

Clare County Council Reduces Revenue Account Deficit By EUR2.5M

Local Government Audit Service welcomes continuing reduction in 2005-06 report

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Clare County Council recorded a EUR2.5m reduction in its revenue account deficit during 2006, according to new figures published by the Local Government Audit Service.

A Statutory Audit Report on the accounts of Clare County Council for the two years ended 31st December 2006 indicates that the local authority continued the positive financial result of previous years in reducing its revenue deficit.

Details will be presented to elected representatives at the April Monthly Meeting of Clare County Council in Àras Contae an Chláir on Monday next, 14th April 2008.

The Audit Report for 2005 and 2006 shows that there was an increase in both expenditure and income in work in progress of EUR98.8m and EUR90.3m respectively. The increases were due mainly to the significant capital projects ongoing during the period.

The main areas of capital expenditure included EUR69.313m expended on the Ennis Bypass, EUR17.266m on the Cliffs of Moher project, EUR14.498m on various housing projects, EUR6.518m on new and take over of various group water schemes, EUR4.962m on the Ennis/Clarecastle Sewerage Scheme and EUR2.4m on the Ennis Water Supply Augmentation Scheme.

Commenting on the Audit Report, Mr. Alec Fleming, Clare County Manager, stated, 'This positive outturn resulted primarily from positive outturns in income sources. This buoyancy on income sources was unsustainable, however, meaning that the Council had to adopt tighter financial controls over its day-to-day operations. Such a move has helped us continue the trend in reducing the revenue deficit.'

Mr. Fleming confirmed that the introduction of tighter financial controls had contributed to the overall improved management of Council resources.

He continued, 'In 2006, the Council lodged a formal complaint to An Garda Síochána relating to a financial irregularity at the Cliffs of Moher public car park, which had for a number of years been managed by Shannon Heritage on an agency basis for the local authority. We have recently been in contact with the Gardaí and understand that the DPP has given a direction that a prosecution be initiated in the District Court.'

Mr Fleming added the Council's adoption of tighter financial controls over its day-to-day operations had also helped it identify overpayments of EUR518k on an employee allowance between 2001 and January 2007.

The overpayments, which arose due to an administrative error in the initial calculation of the sum payable in 2001, were first identified following a review of payroll payments by Council staff. On identification of the error, Clare County Council took action to immediately address the overpayment and adjust the allowance payable to the correct amount. The correct allowance was put into effect

from February 2007.

Mr. Fleming explained that the error was identified as part of the Council's newly developed internal review systems.

'The sum arose over a long period and affected 130 employees where individually the amounts were relatively small. In discussion with the unions concerned, Senior Management agreed that the overpayments would not be recovered from the employees concerned', stated the County Manager.

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