



Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of Limerick City and 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 Limerick City and County Council

1 Introduction

I have audited the Annual Financial Statement (AFS) of Limerick City and 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 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.

2 Financial Standing

2.1 Statement of Comprehensive Income

In 2024, the Council recorded a surplus of €27k after making net transfers to reserves of €7.6m. The cumulative surplus in the revenue account increased by €27k to €983k.

Variances between the adopted budget and the actual financial performance are detailed in Note 16 of the AFS. Members' approval, as required by Section 104 of the Local Government Act 2001, for the expenditure in excess of the annual budget, was obtained at the Council meeting of 26 May 2025.

2.2 Financial Position

Significant movements in the finances for the year included:

- Increase in fixed assets accumulated costs of €70.6m (paragraph 5).
- Increase in work in progress and preliminary expenses €38.3m.
- Increase in trade debtors and prepayments of €8.6m (paragraph 6.2).
- Decrease in bank and investments of €31.8m.
- Decrease in creditors and accruals of €12m.
- Decrease in loans payable of €5.5m (paragraph 8).

3 Major Revenue Collections

3.1 Summary of Major Revenue Collections

The major revenue collection yields were as follows:

Income Source	Debtors	Debtors	Yield	Yield
	2024	2023	2024	2023
Commercial Rates	€3.6m	€4.8m	95%	94%
Housing Rents	€10.0m	€5.7m	95%	97%
Housing Loans	€0.3m	€0.3m	88%	87%

3.2 Rates

Arrears

In 2024, rates arrears at year-end decreased by €1.2m to €3.6m. The amount collected in 2024 decreased by €1.0m to €60.7m mainly due to the refund of rates relating to the windfarm revaluations as outlined below.

Bad Debt Provision

In 2024, the rates bad debt provision decreased by €0.8m to €3.1m in line with the decrease in year-end arrears. A review of the provision deemed it adequate.

Windfarm Valuations

A potential liability regarding the rate valuation of five windfarms following a decision taken by the Valuation Office remains unresolved. Management should continue to review the adequacy of this provision when preparing the 2025 AFS. In 2024, two valuations were resolved resulting in a refund of rates of €1.36m relating to the period 2015 - 2024. This amount is included in appendix 7 of the AFS under 'waivers/credits'.

Director General's Response

The commercial rate collection level in 2024 continued to improve and this is a reflection of the strengthening of resources (staffing and ICT) along with increased take-up of the SME support scheme and direct debit payment method.

The Council will monitor the impact of further determinations of the Valuation Tribunal in relation to the windfarms and reflect accordingly in the Annual Financial Statements.

3.3 Rents and Annuities

A summary of the rents and annuities figure in Appendix 7 is:

Income Source	Accrued		Debtors		Collection Yield	
	2024	2023	2024	2023	2024	2023
HAP	€161.3m	€158.5m	€1.2m	€-1.4m	99%	101%
Rents	€22.5m	€19.6m	€8.5m	€6.6m	71%	74%
RAS	€2.1m	€2.2m	€0.3m	€0.5m	85%	82%
Total	€185.9m	€180.3m	€10.0m	€5.7m	95%	97%

3.4 Housing Assistance Payment (HAP)

Under the Housing Assistance Payment scheme (HAP), Limerick City and County Council (LCCC) is providing a national financial transactional Shared Services Centre (SSC) to all other Councils in the State. LCCC on behalf of all other Councils, collects differential rent from the HAP tenants across the country and in turn makes payments to the landlords within the limits set for each county.

Responsibility

It is the responsibility of each of the participating Councils to determine the appropriateness of the rent to be paid to the landlord for each property and

that the property is inspected in accordance with the statutory regulations. In addition, each Local Authority is required to regularly review the income of the tenants under their jurisdiction to ensure that the correct rent is applied to their account for collection by the SSC.

Rent Reviews

A number of Local Authorities have commenced a large-scale rent review of HAP tenants. This review is necessary to ensure the differential rent collected by the HAP Shared Service is up to date and accurate.

Memorandum of Agreement (MOA)

In July 2025, an MOA was signed between the HAP SSC and the Department of Housing, Local Government and Heritage (hereinafter the Department). This replaces the MOA that was in place since 2019. The agreement outlines objectives such as the roles and responsibilities of each body, oversight and monitoring structures, and performance delivery indicators.

