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Statutory Audit Report to the Members of Westmeath 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 Westmeath County Council

1 Introduction

I have audited the Annual Financial Statement (AFS) of Westmeath 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 9 of the AFS.

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

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

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

2 Financial Standing

2.1 Statement of Financial Standing

The net surplus for the year amounted to €18,468 after transfers to reserves of €5.8m. The variances between the adopted budget and actual outturn are shown in Note 16 to the AFS. The members, at the Council meeting held in

April 2025 approved, by resolution in accordance with section 104(7) the expenditure incurred in 2024 that was in excess of the adopted budget for the year.

Significant movements in the finances of the Council in 2024 are shown below.

Chief Executive's Response

We are pleased to report a surplus for 2024. The strength of transfers to reserves for a fifth successive year is particularly pleasing. These transfers play an important part in contributing to the funding necessary to deliver our ongoing capital programme.
We will continue to operate strict financial controls and budget holder management procedures in the context of the multitude of challenges faced by the Council.
The significant movements in the finances of the Council set out below are mainly accounted for by the increased activity resulting from the delivery of our ongoing capital programme (primarily in housing, transport infrastructure and regeneration) and our performance on debt collection.

2.2 Work in Progress

There was an increase of €27.7m in Work in Progress and Preliminary Expenses cumulative expenditure when compared to 2023 bringing the total at the end of 2024 to €37.1m. This represents an increase of 297% and is made up of Rapid Build housing developments, other housing developments and construction of the Kinnegad library.

Chief Executive's Response

The value of Work in Progress and Preliminary Expenses at year-end will vary depending on the number of projects in progress and the stage each project is at.

2.3 Bank Investments

Bank investments increased by €6.9m, from €29.8m in 2023 to €36.7m at the end of 2024 much of which were grants received at the year-end and placed on deposit.

2.4 Creditors and Accruals

Creditors and accruals decreased by €8.1m from €33.5m in 2023 to €25.3m in 2024. The majority of the decrease was made up of

- A €2.9m decrease in trade creditors (a further reduction in Housing construction creditors in 2024)

- A €2.3m decrease in deferred income

- A €1.7m decrease in the Revenue Commissioners creditor (purchase VAT due at year-end on housing construction works)

Long term creditors, (amounts falling due after more than one year), increased by €9.5m from €80.7m in 2023 to €90.2m in 2024. This was made up of a decrease of €1.2m in loans drawn down, a €10.2m increase relating to new CALF and Affordable Housing scheme units and a €501k increase in refundable deposits.

2.5 Trade Debtors and Prepayments

There was a decrease in trade debtors and prepayments of €8.6m from €27.9m in 2023 to €19.3m in 2024. This includes

- A decrease in Government debtors of €5.4m (fewer claims for large housing projects at 2024 year-end),

- A decrease in development levy debtors of €1.2m.

- A €1.9m decrease in prepayments (less house purchases paid for but not closed at year-end).

- An increase in the bad debt provision of €325k.

Chief Executive's Response

The decrease in trade debtors and prepayments is welcome.

3 Income Collection

3.1 Summary of Income Collection

Income Source	Yield		Debtors	
	2024 %	2023 %	2024 €m	2023 €m
Rates	97	96	0.52	0.65
Rents & Annuities	97	97	0.33	0.3
Housing Loans	102	102	0	0

The yield from Rates increased in 2024 from 96% to 97%, Rents & Annuities remained steady at 97%, as did Housing Loans at 102%.

Chief Executive's Response

We are pleased with the collection performance in 2024 and we will continue to work to improve the collection percentage and to reduce arrears.

3.2 Rates

The percentage collected in 2024 was 97% (96% in 2023) and compares favourably with the 2024 local authority's national collection average of 92%. The Council's success in reducing rates arrears is clear from the analysis below.

Rates Arrears			
2024	2023	2022	2021
526k	650k	762k	1,051k

All rates appeals received as part of the revaluation process (121 appeals) have now concluded and are resulting in an annual loss in rates income of circa €487k for the Council.

Chief Executive's Response

We are satisfied with the improved collection performance in 2024. While we continue to work to improve the collection percentage and to reduce arrears, it may be difficult to repeat this performance in 2025.

