

## VOTE 25. – ENVIRONMENT AND LOCAL GOVERNMENT

### 24. Review of Local Government Audit Reports

The Local Government Audit (LGA) service is responsible for the audit of the accounts of all Local Authorities. The LGA reports are submitted to the Department of the Environment and Local Government and to the Local Authorities and form part of the controls exercised by the Department in ensuring that procedures for the spending of public moneys are satisfactory. In 1999, Local Authorities received £577m from the Vote and an additional £593m from the Local Government Fund<sup>17</sup>. Copies of the audit reports are made available to me in my capacity as auditor of the Department. All LGA Reports for the main Local Authorities for 1997 and 1998 with the exception of those for Wicklow County Council have been furnished to me.

In my previous Reports I have provided information relating to some of the matters on which the LGAs have critically commented in their reports on the audit of Local Authorities. I noted the following in my review of the 1998 reports:

- In contrast to previous years, there were only a few instances where the LGAs had found evidence that excess expenditure had been approved by the Local Authorities after it had been occurred.
- there was less criticism than in previous years regarding unsatisfactory collection yields on Local Authority service charges and housing rents and annuities.
- the work of the internal auditors in Local Authorities is in some cases hindered by lack of resources or delayed appointments.
- The situation with regard to deficits on Capital Account, referred to in earlier reports, continued into 1998 with many Local Authorities reporting specifically very large unfunded debit balances and other balances where it was unclear as to whether the deficits would be funded. Most capital projects are funded by the Department. The LGAs do not always indicate in their reports the precise breakdown between funded and unfunded balances, so the true extent of the unfunded amount is not always clear.
- As is the case with other auditors of public bodies falling within the scope of the Prompt Payments Act, 1997, LGAs are required to report their opinion on whether Local Authorities have complied with the terms of the Act. Of the 38 prompt payments reports examined, 7 had been qualified by the LGAs while critical comments had been made in 7 others.

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<sup>17</sup> *The fund is established under the Local Government Act, 1998. It is funded by motor vehicle duties collected by local authorities and by an annual grant from the Vote. Payments are made from the Fund in respect of expenses incurred or to be incurred by local authorities in performing their functions.*