Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of Kildare County Council for the Year Ended 31 December 2024

Local Government Audit Service

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

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Auditor's Report to the Members of Kildare County Council

1 Introduction

I have audited the Annual Financial Statement (AFS) of Kildare County Council (the 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 6 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.

Chief Executive's Response

The Council has once again received an unmodified audit opinion and the figures in the AFS for the year ended 31 December 2024 that were presented to the elected members in March 2025 had no audit adjustments applied.

2 Financial Standing

2.1 Statement of Comprehensive Income (Income and Expenditure Account)

The Council recorded a surplus of €7,204 (2023 surplus: €9,547) for the year ended 31 December 2024 resulting in a general reserve of €20,916 at that date.

Despite some significant divisional variations (see paragraph 2.2), the surplus recorded for 2024 confirms that the Council continues to adhere, in overall terms, to the strict budgetary requirements for the year.

2.2 Annual Budget Variances

The Elected Members, at the Council meeting held in March 2025, approved (by resolution in accordance with section 104(2) of the Local Government Act 2001) the expenditure incurred in 2024 that was in excess of the adopted budget for the year.

The details of the divisional variances are outlined at note 16 to the AFS. While some of the variances are significant, they arose in the main because of additional grants that were made available from Government to fund the following additional services:

- Increased Cost of Business and Power Up grants schemes (2024 excess over budget €17m - see also paragraph 5.2)
- Social housing leasing initiatives (€11.8m)
- Regional road maintenance and improvement programme (€2.9m)

2.3 Local Property Tax

In pursuance of the provisions of section 20 (2) of the Finance (Local Property Tax) Act, 2012 (as amended) the Council passed a resolution, at the monthly meeting in September 2022, to vary the basic rate of local property tax (LPT) upwards by 10% for both 2023 and 2024.

This has resulted in a total allocation for 2024 of €27.77m, representing an increase on the pre-variation amount of €2.52m.

Because of the Council's surplus LPT position, there remains a requirement to self-fund some services, which for the year under review were delivered within the housing area.

In October 2023, the Department of Housing, Local Government and Heritage (the Department) confirmed that the Council was required to self-fund housing

services as follows for the 2024 financial year:

- Housing revenue expenditure €4.68m
- Housing capital expenditure €1.63m

2.4 Statement of Financial Position (Balance Sheet)

The Council had net assets of €3.71bn at 31 December 2024 (2023: €3.56bn), a year-on-year increase of approximately €149m. The main movements in the year were as follows;

- Fixed Assets (see note 1 to the AFS)

The Council's housing stock increased in the year by a net total of approximately €92m, in the main due to the cost of acquisitions. The fixed assets register (FAR) also includes the costs of the recently constructed Athy Distributor Road (€44.8m) and the new Regional Salt Barn and Machinery Yard (€18.9m), located in Naas. The accumulated costs of these new assets were transferred to FAR from the work in progress and preliminary expenses account in 2024.

- Long Term Debtors (see note 3 to the AFS)

Amounts due to the Council in respect of housing related schemes increased to €134.9m at December 2024, a year-on-year increase of approximately €18m and referred to the following schemes:

- Capital Asset Leasing Facility (CALF) €133.6m (2023: €114.1m)
- Affordable Purchase Scheme € 1.3m (2023: € 1.3m)

The investment in CALF has increased significantly in recently years and is indicative of the Council's reliance on the Voluntary Housing sector, specifically the Approved Housing Bodies (AHBs - see also paragraph 6) in delivering its housing requirements.

The amount recorded in respect of the affordable purchase scheme represents the Council's initial investment in this scheme and refers to 19 properties located in Kildare Town. Under the provisions of the scheme, the Council has acquired equity interests in the privately purchased properties. The Department funds the Council's equity in each property.

- Cash and bank investments

The cash balances increased year-on-year by a net €2.8m with the Council continuing to hold significant funds at the 2024 year-end of approximately €257m.

The requirement to regularly review the need for holding such significant liquid funds has again been discussed with management. While I acknowledge that

there remains detailed proposals in place for which these funds will be used, it is important that the schemes outlined in the current iteration of the Council's three-year capital report (covering the period 2025 - 2027) are advanced in a timely manner, to mitigate, as much as is possible, the current impacts of construction related inflation.

