



Comhairle Chontae na Gaillimhe
Galway County Council

Audit Committee's Report on the Annual Financial Statement 2024 and Statutory Report

Pursuant to Section 60(3) of the Local
Government Act 2014

Dr. M. Moloney
Audit Committee Chairperson

December 2025

To: The Cathaoirleach and each Elected Member of Galway County Council

1. Chairperson Statement

On behalf of the Audit Committee, I wish to acknowledge the significant work undertaken by the staff and management of Galway County Council during 2024, particularly in the context of limited resources and ongoing operational challenges. The Committee recognises the importance of ensuring that the Council is equipped with sufficient financial and human resources to maintain the high standards expected in public service delivery. We welcome the adoption of the Workforce Plan, which will support the Council's human resource requirements in the years ahead.

The Committee has reviewed the 2024 Annual Financial Statement (AFS) and the accompanying Statutory Audit Report prepared by the Local Government Auditor. We note with satisfaction the Auditor's unmodified opinion, confirming that the AFS presents fairly the financial position of the Council as at 31 December 2024 and its income and expenditure for the year then ended, in accordance with the Code of Practice and Accounting Regulations.

Key highlights from the year include:

- A surplus of €1.6k recorded for 2024, with the cumulative revenue account surplus increasing to €47.8k, following net transfers of €6.4m to capital reserves.
- The capital account recorded a surplus of €9.8m for the year, with a cumulative credit balance of €38.9m, and capital expenditure was matched by increased grant income.
- Improvements in major income collections, with rates and housing loan collection rates increasing by 3% to 89%, and a reduction in arrears across several categories.
- Continued progress in asset management and ongoing work to resolve title issues related to the transfer of water and sewerage functions to Uisce Éireann.
- The successful administration of grant schemes such as the Increased Cost of Business (ICOB) and Power Up Grants, which provided vital support to local businesses and were funded by the Department of Enterprise, Trade and Employment.

The Committee also notes the ongoing challenges associated with unfunded capital balances,

which increased to €17.4m, and encourages management to continue efforts to pursue these legacy debts with the respective funding bodies and develop an approach to addressing the remaining balances.

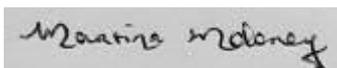
Governance and internal control remain a priority. The Committee welcomes the continued evolution of risk management practices, the implementation of a new digital risk management system, and the integration of risk management into the Council's business environment. We also acknowledge the positive impact of the Online Ethics Registrar system and the Council's commitment to data protection and compliance with GDPR.

The Committee will continue to review the implementation of the Auditor's Management Letter recommendations throughout 2026 and will seek regular updates from management on progress made.

I would like to express sincere thanks to:

- The Local Government Auditor, Mr. D. Cahill, for the comprehensive statutory audit and for engaging constructively with the Committee on the findings and recommendations.
- The Head of Finance, Ms. K. O'Connor, and her team for their diligent oversight of the Council's finances.
- Mr. Liam Conneally, Chief Executive, for his leadership and commitment to enhancing public services in County Galway.
- Mr. M. Owens, Director of Services for Corporate, Ms. E. Curran, Head of Internal Audit, and the Internal Audit Team, for their ongoing support to the Audit Committee.
- All members of the Audit Committee for their dedication and work during 2025.

The Audit Committee remains committed to supporting Galway County Council in maintaining robust governance, financial management, and continuous improvement in service to the community.



Dr. M. Moloney
Audit Committee Chairperson

15th December 2025

Date

2. Introduction

The Audit Committee was provided with a copy of the 2024 Local Government Audit Service Statutory Audit Report prior to the meeting held on 18th November 2025. The Local Government Auditor who conducted the audit attended the meeting and provided clarifications on the report's findings and the overall audit opinion.

The Auditor's opinion is that the Annual Financial Statement presents fairly in accordance with the Code of Practice and Accounting Regulations, the financial position of the Council as at 31st December 2024 and its income and expenditure for the year then ended. The cumulative surplus in the revenue account increased by €1.6K to €47.8k.

The Committee considered the Auditor's report and welcomed the Local Government Auditor's satisfaction with the accounts, which accurately reflect the financial position and the committee deliberated on the issues outlined in this report.

