



# Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

## Report for presentation to the Houses of the Oireachtas

### Local Loans Fund

#### Opinion on the account

I have audited the account of the Local Loans Fund prepared by the Department of Finance for the year ended 31 December 2020 under section 8 of the Local Loans Fund Act 1935. The account comprises the capital account, the income account, the statement of balances and the related notes.

In my opinion, the account properly presents

- the payments into and out of the Local Loans Fund for the year ended 31 December 2020, and
- the balances at 31 December 2020.

#### *Basis of opinion*

I conducted my audit of the account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Department of Finance and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Report on other matters

My responsibilities to report on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Georgina O Mahony**  
For and on behalf of the  
Comptroller and Auditor General

23 November 2021

## Appendix to the report

### Responsibilities of the Department of Finance

The Department is responsible for

- the preparation of the account in the form prescribed under section 8 of the Local Loans Fund Act 1935
- ensuring the account properly presents the transactions and balances of the Local Loans Fund
- ensuring the regularity of transactions, and
- such internal control as it determines is necessary to enable the preparation of an account that is free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 8 of the of the Local Loans Fund Act 1935 to audit the account of the Local Loans Fund and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the account as a whole is free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

I communicate with the Department regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

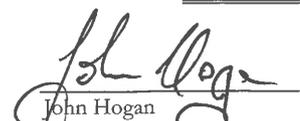
I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the account to be readily and properly audited, or
- the account is not in agreement with the accounting records.

### LOCAL LOANS FUND 2020

Accounts of Receipts and Payments in the year ended 31 December 2020 in respect of capital and income of the Local Loans Fund established in pursuance of Section 3 of the Local Loans Fund Act, 1935 (No. 16 of 1935).

	Note	2020 €		2019 €
<b>CAPITAL ACCOUNT</b>				
Balance at 1 January		-		6,588
Transfer from Income Account	1	-		2,811
		-		9,399
 RECEIPTS:				
Principal on loans repaid to Office of Public Works		1,329		50,416
			1,329	59,815
<i>Less</i>				
 PAYMENTS:				
Repayment of Central Fund advances		1,329		59,815
			1,329	59,815
<b>Balance at 31 December</b>		<b>-</b>		<b>-</b>
 <b>INCOME ACCOUNT</b>				
Balance at 1 January		-		4,612
Transfer to Capital Account	1	-		(2,811)
		-		1,801
 RECEIPTS:				
Interest on loans paid to Office of Public Works		16		3,043
			16	4,844
<i>Less</i>				
 PAYMENTS:				
Interest on Central Fund Advances		16		4,844
			16	4,844
<b>Balance at 31 December</b>		<b>-</b>		<b>-</b>
 <b>STATEMENT OF BALANCES AT 31 DECEMBER</b>				
Due to the Central Fund		-		1,329
Income Account		-		-
		-		1,329
Loans outstanding from Office of Public Works		-		1,329
Cash with Paymaster General		-		-
		-		1,329

  
 John Hogan  
 Secretary General  
 Department of Finance  
 18 November 2021

## LOCAL LOANS FUND 2020

### Introduction

The Local Loans Fund, which was established by the Minister for Finance under Section 3 (1) of the Local Loans Fund Act, 1935, is the source from which loans from public moneys are made available to Local Authorities. The Act provided for the establishment, maintenance, financing and management of the Fund.

The Act provides for advances from the Central Fund and their repayment. The final repayments of Central Fund advances were made in 2020. There have been no advances since 2000.

### Accounting Policy

- (i) The Accounts are prepared on a receipts and payments basis.
- (ii) Under Section 8(2) of the Act, the Accounts must distinguish between the capital and income of the Fund.

### Audit of the Accounts

The Accounts are audited by the Comptroller and Auditor General and, following audit, are laid, together with the report of the Comptroller and Auditor General, before each House of the Oireachtas.

The audit fee for the 2020 account of €3,200 (2019 €3,200) is to be paid from the Vote of the Office of the Minister for Finance.

### Notes to the Account

1. In 2019, €2,811 was transferred from the Income Account to the Capital Account in respect of interest on Central Fund advances paid to the Central Fund which was incorrectly classified as capital repayments of Central Fund Advances in prior years. The effect of the incorrect classifications was that the balance due to the Central Fund at 31 December 2018 was understated by €2,811.

2. All loans advanced from the Local Loans Fund have been fully repaid or written off as of 31 December 2020. The Fund is no longer in operation, and it will be kept under review in terms of whether legislation will be brought forward to close the fund.