Office of the Ombudsman Investigation

In June 2025, the Office of Ombudsman published the report, 'Investigation of the HAP scheme'. The report found that many aspects of the scheme work well but highlighted four areas for possible improvements:

1. Administrative inefficiencies.
2. Inequities of HAP.
3. Applicants in vulnerable situations.
4. Overarching issues.

The investigation was multi-faceted, reviewing areas such as the role of Local Authorities, the HAP SSC, Homeless HAP, rent affordability and the relationship between HAP and other forms of social housing.

Write Offs

In 2024, the amount of arrears written off decreased by €0.1m to €0.9m. The amount written off is fully recoupable from the Department.

Collection Rate

In 2024, the number of active accounts decreased by 3,106 to 53,742. Despite the reduction in accounts, the rent accrued increased by €2.8m to €161.3m, mainly due to the aforementioned rent reviews. In 2024, the collection rate was 99%.

Credit Balances

The 2023 Audit Report noted 2023 year-end arrears at '€1.4m' as the amount paid in advance by tenants, exceeded the amount owed by other tenants. In 2024, the HAP SSC conducted a review of tenants that had credit balances. The credits were mainly due to tenants over paying the weekly rent accrual. Over the course of 2024, tenants were refunded the amounts owed.

Arrears

At year-end 2024, arrears increased to €1.2m mainly due to the reduction in credit balances as noted above.

Director General's Response

The HAP SSC continues to complete transactional and financial support for the national HAP Scheme. The HAP SSC successfully managed over 53,700 tenancies with a collection rate of 99% in 2024. The HAP SSC is currently considering the report issued by the Office of the Ombudsman and its suggestions for improvement. The HAP SSC processed 6,363 customer refunds in 2024 contributing to the net increase in arrears.

3.5 Housing Rents

Arrears

In 2024, net arrears (arrears including credit balances) increased by €1.9m to €8.5m. There were 62 accounts with arrears in excess of €20k, which accounts for €1.7m of arrears. The value of gross arrears (arrears excluding credit balances) is €9.7m. It is recommended the Council address the growing arrears, particularly long-term arrears.

Collection Percentage

The 2024 collection yield reduced by 3% to 71%. The amount of housing rents collected increased by €1.8m to €20.5m, mainly due to the rent reviews noted below.

Rent Reviews

The Council has continued to progress their programme of rent review assessments on their housing tenants. These reviews ensure the differential rent collected by the Council is up to date and accurate. In 2024, the Council completed 3,081 rent reviews. These reviews added an additional €1.9m to the accrued amount.

Bad Debt Provision

The bad debt provision for housing rents increased by €1m to €5.7m. A review of the provision deemed it adequate.

Director General's Response

The Council will continue to focus on improving the collection of housing rents in particular outstanding arrears. Progress continues to be made in the setting up of payment plans for those in arrears, which were the subject of rent reviews.

3.6 Housing Loans

Arrears

In 2024, net arrears decreased by €26k to €269k. There were 4 accounts with arrears in excess of €20k, which accounts for €157k of arrears.

Collection Percentage

In 2024, the collection yield for housing loans increased by 1% to 88%. The Council needs to continue to improve procedures for the collection of arrears.

Bad Debt Provision

In 2024, the bad debt provision for housing loans decreased by €14k to €458k. A review of the provision deemed it adequate.

Director General's Response

The Council will continue to maintain and build on the 2024 collection performance and continue to address all outstanding arrears.

4 Increased Cost of Business and Power Up Grants

4.1 Overview

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 was aimed at SMEs in the hospitality, retail and beauty sectors. The Department of Enterprise, Trade and Employment were responsible for defining the eligibility criteria 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 that the declaration was complete and the applicant was rates compliant as per the scheme's criteria.

Accordingly, the audit of expenditure under these schemes, which amounted to €19.1m in Limerick City and County Council for the year ended 31 December 2024, was limited to the specific responsibilities of local authorities, as set out above, and did not include the verification of other eligibility criteria declared by the applicants. The accounting treatment for the ICOB grant is set out in Note 25 in the AFS.

Director General's Response

As noted by the auditor, Government assistance in the form of these grants

(ICOB and PUG) was a critical support measure for the Council's small and medium ratepayers during 2024.