Some of the current cash balance is required to fund the following;

- Amounts ring-fenced for specific purposes in compliance with the underlying provisions of the relevant legislation for which they were originally collected (such as Part V planning receipts, Rental Accommodation Scheme, planning securities and refundable deposits etc.).
- Government grants on hand at the 2024 year-end to fund specific capital works.
- Other amounts that were designated in previous years as sinking funds against liabilities that have yet to materialise.

2.5 Property Interest Register

It was reported at previous audits that the required reconciliations between the amounts recorded in Agresso (the Council's financial management system) and those contained in the property interest register (PIR) had not been completed.

I acknowledge the improvements in this area that were again evidenced during the current audit and the continuing efforts to identify and review all assets in the beneficial ownership of the Council. At the time of audit, there remained a small number of files that still required a full review of their current status.

The recommendations contained in the Local Government Audit Service's Value For Money report no. 30 “Corporate Estate Management and Maintenance in Local Authorities” should be implemented in full.

Chief Executive’s Response

The Auditor’s comments in acknowledging the work done in this area since the last audit are welcome.

2.6 Work In Progress & Preliminary Expenses Account

The accumulated expenditure on the work in progress and preliminary expenses account, at 31 December 2024, amounted to €58.3m (2023: €95.5m).

The year-on-year decrease is mainly attributable to the transfers to FAR of the costs associated with the completed Athy Distributor Road and the Regional

Salt Barn and Machinery Yard. Accumulated costs in the housing construction area (€43m) were the main contributor to the overall WIP balance at the 2024 year-end.

2.7 Development Contributions

Included in trade debtors and prepayments at 31 December 2024 was €11.4m (2023: €10.3m) in respect of development contributions due to the Council (see note 5 to the AFS). An analysis of the arrears within this debt book has highlighted that €3.95m, equating to approximately 35% of the total amount due, was outstanding for two years or more at the 2024 year-end (2023 year-end: 37%). The long-standing arrears remain significant and appropriate resources need to continue to be assigned with a view to improving collections.

Total development contributions income in 2024 amounted to €32.4m (2023: €9.1m), a significant year-on-year increase of approximately €23m. The Government's Temporary Development Contribution Waiver Scheme (see note 24 to the AFS) was the main contributing factor to this increase in annual income.

The temporary waiver scheme applies to all permitted residential developments that commence on site between 25 April 2023 and 31 December 2024, and which are to be completed no later than 31 December 2026 (as extended per Department Circular Letter PL 02/2024).

The waiver covers the full cost of the development contribution due from the relevant developer under the development contribution scheme as operated by the local authority under Section 48 of the Planning and Development Act 2000 (as amended).

€15.8m of the annual income in 2024 has been waived in accordance with the provisions of the current scheme. This amount has been subsequently claimed from the Department.

While the bad debts provision in respect of the collectability of the 2024 year-end debtors was considered appropriate, it should be kept under regular review to ensure it remains adequate.

Chief Executive's Response

The Council will continue to try and improve the collection percentage and also seek to reduce the arrears figure further. The Council has committed resources to maximise the benefits of the temporary waiver scheme.

2.8 Loans Payable

The Council owed €73.4m at 31 December 2024 (2023: €78.8m) in the form of medium to long-term loans (see note 7 to the AFS), as follows:

Category	2024 €m	2023 €m
Mortgages / S.0. Rented Equity	38.50	39.93
Assets / Grants	5.54	7.64
Bridging Finance	7.54	7.54
Recoupable	21.85	23.67

- Mortgages / Shared Ownership Rented Equity

The Council drew down these loans from the Housing Finance Agency (HFA) to finance home loans and equity to individual borrowers. The difference between the amounts repayable by the Council (2024: €38.50m) and the amounts payable by the homeowners (2024: €46.65m) is shown at note 12 to the AFS. The gap in the funding position decreased further in the year to 31 December 2024.