The Committee's deliberations included a review of management responses to the Auditor's findings and related matters. It is the intention of the Committee to further review the AFS 2024 Local Government Audit Management Letter at the first meeting of the Committee in 2026 and thereafter to request and receive updates from Management in relation to progress in implementing the various recommendations contained therein, as part of the Internal Audit programme 2026.

Based on these deliberations the Committee consider that the following areas be brought to the attention of the Council.

3. Financial Standing

Surplus of €1.6K for year end 2024

The Audit Committee noted the Council recorded a surplus of €1.6k for the year ended 2024 after net transfers of €6.4m to capital reserve and that the cumulative surplus on the revenue account increased to €47.8k.

Members' approval, in accordance with S104 of LGA2001, for the expenditure in excess of the annual budget was obtained at the Council meeting of 28th April 2025.

Financial Position

Significant movements on the financial position include:

- ↑ Increased fixed assets of €48.4m (Housing additions and disposals)
- ↑ Increased expenditure of €13.2m (payroll, operational, administration & financial expenses)
- ↑ Increase in Government Debtors of €11.7m
- ↓ Decline in loans payable of €3.6m

Whilst there was an increase in Government Debtors at year end, this was attributed to outstanding claims with the Department of Housing, Local Government & Heritage. These outstanding monies due were recouped by GCC in January/February 2025.

Capital Account

- ↑ Surplus of €9.8m

The Capital Account recorded a surplus of €9.8m, with a cumulative credit balance of €38.9m. Capital expenditure decreased by €25.6m to €102.9m, mainly related to works contractors, consultancy, land, equipment and other. The expenditure was generally matched by a corresponding increase in grants.

The Committee noted the need to continue to review financial management controls on the capital account.

4. Major Income Collections

Rates

- ↑ By 3% to 89% collection rate
- ↓ Arrears decreased by €0.4m to €7.6m
- ↑ Bad Debt provision increased by €500K to €6.2m
- 18** properties awaiting valuation from Táihte Éireann

The significant drop from 71 properties to 18 awaiting valuations from Táihte Éireann is welcomed by the committee and the finance section should continue with work with T.É. to ensure that valuations are completed in a timely manner.

Rents

- ↔ No change at 88% collection rate
- ↑ Decrease of 27 rent accounts in arrears, greater than 3 months, with increased closing rent arrears of €1.3m

- ↑ Rent collection also increased by €507K
- ↓ Bad Debt provision decreased by €8K to €869K, representing 66% of total arrears

The committee noted and welcomed the rent reviews undertaken during 2024, however the knock-on effect is an increase in the closing rent arrears of €1.3M. This indicates that the reviews will generate additional income for the Council. Finance to continue to work with Housing clients to ensure that payment plans are in place to address these arrears.

Loans

- ↑ Increase in collection of 3% to 89%
- ↓ Decrease in loan accounts with arrears greater than 3 months

A reduction in loan account arrears is always welcome. Continued close monitoring of loan accounts is needed to further reduce arrears over three months.

5. Transfer of Water & Sewerage functions to Uisce Éireann

An asset transfer working group is established with Uisce Éireann to resolve title issues and similar matters in the short term. Work is continuing with Uisce Éireann to resolve title issues.

The Committee noted the Chief Executive's comment that work is ongoing and will continue until all relevant assets are transferred to Uisce Éireann and every effort should be made to resolve title issues in the short term.

6. Capital Account – Unfunded Balances

- ↑ Increase of €0.6m on unfunded balance (Housing)

The Committee noted the increase in unfunded balances to €17.4m (2023: €16.8m). The balance is accounted for largely by the Roads & Housing section expenditure. This legacy debt has been raised year on year by the Local Government Auditor. The committee note that the Council needs to plan how they propose to address these balances. Negotiations are ongoing with the funding bodies, however, it may be necessary for the Council to make provision in the annual revenue budget to address this debt.

7. Asset management

Property Interest Register

The committee noted that the Property Interest Register working group is tasked with developing a centrally managed Property Interest Register (PIR) system, including the preparation of a Request for Tender (RFT) for a map-based application. It is noted that while the group didn't meet in 2024, there was progress in identifying assets owned by the Council and continuance of registering lands that remain unregistered.

