisfactory evidence to confirm the Council's adherence to the public spending code.

Chief Executive's Response

I acknowledge above and note that adherence to the PSC by Monaghan County Council is consistent throughout the organisation.

11.4 Internal Audit

The Internal Auditor reports directly to the Chief Executive, in line with best practice. During 2024, Internal Audit presented five reports to the Audit Committee. At the end of November 2024, Internal Audit for the years 2019 to 2024, issued 220 recommendations of which 211 or 96% were implemented.

I reviewed the Internal Auditor's reports and took their findings into consideration when appropriate.

Chief Executive's Response

I acknowledge the findings and recommendations presented in the internal audit reports during 2024 and recognise the role internal audit plays in supporting continuous improvement and maintaining the high standards of accountability and transparency across the local authority.

11.5 The Audit Committee

The Audit Committee met four times during 2024 and presented its annual report for 2024 to the Council in April 2025.

Chief Executive's Response

I fully recognise and support the vital role the audit committee plays in promoting governance, accountability and transparency across the Council. As Chief Executive I value the committee's independent oversight in ensuring that our risk management, internal control and financial reporting framework remain robust and effective.

11.6 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 complied with the legislation and submitted the required declarations.

Chief Executive's Response

An annual declaration of specific interests is requested from Council members and designated members of staff to comply with part 15 of the LGA 2001.

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 latest available audited financial statements for the year ended 30 June 2024 were available. The company's Auditor stated the financial statements provided a true and fair view. The Director's Report highlighted the principle risk facing the company is the withdrawal of support from its various backers. The Auditor concurred with the director's assertion and included an emphasis of matter paragraph as part of the audit opinion. The company incurred an operating deficit of €95k (2023: €63k), the cumulative retained deficit is €319k. The net assets decreased by €5.4k to €441k. For the financial year, 2024, the company retained one employee.

The audited financial statements recognised the Council as a related party with a repayable sum of €850k due to the Council. The land on which the facility is constructed is recorded on the Council's accounts and not recorded in the company's accounts.

Focused 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. 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 for the year ended 31 October 2024. The operating loss for the year was €65, with total equity of (€63). The company employed one individual. The audited financial statements reported no significant activity during 2024.

National Data Platform DAC

The principal activity of the company is to assist the development of artificial intelligence. 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 for the year ended 31 October 2024. The company's profit for the year was €11k with net equity of €6k. The company employed one individual.

Chief Executive's Response

The Bioconnect Facility is currently at an advanced stage of construction however the project has experienced construction programme challenges and supply chain issues. The project managers remain committed to the successful completion of the project at this time.

It is intended to wind down all Focussed Engineering and National Data Platform operations and remove both companies from the companies register in due course.

11.8 Investigations into Irregularities

At year end an historical case of irregularity awaited conclusion. During 2024, the Council notified An Garda Síochána about a potential matter for consideration.

Chief Executive's Response

There is no change in the status of the historical case.

11.9 Risk

The Council's risk register is collated from each Directorate's registers. The importance of the risk register is essential for the risk management of the Council. It is vital that the individual registers are regularly reviewed and updated.

Chief Executive's Response

The risk register is currently reviewed and updated annually.

11.10 Anti-Fraud and Corruption Policy

The Council produced an anti-fraud and corruption policy. This essential document policy must be updated as threats arise.

Chief Executive's Response

The auditor's recommendations are noted and the anti-fraud and corruption policy will be updated accordingly as required.

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

10 October 2025

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