- Recoupable

These loans refer to the Capital Loan & Subsidy Scheme that the Council drew down from the HFA in previous years on behalf of relevant Approved Housing Bodies. The Council is contracted with these housing bodies to provide funding for various housing schemes. The repayments are fully funded by the Department.

- Bridging Finance

These refer to the 2024 year-end balances remaining on the loans acquired some years ago, on the costs of the properties acquired under the affordable purchase scheme.

3 Income Collection

3.1 Main revenue income collections

The collection performances showing the 31 December 2024 arrears position in respect of the main income categories with comparative figures for the previous year is as follows:

Income Source	Yield % 2024	Yield % 2023	Debtors €m 2024	Debtors €m 2023
Rates	92	88	6.8	8.4
Rents & Annuities	95	93	1.2	1.3
Housing Loans	78	75	1.2	1.4

These income categories are summarised at appendix 7 to the AFS.

The total amount collected for 2024 (across the three major collection accounts) amounted to €93.6m (2023: €81m), equating to a 15% increase on the previous year, which is acknowledged. Rates collections increased by €9.5m in 2024 with Housing Rents increasing by approximately €3m in the same period.

3.2 Rates

The increase in collections achieved during 2024 resulted in arrears reducing to €6.8m at the year-end, a further year-on-year decrease of approximately €1.6m.

The status of the rates accounts that were in arrears at 31 December 2024 can be summarised as follows:

	Amount owed €m	% of total arrears
Collectable and being pursued	1.5	22%
Legal proceedings commenced	2.8	41%
Customers in liquidation / receivership or administration	1.0	15%
Accounts in an agreed payment plan	1.5	22%

An analysis of the above arrears indicated that 38% of the 2024 year-end arrears were outstanding for two years or more.

The debt book was again discussed with management during the current audit and I remain satisfied that the bad debts provision is adequate.

The relevant individual accounts should continue to be regularly examined with a view to further increasing receipts and reducing arrears.

I noted that there continued to be good progress made by the Council in reducing the number of properties that are awaiting valuation revisions.

The Council has also recently developed a “GeoCollect” data visualisation system to improve the capture of all of the rateable activities in the county.

The application of this new bespoke GIS based tool has resulted in the details of many new customers being forwarded to Tailte Éireann, the state agency, for formal valuation, which is acknowledged.

3.3 Rents & Annuities

The 2024 annual collection yield for Housing Rents and annuities was 95%, a year-on-year increase of 2%, resulting in a reduction in arrears of approximately €171k.

Rents & Annuities – amounts collected by year				
2024 €m	2023 €m	2022 €m	2021 €m	2020 €m
22.0	18.9	16.5	15.3	14.1

The table above illustrates the annual improved levels of collections achieved over the last five years, which is acknowledged. The 2024 yield of 95% was higher than the local government national average for 2023 of 87%.

An analysis of the 2024 year-end debt book highlighted that there were 42 tenants who owed in excess of €5k each on their rent accounts, the collective arrears on these accounts at that date was approximately €0.35m (2023 year-end: 32 tenants owed €0.26m). The relevant accounts should continue to be regularly examined to improve collections.

3.4 Housing Loans

The recently improved collections performance in the housing loans income category continued in 2024 with year-end arrears, net of accounts with credit balances, reducing to €1.2m (2023: €1.4m) with a corresponding yield increase of 3%, which is acknowledged.

Housing Loans – Annual Yield Returns				
2024 %	2023 %	2022 %	2021 %	2020 %
78	75	73	69	62

However, while the annual yields have improved every year since 2020, they still remain below the national average across the local government sector, which for 2023 was an average yield of 84%.

An analysis of the 2024 year-end debt book highlighted that there were 43 accounts in arrears with balances in excess of €5k on their respective housing loan account. The collective arrears on these accounts at that date were approximately €1.4m (2023 year-end: 53 mortgage holders owed collectively €1.5m).

While the overall improved arrears position is acknowledged, the above referenced accounts, in particular, should continue to be regularly examined with a view to further improving collections.

Chief Executive's Response

The Auditor's comments on the three main income areas are welcomed. For 2024, the collection rates for these income streams have improved. Particular attention is always given to the larger accounts in arrears, but these take time to process through the legal system.