3.3 Rents and Annuities

Rental income for the year was €11.57m, an increase of €1.27m on 2023. The income increase is primarily due to additional tenancies and ongoing rent reviews undertaken in 2024. The collection yield remained steady at 97%, which was well above the national average of 88%.

Total arrears at year-end (net of accounts with a credit balance) was €621k.

Arrears	No. of Accounts	€
>18k - <=32k	2	50,226
>10k - <=18k	2	25,658
>5k - <=10k	12	80,971
>2k - <=5k	50	140,137
>1k - <=2k	88	121,824
>500 - <=1k	135	93,972
>1 - <=500	747	108,043
Zero balance	219	0
Accounts in Credit	1,895	-287,621
	3,150	**333,211**
Arrears balance net of credit accounts		**620,902**

In 2024, 396 tenants were charged a penalty rent of €20 per week as a result of non-provision of sufficient information to facilitate their annual rent review. The penalty rent was in addition to the household's current rent. This amount is non-refundable, even where, when updated household income is received, the assessed rent was lower.

As in previous years rent reviews continued in 2024 with any increase in rent arising from the review (which is based on qualifying income of the household) restricted to the lessor of €20 per week or 25% of current weekly rent.

Chief Executive's Response

Rental income continues to grow significantly, and this growth has continued in 2025. Tenancies are growing through a combination of construction and acquisition. We are pleased with the collection performance in 2024 and while we continue to work to improve the collection percentage and to reduce arrears, it will be difficult to repeat this performance in 2025.

3.4 Housing Loans

The collection rate for housing loans in 2024 remained the same as 2023 at 102%, which was well above the 2024 national average of 88%.

Chief Executive's Response

We are satisfied with the collection performance in 2024 and we intend to continue to maintain the collection percentage and to reduce arrears, notwithstanding the challenging environment.

4 Other Income

4.1 Local Property Tax

At the Council meeting of September 2024, Council Members made a decision to vary the basic rate of local property tax upwards by 15% for the years 2024 to 2029 inclusive. This increase will realise additional income of approximately €1.03m for each of those years.

It is intended that the additional income will be ring-fenced for traffic calming, public lighting, improvements to the homes of the elderly, recreational and community facilities and events.

Chief Executive's Response

The increase has proved beneficial and is being expended, as agreed, for the benefit of the public.

5 Debtors and Debt Collection

Gross debtors, including those from the main income collections, are shown in Note 5 to the AFS and amounted to €19.3m at the end of 2024. The overall provision for doubtful debts was €4.8m (an increase of 325k on 2023) and is materially adequate. The calculation of this provision reflects the likelihood of collecting the debts and is based on an analysis of each category of debtor. It continues to be kept under constant review by the Council.

Chief Executive's Response

The Council will continue to keep debtors under constant review.

6 Capital Account

6.1 Capital Account Overview

Capital expenditure in 2024, including transfers to revenue of €2.3m, totalled €94.2m (€80m in 2023) an increase of €14.2m year on year. Total capital income, including transfers from revenue of €7.5m, amounted to €100.6m in 2024 (€87.2m in 2023). The 2024 figures resulted in an improvement in the capital account balance of €6.4m and a closing credit balance of €37.9m. The majority of expenditure in 2024 occurred in housing (€57.9m, 63%) and roads (€14.7m, 16%) with development management in third place (€12.9m, 14%). Income from grants and Local Property Tax increased from €71.9m to €82.9m. Income from new borrowing amounted to €3.2m, while income from other sources (which includes development contributions) increased from €5.9m in 2023 to €6.9m in 2024.

6.2 Capital Account Balances

The capital account consists of 684 capital codes. 129 were inactive in 2024 and 44 accounts had a debit balance at year-end (€8.7m total debit).