5 Fixed Assets

5.1 Fixed Assets Overview

The accumulated costs of fixed assets increased by €71m. This comprised of additions/work-in-progress (WIP) transfers (€76.5m), and historical cost adjustments/disposals (€5.5m). The following table presents the main additions and items transferred from WIP in 2024:

Asset	€m
43 Units Cois na Sionainne	15.1
30 Units Cosgrave Park, Moyross	13.5
27 Units Dalgaish Park, Moyross	12.4
11 Units Churchfield, Southill	4.4
4 Units Meat Market Lane	2.0
6 Units Sli na Manach,	1.7
Total	49.1

6 Debtors

6.1 Government Debtors

At the end of 2024, Government debtors increased by €2.5m to €36.4m. In October 2025, €5.2m (14%) remained unpaid. The Council should continue to monitor and address amounts owed in a timely manner.

6.2 Bad Debt Provision

In 2024, total gross debtors increased by €8.6m to €80.3m, mainly due to Government debtors (€2.5m) and non-commercial debtors (€4.5m). The bad debt provision increased by €0.7m to €21.1m. A review of the provision deemed it adequate. However, the Council should continue to monitor the level of the bad debt provision given the challenging factors of the current economic climate.

Director General's Response

The auditor's comments are noted and the Council continues to actively engage with the DHLGH to ensure timely drawdown of funds.

7 Development Contributions

7.1 Development Contributions

Income

In 2024, development levy income increased by €3.3m to €7.9m. Audit identified income of €1m that was allocated to 2024 but should have been deferred to the 2025 period. This misallocation has no effect on the revenue account. Management should ensure a reconciliation of commencement notices and invoices is completed in advance of the finalisation of AFS 2025, to ensure income is recorded in the correct period.

Debtor

Development levy debtors increased by €0.4m to €4.6m. The bad debt provision decreased by €0.3m to €1.7m. A review of the provision deemed it adequate.

Director General's Response

The Council will complete a reconciliation at year end to ensure all amounts paid at year end relate to developments that have commenced in that financial year. The Council continues to follow up amounts due including arrears from Development Contributions.

8 Loans Payable

8.1 Loans Payable Overview

In 2024, the loans payable in Note 7 amounted to €160.2m (2023: €165.7m). The loans payable are summarised as follows:

Loan Category	Balance at 31/12/2024 €m
Mortgage loans	21.0
Assets	93.9
Recoupable	42.0
Shared Ownership – Rented Equity	3.3
Total	160.2

- The mortgage loans of €21m and the shared ownership rented loans of €3.3m have a corresponding stream of income.
- The asset loans of €93.9m fund the Council's own projects and offices/buildings and are funded from the revenue account.
- Recoupable loans of €42m are matched by corresponding long-term debtors in Note 3 of the AFS.
- Of the total loans payable, €134m (83.6%) of debt is with the Housing

Finance Agency (HFA), €25m (15.6%) is with the European Investment Bank (EIB) and the remaining €1.2m (0.8%) is with other providers.

Director General's Response

The Council continues to actively monitor and review capital debt.

9 Capital Account

9.1 Capital Account Overview

At year-end 2024, the credit balance decreased by €11.9m to €88.6m mainly due to the increased activity relating to the Opera Site development. In 2024, capital expenditure increased by €30.6m to €296.9m.

Director General's Response

Expenditure on the Capital Account has increased significantly in recent years, having doubled in value since 2021 (€297 in 2024 versus €139m in 2021). The Council will continue to monitor the Capital Account.

9.2 Capital Account Issues

Audit identified a number of issues when reviewing capital account expenditure:

- Project with a debit balance requiring Council own funding (Paragraph 9.5).
- Significant capital project commenced without clearly identified funding streams (Paragraph 9.6).
- Projects with required own funding not allocated to the job codes (Paragraph 9.7).
- €4.8m of unfavourable balances, that had no activity in 2024.

Given the high volume of capital expenditure budgeted, it is imperative that the Council address the issues identified.

Director General's Response

The auditor's comments are noted and the Council continues to actively engage with the DHLGH and the NTA to ensure timely drawdown of funds.

9.3 Housing Capital Projects

At year-end, a number of housing projects have debit balances. A sample of these debit balances are noted below:

Capital Project	Debit Balance at 31/12/2024 €m
Cosgrave Park and Dalgaish Park	3.3
Deerpark Adare North Site	2.0
Southill Area Centre (Churchfield Phase 2)	1.7
Clonmacken Construction	0.7
Toppins Field Lands	0.6

All efforts should be made to address these debit balances.

Director General's Response

The auditor's comments are noted and the Council continues to actively engage with the DHLGH to ensure timely drawdown of funds.