The committee sought clarification with the executive and can affirm that the Property Interest Register working group have reconvened and meetings have recommenced in 2025.

8. Grants

Increased Cost of Business Grants (ICOB)

↔ €6m spent on ICOB during 2024

This grant was a welcomed support measure for small and medium businesses, funded by the Department of Enterprise, Trade and Employment (DETE). Each applicant verified their eligibility by self-declaration. Expenditure incurred on the scheme amounted to €6m at year end, which was fully funded by DETE.

Power Up Grants

↔ €4.5m spent on Power Up Grants during 2024

Grant to assist businesses in hospitality, retail, and beauty sectors with increased operational costs, funded by the Department of Enterprise, Trade and Employment (DETE). Each applicant verified their eligibility by self-declaration. Expenditure incurred on the scheme amount to €4.5m at year end, which was fully funded by DETE.

9. Development Contributions Debtors

↑ Increase in short term debtors by €1.1m to €1.9m

It was noted that development contribution debtors increased by €1.1m to €1.9m. This is attributed to the increase of the top five development debtors by value at year end to €579K.

↑ €4.2m recouped under the Temporary Development Contributions Waiver Scheme

The waiver is disclosed in the capital account. Due to the accounting treatment for development contributions, the Appendix 5 amount of €6.7m does not agree with Note 10 amount of €10.9m. The difference relates to the grant income of €4.2m received under the Development Contribution Waiver Scheme.

↔ No change in bad debt provision which remained at €859K

Bad debt provision currently stands at 45% of year end development contribution debtors (€1.9m) and needs to be kept under review.

10. Loans Payable

↓ Decrease in loans payable of €3.6m

The Committee noted the Chief Executive's comment regarding the Council's loans and continuous monitoring of same.

11. Governance

Internal Audit

Content of Internal audit reports were reviewed as part of external audit

Statement of Internal Financial Control (SIFC)

Introduced under circular LG05/2024, local authorities are now required to prepare and publish a SIFC as part of their annual report.

In accordance with Circular LG08/202 the SIFC and a Governance Statement did form part of the Annual Report 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 Annual Report for 2024 was brought before the plenary council on 28th April 2025.

The committee noted that the SIFC and governance statement does not form part of the statutory audit review conducted by the Local Government Audit Service.

Corporate Governance Working Group

The Corporate Governance Working group continued to review and keep senior management teams and staff up to date on corporate governance and actions required. The corporate governance framework includes reviewing risk management, child protection and welfare, business continuity, public sector duty, and the corporate plan.

Risk Management

A new software system called ViClarity is now live and enables improved monitoring of risk, automation of task notification and higher standard reporting. Continuous training is being provided on the use of the system, with risk champions being assigned throughout the Council.

Procurement

The committee noted feedback on the procurement plan and green procurement and will include it in their work programme.

The Committee noted that the Council completed the required Quality Assurance Report for 2024 which concluded that the report provided a reasonable assurance that the requirements of the PSC have been met. The report was forwarded to the National Oversight Audit Commission for their consideration and is published on Galway County Council's website.

Data Protection

The Audit Committee acknowledges the legal requirement to comply with the EU General Data Protection Regulations (GDPR) and that the Council can be subject to fines, if deemed non-compliant.

The Committee asks that the Council continue to improve participation in training and the requirement to comply with GDPR.

Ethics

The Committee acknowledges and welcomes the automation of the annual declarations to the nominated Ethics Registrar. The automated system clearly has had a positive impact on the declaration being returned in a timely manner.

Revenue Commissioners

In October 2022, County Councils 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. The Council closed their account with Revenue with a payment of €5K.

Alleged misuse of public funds

In March 2023, management identified an alleged unauthorized use of fuel cards. The alleged misuse has been reported to An Garda Síochána.

The committee notes that since completion of the Local Government Auditor's statutory report, the case brought before the Workplace Relations Commission (WRC) in relation to this matter has concluded with the Council's decision upheld.

Local Government Auditor's Management Letter

The Committee noted the recommendations made by the Local Government Auditor based on his findings during his audit and the management responses received.