A list of the 12 largest individual capital projects in progress, showing expenditure in 2024 is as follows:

Capital Project	2024 Expenditure
Housing Development at St Brigids Green, Mullingar	5.9m
2024 Hse Acq 21 Turnkey Units @ Farranshock Park	5.9m
Housing at Development at Ennell Court, Mullingar	4.4m
CALF Turnkey Units – Respond- Dún an Rí, Coosan	4.4m
Athlone Marina to Athlone Castle (Bridge)	4.2m
Kinnegad Construction (Stage 2)	3.6m
2019 Housing Development at Arcadia, (Greally Park)	2.9m
Athlone Town Centre Regeneration & Enhancement Construction	2.4m
CALF – 99 units at Charlestown, Mullingar	2.3m
Housing Development at Water Street, Castlepollard	2.3m
2023 Hse Acq – 21 Part V Turnkey Units at Farranshock	2.2m
Turnkey development – 6 units at Athboy Road, Delvin	1.9m

6.3 Unfunded Capital Balances

The Council's unfunded capital balances (across 8 projects) amounted to €6.29m at year-end (€5.6m in 2023), an increase of €690k. Of this, €6.047m relates to the historic purchase and servicing of sites for future housing developments. The remaining €245k derives from water services capital project legacy costs. The Council's budget currently includes a provision of €65k to fund these balances. Additionally, a large element of these balances represent assets with a potential value. Council work is ongoing to realise an element of this as part of their housing capital projects. This will be used to reduce the deficit. The elimination of these unfunded balances should remain a priority for management.

The unfunded project balances are set out below:

Project Name	€
Landbank Lissywollen Phase 2 (2004)	3,571k
26 Aff Hses Farran Phase 2 2004	831k
Landbank at Ashe Road, Mullingar	469k
Social Housing at Farran - Phase 2 2004	300k
39 Soc houses at Boreen Braddach Kinnegad Phase 1	300k
Land Bank - Remedial Works Ennell Court	395k
Housing - Acq of property Canal Ave - St VDP	181k
Water Services Capital Projects Legacy Costs	245k

Chief Executive's Response

Significant resources are devoted to ongoing monitoring of financial activity on our capital account. It can impact our cash flow quickly and negatively, if not appropriately managed. The key focus is to ensure that there is funding in place prior to commencement and that the recoupment of expenditure is prioritised.
We continue to address unfunded balances through a combination of external funding and periodic transfers from the revenue account. The current balance on the Lissywollen land bank has been reduced to €1.9m following the commencement of development at this location and we will continue to address the outstanding balances on an ongoing basis.

7 Fixed Assets

7.1 Fixed Asset Overview

The total net book value for fixed assets at the end of 2024 was €2,474m, €2,441m in 2023, an increase of €33m. The majority of this increase was represented by a rise in the number of constructed and purchased houses, €23.5m, and land purchases of €4.6m.

7.2 Fixed Asset Register

The Council's fixed assets are recorded in the fixed asset register (FAR), which is part of the financial management system (Agresso).

A link between the insurance register and buildings contained in the FAR continues to be maintained.

A link between the property Register and the FAR is body of work due to be carried out by the Property Management Section and will take a number of years to complete. Its purpose is to record all historical records to ensure that a complete list of all property assets is available in one central area, referenced to folios, GIS spatial maps and deeds, which can then be reconciled to fixed assets and inform decision making.

Finally, a link between the insurance vehicle register and vehicles contained in the FAR has now been completed and will be maintained on an ongoing basis.

Chief Executive's Response

I am conscious of the significant improvement in the reconciliations between our insurance records and the FAR in recent years. The reconciliation of the property register and the FAR is a substantial body of work to which we will continue to commit resources to ensure completion at the earliest opportunity.

8 Loans Payable

8.1 Loans Payable

Loans payable by the Council at the end of 2024 amounted to €57.7m (2023: €59m) and can be analysed as follows:

Loan Type	2024	2023
Mortgage Related	17.2m	17.9m
Bridging Finance	7m	7m
Assets	33.5m	34.1m
Total	**57.7m**	**59m**

Chief Executive's Response

All loans are being repaid in accordance with the agreed payment terms.

Mortgage related loans are backed by loans receivable from borrowers, which are in good order.

Bridging finance relates to borrowings in respect of 30 unsold affordable houses in various locations throughout the county. All these houses are occupied and the interest on the borrowings is being funded through the Government's leasing scheme. As we have stated previously, the long-term solution to these borrowings is dependent on a decision by Government.