9.4 Voids Programme

The voids programme provides the Council with exchequer funding to support the re-letting of vacant social houses. The Council can draw down €11k per unit on a once-off basis under this scheme. In most cases, the Council expenditure exceeds the €11k allocation. The amounts in excess of €11k require funding from the Council's own resources. In 2024, the funding for the voids programme was:

Voids Programme 2024	€m
Council Own funding	3.3
Exchequer funding	0.8
Total Expenditure	4.1

The Council will need to identify funding mechanisms for this programme to avoid future unfunded balances.

Director General's Response

The auditor's comments are noted. The Council remains committed to reducing vacancy rates in our social housing stock and will continue to work to achieve this.

9.5 O'Connell Street Urban Renewal

The O'Connell Street Urban Renewal project is a public realm project for significant upgrade works on O'Connell Street. The project received external funding of €12.4m:

Funding Body	Amount €(m)
National Transport Authority	4.1
Urban Regeneration Development Fund	4.3
European Regional Development Fund	4.0
Total	12.4

The final cost of this project is expected to be €15.5m. The Council's own resources will have to fund the shortfall of €3.1m. Management have stated the post project review will be completed in November 2025. This area will be reviewed again at next year's audit.

Director General's Response

The auditor's comments are noted. The post project review is on course to be completed in November 2025.

9.6 Adare Heritage Redevelopment Project

Overview

The Adare Heritage centre project is a remodelling project for significant redevelopment and expansion works of the Adare Heritage Centre.

Service Level Agreement

In November 2024, the Council entered into a Service Level Agreement (SLA) with Discover Limerick DAC for the '*project management services for phase 1, the design stages of the project up to, and including, the tendering of the main contract works*'. The cost agreed for this SLA was €1.5m ex VAT. At the date of the SLA, the only funding stream assigned to this project was a 2023 development levy allocation of €150k. In February 2025, the Council allocated €1.2m of its own resources to fund the SLA. The remaining balance will require funding from the Council's own resources.

Deferral

In December 2024, Part 8 Planning Permission was granted for this project. Management have informed audit this project has now been deferred until after the 2027 Ryder Cup.

Interim Improvement Works

The Council expect to complete interim improvement works on the existing facility in advance of the Ryder Cup. Management expect Central Government funding and Council's own resources will fund these works. The works are expected to commence in 2026. This area will be reviewed again at next year's audit.

Director General's Response

The auditor's comments regarding the redevelopment of the Adare Heritage Centre are noted. LCCC continues to ensure that appropriate governance arrangements are in place and that funding arrangements to Discover Limerick DAC are reviewed and monitored.

9.7 Rural Regeneration and Development Fund (RRDF)

In 2020, Limerick City and County were allocated €2.5m in RRDF funding to help tackle dereliction in Limerick's towns and villages. This funding required the Council to provide match funding of 25% (€625k). At year-end, there was a debit balance of €614k on this project arising from the match funding element. This will require funding from the Council's own resources.

Director General's Response

As noted by the auditor, Limerick City and County Council is committed to tackling dereliction in Limerick's towns and villages and will match fund this RRDF allocation as agreed.

9.8 Regeneration Thermal Upgrades

At year-end, the cumulative debit balance on the thermal upgrade job codes decreased by €1.6m to €1.5m, mainly due to the processing of outstanding claims by the Department. The Council is in discussion with the Department to resolve the debit balances.

Any amounts not funded by the Department will have to be funded by the Council's own resources. This area will be reviewed again at next year's audit.

Director General's Response

The auditor's comments are noted and the Council continues to actively engage with the DHLGH to ensure a timely drawdown of funds. There may be a requirement to fund some of the outstanding amount from own resources and this will be determined following submission of the final accounts to the DHLGH.

9.9 Regeneration of Lord Edward Street Project

At year-end 2024, there was a debit balance of €308k. In 2020, the Department approved the final account for this project, however, the Council appealed this decision. The Council continues to await a reply on the appeal.

Director General's Response

The auditor's comments are noted and the Council continues to actively engage with the DHLGH in relation to this project. Whereas associated conciliation fees within the above figure will be reimbursed, it is also likely that some of the outstanding amount will need to be funded from own resources.

10 Approved Housing Bodies

10.1 Approved Housing Bodies (AHB)

There are 54 AHBs in operation in Limerick. At the end of 2024, there were 2,518 properties financed through the Council that were owned or managed by AHBs. There is €67.8m of debt included on the Council's balance sheet related to AHBs through the Capital Advance Leasing Facility (CALF) and other recoupable loan balances. In 2024, €17.1m of revenue expenditure was AHB related, through various schemes including 'payment and availability agreements', leasing and RAS. In 2024, the Council disposed of 11 properties to AHBs for nominal fees.