4 Capital Account

4.1 Capital Account Overview

The capital account recorded a net credit balance of €277m at 31 December 2024, an increase on the previous year of approximately €22m. This year-on-year variance is mainly attributable to the significant increase in development contributions income of approximately €23m.

Capital Expenditure by year			
2024 €m	**2023 €m**	**2022 €m**	**2021 €m**
218	203	152	112

The above table illustrates the extent of the expansion of the Council's capital investment over the past four years.

I note that there are further significant increases anticipated in the capital programme, the latest iteration of which, covering the three-year period 2025-27, outlines an expected capital investment by the Council of €808m.

In addition to a large diverse range of housing projects, the schemes currently being progressed include the following;

- Maynooth Eastern Ring Road (€38m)
- Active Travel Schemes (€30m)
- Land Acquisitions (€20m)
- Greenway Sallins to Clonkeen (€18m)
- Celbridge Hazelhatch Mobility Corridor (€14m)

- Public Lighting Infrastructure (€9m)
- Athy Food & Drink Innovation (€6m)

The amounts quoted above are the expected costs to be incurred during the 2025-27 period only.

The report outlines a broad range of diverse and complex projects covering many of the Council's service deliverable areas. The Council's ability to deliver this capital programme is predicated on securing funding from a number of sources including Government grants (expected to fund 70% of the capital programme), additional loans (13%), and development contributions (15%).

The recent significant annual increases in the capital investment in the county bring an increased level of risk, as it requires the availability of a range of disciplines and additional resources to ensure the efficient and cost effective delivery of the various schemes and projects.

Construction related inflation is also currently a significant risk factor affecting the delivery of the projects within the capital programme. Consequently, I have discussed with the Council's senior management, the requirement to adequately resource all of the priority projects to achieve the scheduled completion dates thus mitigating, as much as is practicably possible, the current inflationary impacts on capital budgets.

I recommended at the previous audit that consideration be given to establishing a corporate capital projects governance board that would oversee the progression of the larger and more complex schemes and that would monitor the Council’s compliance with the current public sector requirements.

I note that management sought advice from other local authorities, following which it was decided to go to competitive tender for the implementation of a project management system that is expected to facilitate the automation and streamlining of the relevant capital related procedures and processes.

This new management system should also address the additional requirements arising from the implementation of the national Infrastructure Guidelines, which have replaced the Public Spending Code. This new system should also take into account the additional compliance requirements for delivering the Urban Regeneration and Development Fund (URDF) funded schemes.

Chief Executive’s Response

The Council has assigned additional resources to help with the delivery of the capital programme through the implementation of a new Projects Delivery Team. Construction related inflation, as noted by the Auditor, is one of the risks that impacts the delivery of the capital programme along with ensuring that funding is secured.

Procurement of a new Project Management System has been completed.

The Senior Management Team is committed to the establishment of a Corporate Capital Projects Governance Board, which should soon be in place.

4.2 Emily Square, Athy and the Athy Heritage Centre schemes

The redevelopments of Emily Square, Athy and the nearby Athy Heritage Centre have recently been completed. The Heritage Centre is now the home of the Shackleton Experience, which was recently opened to the public. Management has advised that both of these schemes were progressed in parallel, to achieve as much costs savings as possible and to minimise the disruption to the town.

Both of the main contractors and the associated consultancy services were secured following competitive procurement procedures.

The redevelopment of Emily Square was undertaken in partnership with Fáilte Ireland. The Council secured external funding of €2.7m from the state agency through its Regenerative Tourism and Placemaking scheme, which in part funded by the Government and by the European Union's Just Transition Fund.

The redevelopment of the Athy Heritage Centre was part funded by the Department of Rural and Community Development and the Gaeltacht under its Rural and Regeneration Development Funding (RRDF) scheme. The Council has also contributed significantly towards the scheme's costs.

Chief Executive's Response

The Auditor's comments in relation to the above projects are welcomed.