9 Contributions and Bonds

9.1 Development Contributions

Income from development contributions in 2024 amounted to €3,894k (€3,763k in 2023) and current debtors were €1,010k at the year-end (€2,218k in 2023). The bad debt provision has been increased to €265k (€95k in 2023) and reflects the Council's estimation of the likelihood of collecting the balances outstanding.

With regard to the development levy temporary waiver scheme, the Council waived development contributions of €3,462k in 2024 (€393k in 2023). The accounting treatment for this is set out in Note 24 in the AFS and further disclosure is included in Appendix 5.

Chief Executive's Response

The Government waiver scheme was a welcome incentive to reduce the cost of development and encourage new housing development.

10 Grants and Subsidies

10.1 Increased Cost of Business

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. The Department of Enterprise, Trade and Employment were responsible for defining the eligibility criteria for payment and also the general oversight but the Local Authorities were responsible for the administration of the scheme.

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 this scheme, which amounted to €4.5m in Westmeath 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 grant is set out in Note 25 in the AFS.

10.2 Power Up Grant

In 2024, the Department of Enterprise, Trade and Employment introduced the Power Up grant, a €170 million initiative to support businesses in the retail and hospitality sectors facing rising costs. Eligible businesses could apply for a grant of €4k.

The Power Up grant, which amounted to €4m in Westmeath County Council, was aligned with the Increased Cost of Business (ICOB) scheme, thus again the audit of the Power Up grant was limited to the specific responsibilities of local authorities and did not include the verification of other eligibility criteria declared by the applicants.

10.3 Vacant Property Refurbishment Grant

The Vacant Property Refurbishment Grant was introduced in July 2022 with the intention of bringing vacant properties back into use as residences or rentals. In the year 2024 Westmeath County Council approved 53 applications for this scheme with total grant payments made of €2.77m.

Chief Executive's Response

The Increased Cost of Business and Power Up grant schemes were of great assistance to business in Westmeath in 2024 and while the administrative work resulted in an increased burden, Westmeath County Council ran a successful pilot and delivered the grants expeditiously to the benefiting customers.
The vacant property refurbishment grant continues to be successful with a similar number of applications approved in the current year.

11 Procurement and Tendering

11.1 Procurement and Tendering

As a public organisation, the Council (including its subsidiary companies) is required to observe compliance with all public procurement regulations. A sample of contracts were reviewed to determine if the procurement controls were operating effectively. This review covered both the tendering and quotation processes and in all of the sample cases examined the contracts were validated as having been appropriately procured.

In addition to the above audit work, a sample of projects that reached completion in the year were appraised to determine whether there were any cost overruns and the following was noted.

The Athlone Town Centre regeneration and enhancement project, a scheme to deliver a newly vibrant town centre, with inviting streetscapes via the use of natural stone surface treatments, street furniture and public lighting improvements, overran on its original budget of €5.4m. It was subject to cost overruns of €1.8m excluding VAT. This comprises €500k for change orders and €1.3m for contractor claims. The project was 75% Department funded, and 25% Westmeath County Council funded. At this time there is a shortfall of €143k, which WCC will have to fund.

The above aside, the great success of the project has been acknowledged by the 2025 Irish Planning Awards, which are presented by the Irish Planning Institute, an all-island professional membership body for spatial planners. The project was one of five, from a total of eighty entries, to be highly commended by the judges.

Chief Executive's Response

I acknowledge the significant cost overrun of €1.8m on the Athlone Town Centre regeneration project. While we are pleased that the project received recognition at the 2025 Irish Planning Awards, we recognise the importance of robust cost control measures.
The overrun comprised €0.5m in legitimate change orders for necessary variations and €1.3m in contractor claims. Unfortunately, despite the robust cost control procedures that are in place and close supervision, such costs are almost inevitable on projects such as this, which are delivered in an ancient town centre, with multiple adjacent properties, mostly unknown subsurface conditions and services and live traffic and pedestrian activity. A review of the project will take place to establish any learnings for future such projects.