The Council has made continued progress in implementing the recommendations set out in the Local Government Audit Service Value for Money Report No. 29 *'The Oversight Role of the Local Authorities in the Provision of Social Housing by Approved Housing Bodies'*. However, given the volume of funding granted to these bodies, the Council should ensure adequate oversight, monitoring and reporting arrangements are in place to ensure compliance with the relevant regulatory frameworks.

Director General's Response

The Council will continue to ensure adequate oversight, monitoring and reporting arrangements are in place to ensure compliance with the relevant regulatory frameworks. The Council is also making every effort to implement the applicable recommendations made in the Local Government Audit Service Value for Money Report No. 29 *'The oversight Role of the Local Authorities in the Provision of Social Housing by Approved Housing Bodies'*.

11 Limerick Twenty Thirty Strategic Development DAC

11.1 Limerick 2030 Economic and Spatial Plan

In 2013, the Limerick 2030 Economic and Spatial Plan was launched and set out a framework for the development of Limerick City and its environs up to 2030. To deliver this plan, the Council has embarked on a significant financing and investment programme, with Limerick Twenty Thirty Strategic Development D.A.C. (LTT), a company 100% owned by the Council, being the primary mechanism for delivery.

The Council provides finance to LTT to develop assets owned by LTT, subject to Council approval. The Council borrows funds and subsequently releases the necessary finance to LTT as required. Signed loan agreements are in place setting out the repayment schedules for LTT to repay these loans.

At year-end 2024, the Council had principal loans outstanding of €46.6m to LTT (2023: €56.6m). The loans were used for the following developments:

- Gardens International Office Complex €25.5m (paragraph 11.2)
- Loans in relation to the Opera Site Development €16.7m (paragraph 11.3)
- Cleeves and Salesians Buildings €4.4m (paragraph 11.4)

11.2 Gardens International Office Complex (GIOC)

The terms of the original GIOC loan agreement specified the loan repayments were to be interest only for the first five years, up until the 1st of January 2022. After this date, LTT were due to commence the repayment of the capital element of the loan. In March 2023, management of LTT requested the interest only period to be extended until the 31st of December 2024 citing ‘a *cash flow deficiency*’ arising from vacancy issues in the complex. The Council agreed to this request.

The Council continued to pay the corresponding loan (principal and interest) to the Housing Finance Agency. For the period 1st of January 2022 to 31st of December 2024, the capital repayments were €1.9m. This had a significant impact on the Council’s cash flow. Despite the rearrangement of the original loan terms, LTT remain €0.9m in arrears on this loan at year-end.

The Council should ensure strong oversight, monitoring and reporting arrangements for LTT to ensure these issues are addressed in a timely manner.

Director General's Response

The auditor's comments are noted and the Council will ensure that adequate oversight, monitoring and reporting arrangements are in place with LTT.

11.3 Opera Site

At year-end 2024, the Council has issued three loans to LTT in relation to the development of the Opera Site;

- Opera Site working capital loan €3m (Issued: December 2020)
- Opera Site part disposal loan €8.7m (Issued: March 2023)
- Opera Site land development loan €5m (Issued €15m: March 2023)

During 2024, LTT repaid €10m capital off the original €15m land development loan to reduce the capital balance to €5m.

The Council should ensure strong oversight, monitoring and reporting arrangements for LTT to ensure strict adherence to the terms of the loan agreements.

Disposal of Parcel 5 OPW Building

In July 2025, the Council members approved the disposal of Parcel 5 of the Opera Site by way of a 999-year lease. The disposal price was set at €1.2m plus the development costs accrued at the date of legal transfer.

11.4 Cleaves and Salesians Buildings

The members of the Council approved the disposal of the North Circular Road properties, namely Cleaves Factory Site (€3.3m) and Salesian Convent (€1.1m) to LTT in March, 2019.

The purchase by LTT was financed by way of a loan from the Council. As part of the loan agreement, interest only will be charged until January 2026, after which both principal and interest will be charged. In 2024, the interest charged was €78k. At year-end 2024, LTT owed the Council €78k on this loan agreement.

Director General's Response

The auditor's comments are noted. The Council will ensure that the terms of the loan agreements are fulfilled in full.

11.5 Limerick 2030 DAC Audited Financial Statements

The Council's interest in Limerick 2030 DAC is shown in Appendix 8 to the AFS. The financial performance included in Appendix 8 of the Council's 2024 AFS refers to the 2023 results for the DAC.