4.3 Public Lighting Energy Efficiency Project

The national public lighting energy efficiency project (PLEEP) is the mechanism for transitioning the country's current lighting stock to LED. The Council is part of a nine-county collaboration to progress this retrofit in the eastern region.

The retrofit is expected to;

- Reduce energy use and CO2 emissions
- Assist the state to meet its statutory energy efficiency targets
- Reduce energy and maintenance costs.

Kilkenny County Council is the lead authority for the eastern region with the contractual and operational responsibilities being covered by a Section 85 agreement.

The current public lighting stock within Kildare is over 24,000 units of which approximately 81% have been converted to date.

I have been advised that there are some residual issues still to be resolved.

These include the following;

- The need to convert 907 heritage lanterns located in the county. I have been advised that these are descoped from PLEEP as they need a bespoke type LED solution.
- Retrofitting not being viable for the 944 descoped lighting units, including concentric cabling and in-ground spotlights, in the county.
- Management has further advised that the conversion of these remaining units will require a bespoke local solution and represent a significant capital investment, the funding model for which has yet to be determined.

Chief Executive's Response

The Auditor's comments in relation to this project are noted.

4.4 Deficit balances

Notwithstanding the overall credit balance on the capital account at 31 December 2024, there remain a small number of schemes, mainly within the housing and transportation departments, that continue to carry deficit balances.

The relevant project files are still required to be reviewed to determine the level of Departmental funding that may still be available. Otherwise, the Council will be required to fund the relevant deficit amounts from its own internal resources.

5 Non-Pay Expenditure

5.1 Procurement - compliance with national regulations and rules

The Council has a centralised procurement unit comprising of two staff currently. The unit is responsible for co-ordinating and overseeing strategic and operational procurement activities across the organisation.

A review of compliance with national procurement guidelines and regulations was completed during the current audit. In general, good results were noted and these have been discussed with management. The procurement unit's own compliance testing appears to be contributing to the improvements reported for 2024.

The current level of oversight should remain in place and improved upon, where considered appropriate.

Management has advised that the procurement reference functionality within the Agresso FMS is soon to be activated. This important additional internal

control should facilitate improvements in the purchase to pay processes as well as further strengthening the oversight of procurement procedures.

As a public organisation, the Council is required to comply with both the national and where relevant, the EU procurement regulations and directives.

5.2 Increased Costs of Business Grants

As part of Budget 2024, the government signed off on a package of €257 million for the Increased Cost of Business (ICOB) grant as a vital support measure for small and medium businesses. The Department of Enterprise, Trade and Employment were responsible for the definition of criteria for payment and the general oversight for the scheme.

Each business had to verify their eligibility by self-declaration. Local Authorities managed the processing of payments in accordance with the criteria for the scheme. This included verifying that the declaration was complete, and the applicant was rates compliant as per the ICOB criteria.

Accordingly, the audit of expenditure under this scheme 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 Council received grants totalling €10m under ICOB.

The accounting treatment for this is set out in Note 25 in the AFS.

Under the Power Up grants scheme, which was aligned and administered similarly to the ICOB scheme, the Council received grants totalling €7m.

6 Approved Housing Bodies

6.1 Provision of Social Housing by Approved Housing Bodies

At 31 December 2024, the Council had contractual arrangements with 34 AHBs for the provision of social housing to tenants on the Council's housing waiting lists.

The Approved Housing Body Regulatory Authority (AHBRA) was formally established in 2021 and is responsible for providing the regulation of AHBs for the purpose of protecting housing assets that are managed by such bodies.

In respect of the Council's direct responsibilities in this area, including the matters raised at previous audits, the increased workload and the more complex financial environment, I am satisfied that management have, in the main, taken the actions necessary to ensure that its interests are adequately safeguarded.