12 Approved Housing Bodies

12.1 Capital Advance Leasing Facility (CALF) Loans

Capital Advance Leasing Facility (CALF) loans increased from €21.8m in 2023 to €32.1m in 2024 representing an increase of 47% year on year. The Council's CALF loans for the last four years are set out below and have increased significantly in that time. These loans are payable at the end of a term of between 25/30 years. CALF loans represent up to a 30% finance facility given to Approved Housing Bodies (AHBs) to fund new housing development initiatives. This amount due by the AHBs is reflected as a long term debtor in Note 3 in the AFS and as a long term creditor in the Statement of Financial Position under 'Other'. The balance of up to 70% is privately financed by the AHB's.

A Payment and Availability Agreement (PAA) amount is then agreed between the AHB and the Department so that these properties are available for social housing. The amount agreed covers the overall capital and operational cost since 2023. Prior to this, it was limited up to 95% of the market rent. It must be noted that the agreements will be reviewed every 4 years in accordance with the European Harmonised Consumer Prices Index. The payments are funded by the Department.

Capital Advance Leasing Facility (CALF) Loans			
2024	2023	2022	2021
32.1m	22m	17.2m	14.2m

13 Local Authority Companies

13.1 Local Authority Companies

The Council's interest in four companies is shown in Note 10 and Appendix 8 to the Annual Financial Statements. These are:

- Mullingar Arts Centre CLG
- Athlone Regional Sports Centre Limited
- Athlone Arts & Tourism Limited
- Westmeath Enterprise & Innovation DAC

Athlone Regional Sports Centre Ltd, Athlone Arts & Tourism Ltd and Westmeath Enterprise & Innovation DAC have a share capital and the voting power of representatives of the Council is shown as a percentage. Mullingar Arts Centre CLG is limited by guarantee. In accordance with the Accounting Code of Practice, the Council's interest in these companies has not been consolidated in the accounts.

The most significant year on year movement related to Athlone Regional Sports Centre Limited and their cumulative surplus increasing by €466k, driven primarily by additional rental income from its sports facilities.

Chief Executive's Response

Athlone Regional Sports Centre Limited has benefitted from ongoing capital investment and population growth in the Athlone area. It is performing well but requires ongoing investment to meet demand and will continue to absorb the surpluses that are being generated.

14 Governance and Propriety

14.1 Governance

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. It is the responsibility of the Chief Executive and the elected members to ensure that sound systems of financial management and internal control are in place. According to the audit committee charter, the committee has an independent role to advise the Council on financial reporting processes, internal control, risk management and audit matters.

14.2 Statement of Internal Financial Control (SIFC)

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

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

14.3 Risk Management

The Council's Risk Management Policy document sets out how risk management should be formalised and embedded in the culture and ethos of the organisation, including the need to develop an awareness and understanding of the likelihood of potential risks to the organisation.

The Council's Risk Register includes corporate risks and departmental risks, which are divided into operational areas, and these are rated and reviewed by management on a twice yearly basis. Relevant mitigating controls and actions are identified and recorded against each risk in the register.

14.4 Internal Audit and Audit Committee

The Local Government (Financial and Audit Procedures) Regulations 2014 require local authorities to maintain an adequate and effective system of internal audit of its accounting records and control systems. Internal Audit has an important role in providing the Chief Executive with assurances on the adequacy of control systems and procedures including internal controls, risk management and governance arrangements.

On 29 January 2024, the Elected Members approved the Audit Committee's 2024 work programme. At the Council meeting held on the 25 March 2024, the Audit Committee Report was presented to the members (pursuant to Section 121 of the Local Government Act 2001) as was the Audit Committee's 2023 Annual Report.

The Audit Committee held four meetings in 2024. The Internal Audit unit produced 4 reports during the year and where appropriate, I have taken account of the findings in these reports in the course of my audit.

14.5 Ethics Declarations

Part 15 of the Local Government Act, 2001 (as amended) imposes obligations on all Council 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 a very high level of compliance from those required to make returns.

However, while all Elected Members and all of the relevant staff have made a declaration, a small number (four) 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.

Acknowledgement

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

David Caulfield

David Caulfield

17 October 2025

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Department of Housing, Local Government and Heritage

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