The 2023 audited accounts show Limerick 2030 DAC recorded a loss of €4m, mainly due to a revaluation of LTT investment properties of €3.6m. LTT's auditors, in their audit report, concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements was appropriate. The 2024 audited accounts were not available for review at the time of writing this report.

Given the volume of funding granted to LTT, the Council should ensure adequate oversight, monitoring and reporting arrangements are in place to ensure the safeguarding of the Council's funding in the DAC.

Director General's Response

The auditor's comments are noted and the Council will ensure that adequate oversight, monitoring and reporting arrangements are in place with LTT.

12 Other Income

12.1 Derelict Sites

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 Council's Derelict Site Register.

For the AFS 2024, the Council included a Derelict Site Levy totalling €1.6m. The year-end debtor figure amounted to €3.1m.

12.2 Vacant Sites

A Vacant Site Levy of 7% of site market valuation is chargeable on sites registered on the Local Authority Vacant Site Register.

For the AFS 2024, the Council charged a Vacant Site Levy of €0.3m. The debtor figure for the year-end is €2.5m.

Director General's Response

The Council continues to follow up all amounts due including arrears from Derelict and Vacant Site levies.

13 Payroll and Pensions

13.1 Overtime

In 2024, overtime payments of €5.6m were paid to 477 employees with 88 employees earning over €20k each in overtime payments. In 2023, overtime payments totalled €4.9m with 81 employees earning over €20k each in overtime.

Improvements were noted in the areas of monitoring and approving of claims. However, management should continue to monitor the level of overtime payments given the increase in overtime payments in 2024.

Director General's Response

The auditor's comments are noted. In accordance with the Council's overtime policy, overtime reports are circulated to management to ensure that all overtime is monitored continuously. All overtime claims are approved by the appropriate line manager to ensure adherence to the policy.

13.2 Pension Funding

In 2024, the pension costs (including gratuities) was €18.4m. The pension contributions received was €2.3m. This funding gap is funded through the Council's own resources in the revenue account.

14 Local Authority Companies

14.1 Overview

The Council's interest in 11 companies is shown in Appendix 8 to the AFS. The financial performance included in Appendix 8 of the Council's 2024 AFS refers to the 2023 results for eight of the subsidiary and associate companies. It has been previously highlighted that there is a need for the timely finalisation of these accounts to ensure that the Council's AFS reports the most up-to-date position of these companies.

The Council should ensure strong oversight, monitoring and formal reporting arrangements are in place for all Local Authority companies to ensure the Council is informed of any issues that may arise.

14.2 Askeaton Pool and Leisure DAC

The Council own a 51% share in Askeaton Pool and Leisure DAC, with the remaining 49% owned by Askeaton Swimming Club. This DAC operates the

Askeaton Pool and Leisure Centre.

The Leisure Centre closed in March 2023 to allow significant capital works to be completed. The facility's plant room has been affected by flooding and adverse weather conditions since its opening in 2007.

The cost of this project is expected to be €3.4m. Management have informed audit that funding of €1.3m has been allocated from the Large Scale Sport Infrastructure Fund (LSSIF) towards this project. By September 2025, this funding has not been drawn down. The Council has committed to funding the balance of this project (€2.1m) from its own resources. It is imperative that the grant funding is drawn down in a timely manner to reduce the cash flow burden on the Council.

An operator was appointed to the Leisure Centre in May 2025. The facility is expected to reopen in the coming months.

In 2024, the Council paid a subvention of €190k to Askeaton Pool and Leisure DAC.

Director General's Response

The auditor's comments are noted. The Council continues to actively engage with the LSSIF team in the Department of Culture, Communications and Sport to ensure the grant funding is drawn down as soon as possible.

14.3 Innovate Engine DAC

In December 2022, the Council paid €100k to Innovate Engine DAC for the development of E-Hubs in Bruff and Rathkeale. These projects have reverted to the Council for completion but the €100k was not repaid. This was highlighted in the 2023 Audit Report, however, the €100k remains outstanding. Furthermore, the Council has not recognised this as a debtor in AFS 2024.

In 2024, the Council paid payroll costs relating to Innovate Engine DAC staff of €376k. These payroll costs are recoupable, but remain unpaid at the time of writing this report. Further recoupable payroll costs of €127k relating to prior years also remained uncollected.

In 2024, the Council paid a further subvention to Innovate Engine DAC of €70k.