At the 2024 year-end, there were 2,796 properties (2023 year-end: 2,626) being managed by the AHBs contracted to the Council under the following national schemes;

- Capital Advanced Leasing Fund (CALF)
- Social housing leasing initiative (SLI)
- Capital assistance scheme (CAS)
- Capital loan and subsidy scheme (CLSS)

In recent years, the Council has, in accordance with Government policy, significantly increased its activity in this area, particularly in respect of the CALF and SLI schemes, as follows:

- CALF

CALF – accumulated loan balances at years ended 31 December				
2024 €m	**2023 €m**	**2022 €m**	**2021 €m**	**2020 €m**
134	114	76	62	44

This scheme provides for repayable loans, of up to 30% of qualifying expenditure, issued to AHBs by local authorities, the funding for which is advanced by the Department. The balance of these loans at 31 December 2024 was approximately €134m (see note 3 to the AFS). Of this amount, I noted that approximately €88m (equating to approximately 66% of the 2024 year-end balance) was advanced to just 2 AHBs.

The loans are structured to require repayment, including interest charges of 2% currently, at the end of the term period, normally 25- or 30-year terms.

- SLI

There are a number of different housing initiatives included under this heading, with payments in 2024 totalling €45.8m (2023: €35m). Of this amount, €24.32m (equating to 53% of the total) was paid to just to 2 AHBs.

Chief Executive's Response

The Auditor's comments regarding Approved Housing Bodies are noted. The Housing directorate staff will continue to work to resolve the outstanding issues within the Council's control and will follow up with the relevant third parties, where warranted.

7 Derelict and Vacant Sites registers

- Derelict Sites

The Derelict Site Act 1990 requires all Local Authorities to maintain a derelict site register. A derelict site levy of 7% on the market value of a property included on the Derelict Sites Register is charged on the 1st January of the financial year following entry onto the register.

During 2024, the Council issued levy demands, totalling €0.7m, to the owners of relevant sites with arrears at the 2024 year-end increasing to €1.4m.

The accounts in arrears need to be more forcefully pursued to improve collection levels.

- Vacant Sites

Under the Urban Regeneration & Housing Act 2015, all planning authorities are required to establish and maintain a Vacant Site Register. An identified vacant site can be entered on the register when the authority is of the opinion that it has been vacant for a minimum of 12 months preceding the date of entry.

The Council has eight confirmed sites on its vacant site register in 2024 with a combined market value of €8.7m.

Collection of levies to date amount to approximately €603k with current arrears totalling €939k. The relevant outstanding levies will remain as a charge against the land in question, to be collected by the Council. I am advised that these outstanding levies will continue to be followed up by the Council.

- Residential Zoned Land Tax

The RZLT replaced the vacant sites levy and is a self-assessed annual tax, based on the valuation of relevant sites. It is currently calculated at 3% of the market value of the identified site. The date of first charge for this tax was 1 February 2025 with payment due to be made to the Revenue Commissioners on 23 May 2025. I am advised that the relevant Council owned sites have been identified and that the appropriate RZLT was paid to the Revenue Commissioners by the due date.

As the market value of the relevant sites are significant, their development potential should be kept under regular review to limit the Council's exposure to this new tax.

Chief Executive's Response

The Council will continue to pursue collection of the outstanding accounts.

8 Transfer of Water and Waste Water functions to Uisce Éireann

As previously reported, the original Service Level Agreement (SLA) between the Council and Uisce Éireann (formerly Irish Water) to deliver services on behalf of the utility company was signed in 2014. This was replaced by a new Master Co-Operation Agreement, which was signed on the Council's behalf by the Chief Executive on 5th May 2023. The current arrangement is underpinned by a Support Services Agreement that is in place until 31 December 2026, when the transition to Uisce Éireann is due to complete.

Under the agreement, expenditure incurred by the Council in respect of payroll and goods and services on behalf of Uisce Éireann continues to be fully recoupable from the utility company.

- Transfers of water related assets

Section 12 of the Water Services (no.2) Act 2013 outlines the legal framework for the transfer of property from water services authorities, including this Council to Uisce Éireann.

The statutory transfers of the water related assets are given legal effect by Ministerial Orders that are issued by the Department in consultation with the Council and the utility company.

Management has advised that there have been no assets transferred since 2023. I noted that 95 such water related assets (equating to 42% of the total identified for transfer) currently in the ownership and responsibility of the Council remain to be transferred.

I have been further advised that these assets are complex and problematic in terms of identification, establishment of title, and in some cases require the completion of the first registration. This matter was raised at previous audits.

I have again recommended that the resources currently assigned to this area need to be reviewed to ensure that the remaining sites for transfer to Uisce Éireann are completed in a more expedited manner.

- Working capital repayment

In the original SLA, provision was made for the transfers of initial advance payments between Uisce Éireann and the local authorities, including this Council. I am advised that confirmation of the manner in which the Council's relevant amount is be repaid, remains outstanding.

- Transfers of staff

The current agreement provides for a number of options that are available to water services staff during the period of the transition process. I am advised that the necessary protocols and processes are currently progressing to ensure that the transition of all relevant staff will be completed prior to the 31 December 2026 deadline date.

Chief Executive's Response

Most of the remaining assets are complex and so require a specialised technical resource. A business case was submitted to the Department for financial support in 2024. In 2025, the Council received approval for additional technical and administrative resources. The specific approval sanction request is currently with the Department and arrangements will be made to fill these positions once the sanction is received.

9 Acting up allowances

Department circular LG (P) 08/12 states that "Acting up arrangements for duration of less than 4 months does not require sanction from this Department. However any proposals exceeding this duration, must be applied for using the Staffing Request Application form. This procedure for approval of staffing requests will remain in place until instructed otherwise."

The Council is currently paying unsanctioned acting up allowances to several staff.

- Contracts of indefinite duration

I also noted that the Council was required to issue contracts of indefinite duration, during 2024, to a small number of employees because their relevant acting positions had been in place for a sustained period of time. I am advised that the Council is currently endeavouring to regularise the position of a further three staff that could result in the issuing of additional contracts of indefinite duration.

The regularisation of the current number of acting up allowances should be a priority matter for management to ensure both compliance with the Department's requirements and to avoid the necessity to issue any further contracts of indefinite duration.

Chief Executive's Response

The Department's requirements under Circular LG 08/12 are noted. However, this requirement creates an administrative burden for the Council.

The Council will endeavour to submit the sanction requests for the acting positions to the Department on a quarterly basis going forward. It should

further be noted that the Council has sanctions for the relevant substantive positions and operates within our overall approved head count.

The Council now has procedures in place to monitor the duration of acting positions.

10 Local Authority Companies

10.1 AFS Appendix 8 Disclosures

The Council has an interest in a number of connected companies, the details of which, together with the relevant 2024 trading results, are disclosed at appendix 8 to the AFS.

All of the companies, listed therein, are audited by private firms of auditors having been appointed by the respective board of directors to undertake the annual audits. The companies' board of directors, whose primary function under the Companies Act, 2014 is to manage the businesses on behalf of the shareholders, include representatives of the Council's senior management team and the Elected Members who act in ex-officio capacities.

The Council is the sole shareholder of Kildare Sports & Leisure Facilities Ltd.

10.2 Kildare Sports and Leisure Services Ltd.

This company oversees the day-to-day management of leisure facilities located at Naas, Newbridge and Athy. It is a limited liability company with issued shares of €100, all of which are in the beneficial ownership of the Council.

The company’s audited accounts for the year-ended 31 December 2024 recorded a profit for the year of €1.4m (2023 profit: €1.1m), thereby increasing the shareholders’ funds at that date to approximately €5.9m. Turnover in 2024 was €5.5m, representing an 11.6% increase on the previous year. The directors’ report stated that the company had strong growth in its services across all locations and that there are plans in place to extend them.

The company auditors have again included an Emphasis of Matter paragraph in the audit report to the 2024 AFS. The auditors stated that discussions are ongoing between the Council and a third party to have the lease of the building re-assigned to include the company. I have again discussed this matter with the Council's representative on the board and I note that the new lease has not yet been signed. As it is ongoing for some period of time, I have again recommended to Council management that this matter needs to be regularised without further delay.

Chief Executive's Response

The Council has been working to resolve this matter in 2025 and will continue in their endeavours to put a lease in place as soon as possible.

10.3 Riverbank Arts Centre Company Limited by Guarantee

This company oversees the day-to-day management of the Riverbank Arts Centre, located in Newbridge. It is a company limited by guarantee and not having a share capital.