Director General's Response

The auditor's comments are noted and the Council will continue to monitor all funding arrangements with Innovate Engine DAC.

14.4 Discover Limerick DAC

Capital Grant Funding

In 2023, Discover Limerick DAC was approved for capital funding of €2.26m from the Department. The funding is allocated to the Strategic Master Plan for King John's Castle and other upgrade works associated with the site. At year-end 2024, the DAC has received €842k of this funding.

Council's Own Resources

In 2024, additional to the Department funding, the Council also committed significant levels of Council's own funding to Discover Limerick DAC.

Description	Funding	Amount
Adare Heritage Centre	Council Own Resources – (capital account)	€763k
Operational Grant	Council Own Resources (revenue account)	€300k
Legal Obligations & Compliance	Development Levies – (capital account)	€207k
Payroll Costs	Council Own Resources (revenue account)	€178k
Maintenance and Other Costs	Council Own Resources (revenue account)	€100k
	Total	€1.548m

Director General's Response

The auditor's comments are noted. LCCC continues to ensure that appropriate governance arrangements are in place and that funding arrangements for Discover Limerick DAC are kept under review.

14.5 Closure of Associated Companies

The financial statements for Dovecote Restaurant Limited and Adare Heritage Trust Limited to year end 30th of April 2024 were based on a 'break up basis'. This means the management of the companies consider they will not continue to operate in the foreseeable future. In December 2023, the operations of these companies were taken over by Discover Limerick DAC.

The Council incurred expenditure of €87k related to the closure of these companies.

Director General's Response

As noted by the auditor, the operations of these companies (Dovecote Restaurant Limited and Adare Heritage Trust Limited) were taken over by

Discover Limerick DAC. The Council incurred expenditure of €87k to clear the outstanding liabilities of these companies.

15 Financial Statement Adjustments

15.1 Overview

An adjustment occurs when a line item in the audited financial statements differs from an amount in the unaudited financial statements.

The figures in this report are inclusive of the adjustments.

15.2 Adjustments

During the audit, the following adjustments were made to the AFS:

- Note 3 interest in associated companies and Note 10 interest in associated companies decreased by €8.8m to correct a duplicate entry.

These balance sheet adjustments have no impact on the revenue or capital account.

Director General's Response

As noted by the auditor, these audit adjustments decrease both Long Term Debtors (Note 3) and Other Balances - Reserves (Note 10) in the Balance Sheet. The audit adjustments have no impact on the revenue or capital account.

16 Directly Elected Mayor

16.1 Overview

On the 7th of June 2024, the people of Limerick voted for their first directly elected Mayor with executive powers. In June 2024, the Department provided the financial arrangements for the Directly Elected Mayor. The funding for the period June to December 2024 was €4.3m:

Funding Description	Amount €m
Mayoral Fund 2024	3.5
Mayoral Office - set up cost (once off)	0.5
Mayoral Office pay costs	0.3
Total	4.3

The €3.5m mayoral budget allocated was not drawn down in 2024 due to the timing of the election and the subsequent development of the mayoral

programme. In December 2024, the Department confirmed that the €3.5m allocation could be carried forward to 2025 on a once off basis. The Mayoral Office set up costs and the Mayoral Office pay costs were recouped in full.

Circular LGSM01/2024 sets out the governance arrangements and expenditure criteria that apply under the Mayoral Fund Framework.

17 Procurement and Tendering

17.1 Procurement Unit

The Council has a centralised procurement unit comprising of three staff. The unit oversees and monitors procurement activities. The procurement unit actively conducts its own compliance testing, communicating its results and recommendations to senior management. The unit is a key component in the corporate governance system. It is imperative this unit is resourced adequately, to reflect the increase in expenditure by the Council.

17.2 Merchants Quay Upgrade Works

In March 2024, the Council undertook significant capital upgrade works to the 3rd floor in Merchants Quay. The cost of these works was €1.7m ex VAT. In advance of the works, Council Management signed approved officers orders (AOO) for €1.5m to extend the facilities management services contract to include the capital works now required at Merchants Quay.

A subsequent review by the procurement unit found the extension of this services contract was not in line with the Council's procurement policy or public procurement guidelines.

It is recommended that the Council's procurement unit should be requested to provide advice on procurement best practice, where appropriate.