The company's audited accounts for the year-ended 31 December 2024 recorded a net deficit for the year of approximately €40k (2023 net deficit: €73k), thereby decreasing the accumulated general unrestricted funds at that date to €175k. The total amount of grant assistance provided by the Council to the company in 2024 was €296k (2023: €296k).

10.4 County Kildare Community Network Company Limited by Guarantee

As outlined in the directors' report to the 2024 AFS, the principle activities of the company is the development of regional sector focus hubs to act as centres of excellence in supporting innovative companies across the region and the provision of the Kildare.ie domain. It is a company limited by guarantee and not having a share capital.

The company's audited accounts for the year-ended 31 December 2024 recorded a surplus for the year of €73k (2023 surplus: €52k), thereby increasing the accumulated members' funds at that date to €110k.

In previous years the company entered into a 25 year lease for the use of Council owned land located adjacent to the civic offices in Naas.

The purpose built premises at this site is the centre for the Mid-East Regional Innovation Think Space (MERITS), which is operated by the company. It has been funded from grants received from the Council and the then Department of Business, Enterprise and Innovation.

The Council provided further grant aid (amounting to €122k) to the company during 2024. The Council continues to have a strong representation on the board of the company, which should be maintained to ensure its interests are safeguarded and its commitments are protected.

11 Governance and Propriety

11.1 Governance Overview

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. The Chief Executive, her management team and the Council's Elected Members all have a role in ensuring there are sound systems of financial management and internal controls in place.

11.2 Statement of Internal Financial Control

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 2024 annual report of the Council, which includes the SIFC and the Governance Statement, was published in June 2025.

I do not form an opinion on the statements made in the SIFC.

11.3 Risk Management

An effective risk management framework provides the Elected Members and the Council management with assurances that the major organisational risks are identified and appropriately managed.

There is currently a robust internal control mechanism in place that is being implemented across the various administrative divisions to ensure that the individual divisional registers are regularly reviewed and updated.

It is important that the current resources assigned to this area remain in place and is particularly relevant given the Council's size and complexity, and the recent staff changes at senior management level.

11.4 Internal Audit and Corporate Governance Unit

The Council's internal audit and corporate governance unit continues to make a positive contribution to improving the internal control environment across many areas of the Council's activities.

It is a critical element of good corporate governance that the internal audit

function of an organisation the size and complexity of the Council is adequately resourced.

11.5 Audit Committee

The Council's audit committee met on five occasions during 2024 and has issued its annual report for that year. I commend the work of the committee, which continues to make contributions to the independent oversight of governance within the Council.

Chief Executive's Response

The work of the Audit Committee and its contributions to improved governance arrangements throughout the Council are acknowledged.

The Local Government Auditor presented his audit report for 2023 to the Audit Committee in November 2024.

11.6 Annual Declarations of Interest

Part 15 of the Local Government Act, 2001 (as amended) imposes obligations on all Elected Members and staff of a certain grade or assigned certain duties to make annual declarations to the designated Ethics Registrar of the Council.

The returns made in respect of the period ended 28 February 2025 were examined during the current audit and it was again noted that there is generally a high level of compliance from those required to make returns.

While all of the Elected Members and relevant staff have made a declaration, a small number were submitted after the deadline date.

All Elected Members and relevant staff grades should be reminded of their statutory obligations to furnish appropriate declarations by the annual deadlines date. The declarations, when made, should be completed in full.

Chief Executive's Response

All elected members and staff are contacted regularly to submit their annual declarations on time.

12 Revenue Commissioners - Level 1 compliance intervention

In October 2022, all local authorities were issued with a Level 1 Compliance Intervention letter in respect of Relevant Contract Tax (RCT) in accordance with the Revenue Commissioners' compliance intervention framework.

I am advised that the Council, following engagement with the Local Government Management Agency and external taxation advisors and having undertaken the required self-review of the RCT obligations on certain contracts, has provided the requested information to the Revenue Commissioners.

Acknowledgement

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



Eamonn Daly,
Local Government Auditor.

28 October 2025

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