Director General's Response

The auditor's comments are noted. The Procurement Unit continues to monitor, support and guide all Directorates with public procurement. Both the Procurement and Requisition Oversight Units identify issues relating to non-compliance with public procurement guidelines and Council policies. The Units will continue to highlight anomalies across the organisation and seek corrective action in order to be compliant. The Units provide guidance to staff and support corporate governance by conducting regular procurement compliance checks. Training in this area will continue to be provided on an ongoing basis. Staffing levels in the Procurement and Requisition Oversight Units will be reviewed in the context of the scale of increases in revenue and capital expenditure in recent years.

17.3 Plassey Park Improvement Scheme

In August 2023, the Council appointed a contractor to undertake works on Plassey Park Improvement Scheme. The successful tender award was for €3.9m ex VAT. Over the course of the works, a number of differences, claims and disputes arose, and these were referred to conciliation under the provisions of the contract. Following the conciliation process, the final adjusted contract sum agreed was €6.9m ex VAT. This represents a €3m (77%) increase on the original tender amount.

Management have advised they expect the final adjusted contract sum to be recouped in full from the NTA. This area will be reviewed again at next year's audit.

Director General's Response

The auditor's comments are noted. During the works for this scheme, claims were submitted primarily relating to land availability, the relocation of utilities and the redesign of the surface water drainage system as a result of Japanese Knotweed. The Council engaged with the NTA throughout this process and the final amount was recouped in full from the NTA in September 2025.

17.4 Provision of Event Management Services

In 2023, the Council awarded two event management services contracts to a supplier for a cumulative cost of €340k. An option to extend these contracts for the 2024 period was exercised by the Council. Audit noted the following issues regarding these contracts:

- In 2023, the amount paid to the supplier exceeded the initial contracts awarded by €469k.
- In 2024, the amount paid to the supplier exceeded the initial contracts awarded by €444k.
- The final signed contracts were not available for audit review.
- The over expenditure incurred was not approved by an Approved Officers Order.

The Council, in consultation with the Procurement Unit, should review this competition to ascertain the reasons for the over expenditure. Going forward, the Council should ensure that final signed contracts are retained centrally, and any over expenditure is formally approved.

Director General's Response

The auditor's comments have been noted.
The overspend identified in the audit relates to the principal festivals held in

2023 and 2024. A range of stronger measures has been implemented, including enhanced contract documentation, improved internal procedures, electronic storage of all relevant documents, and the consistent use of Approved Officers Orders.

18 Governance and Propriety

18.1 Governance Overview

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. It is the responsibility of the Director General and the elected representatives to ensure that sound systems of financial management and internal control are in place.

18.2 Internal Audit Function

The Local Government (Financial and Audit Procedures) Regulations 2014 requires Local Authorities to maintain an adequate and effective system of internal audit of its accounting records and control systems.

Twelve internal audit reports were produced in 2024. I have, where appropriate, taken account of the findings in these reports, in the course of my audit.

18.3 Audit Committee

The Audit Committee met on four occasions during 2024. I met with the Audit Committee to discuss the 2023 Audit Report in December 2024. This report was presented to the Council at their meeting in March 2025 together with the report from the Audit Committee under Section 121(3) of the Local Government Act, 2001 as amended by Section 60 of the Local Government Reform Act, 2014.

18.4 Infrastructure Guidelines - Public Spending Code

The Council is required to publish an annual report setting out how it complies with the above code. In the report relating to the 2024 financial year, the report noted two areas that required improvement.

18.5 Fuel Card Expenditure

A review of fuel card expenditure identified:

- No approved fuel card policy in place.

- Absence of documented procedures for monitoring fuel card expenditure.

Given the level of expenditure incurred in this area, management should address these issues in the short term.

Director General's Response

Limerick City and County Council is committed to the principles underpinning corporate governance including the enhanced development and expansion of the internal audit function, the continued engagement of its professional and transparent Audit Committee and improved compliance with the Infrastructure Guidelines.

Established procedures to safeguard against misuse of fuel cards are actively followed to ensure transparency and appropriate usage. The Council will implement a fuel card policy to further strengthen governance and accountability in this area.

18.6 Investigation into Financial Irregularity

In 2019, an investigation into a financial irregularity resulted in disciplinary proceedings being taken against an employee. This resulted in the termination of the individual's employment with the Council. This matter was referred to An Garda Síochána. The Council are currently awaiting the outcome of this investigation.

Director General's Response

The Council continues to assist An Garda Síochána on this matter and will continue to ensure strong governance is in place to identify and prevent financial irregularity.

Acknowledgement

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

Denis FARRAGHER

Denis Farragher

28 October 2025

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