

# **National Oversight and Audit Commission**

## **Local Authority Rates Collection 2013-2014**

NOAC (the National Oversight and Audit Commission) was established in July 2014 under the Local Government Reform Act to provide independent oversight of the local government sector. The statutory functions assigned to NOAC include the scrutiny of performance in respect of the financial resources available to local authorities. The information contained in this NOAC report has been provided by the local authorities concerned or obtained from reports produced by the Local Government Audit Service (LGAS) and figures from sources other than the LGAS have not the subject of an independent validation process.

## Local Authority Rates Collection Performance 2013 - 2014

Rates income is an important source of local authority revenue with the amount collected in 2013 representing 28% of that year's total income and the 2014 yield representing 32% of income in the revenue accounts. As part of its function to scrutinise the financial performance of local government bodies, NOAC decided in 2014 that it should undertake a review of rates collection performance by local authorities given the significance of the income source and the prominence given to this item in the reports of the Local Government Audit Service on their audits of the 2013 Annual Financial Statements of the local authorities.

NOAC has also carried out a review of those local authorities that had significant cumulative revenue deficits at end 2013 or were the subject of a qualified audit opinion that year and of the timeliness of production of the Annual Financial Statements. These matters are the subject of a separate NOAC report on *Financial Performance of Local Authorities 2013-2015: Deficits, Audit Opinion and Financial Statements*.

2013 rates collection data for all local authorities is at Appendix A. Based on its review of performance in this area, NOAC noted that in the case of a number of local authorities considerable arrears had developed and in some authorities the amount collected in 2013 fell well short of the annual rates levy. While recognising the economic situation that pertained from 2008 onwards, NOAC considered it important to review this aspect of the collection performance of the local authorities concerned and seek the views of those authorities on the factors that impacted on performance. In particular, it sought information on the underlying reasons for the 2013 collection performance and, following the dissolution and merger of some local authorities, it reviewed the position for 2014.

The focus of NOAC's review was on

- the seven authorities in which the amount collected represented the lowest proportion of the total amount (inclusive of arrears) due in 2013 (high arrears) and
- the seven authorities in which the amount collected fell considerably short of their 2013 rates levy (weak collection).

Three authorities (Sligo, Galway County and Limerick City) featured in both categories. Table 1 sets out the authorities in each category and the 2013 rates collection percentages.

**Table 1**

| <b>Rates Collection 2013</b>     |     |                                     |     |
|----------------------------------|-----|-------------------------------------|-----|
| <i>High Arrears</i> <sup>a</sup> |     | <i>Weak Collection</i> <sup>b</sup> |     |
| Louth Co. Cl.                    | 56% | Laois Co. Cl.                       | 72% |
| Donegal Co. Cl.                  | 58% | Kildare Co. Cl.                     | 76% |
| Galway City Cl.                  | 62% | Mayo Co. Cl.                        | 76% |
| Leitrim Co. Cl.                  | 65% | Roscommon Co. Cl.                   | 76% |
| Sligo Co. Cl.                    | 59% | Sligo Co. Cl.                       | 75% |
| Galway Co. Cl.                   | 65% | Galway Co. Cl.                      | 76% |
| Limerick City Cl.                | 53% | Limerick City Cl.                   | 78% |

<sup>a</sup> The percentages relate the amount collected in 2013 to the total amount for collection in that year.

<sup>b</sup> The percentages relate the amount collected in 2013 to the rates levied in that year.

The information in Table 1 demonstrates that

- the seven local authorities with the highest arrears (after taking account of write-offs) had arrears that were the equivalent of between 35% and 47% of the cumulative amount due by end 2013 and
- in the seven authorities with the weakest collection performance, cash equivalent to around three-quarters of the 2013 rates levied was collected in that year.

In response to NOAC's queries on the factors that gave rise to this collection performance, the local authorities, in general, attributed the collection performance to external environmental factors with the factor consistently cited as the cause of the poor outturn in 2013 being the economic recession, which resulted in higher vacancy levels and debtors going into liquidation.

### **Comparison of 2013 Collection Performance with 2014 Performance**

In the case of six of the reviewed local authorities (Louth, Donegal, Kildare, Mayo, Sligo and Galway County), following on from the abolition in 2014 of the Town and Borough Councils within their counties, their financial statements for 2014 and subsequent years are adjusted to incorporate the figures relating to those dissolved authorities. Similarly, following the merger of Limerick City and County Councils, the 2014 figure reflects their combined outturn.

In order to make meaningful comparisons, a restated amalgamated performance for 2013 was calculated for the seven authorities that were the subject of incorporation or merger.

In the cases of all of the seven local authorities impacted by the abolitions/merger, the abolished Councils brought substantial rate collection arrears with them, resulting in a worsening of the start year arrears amount by 361% for Louth, 148% for Sligo, 85% for Mayo, 43% for Donegal, 27% for Kildare and Limerick and a more modest 6% for Galway County.

Table 2 compares the 2014 collection performance with the restated 2013 outturns for those authorities who were designated as ‘High Arrears’ cases in Table 1.

**Table 2**  
**Comparison of 2013 and 2014 Collection Performance – High Arrears Cases**

| <b>Local Authority</b>         | <b>2013 % of Total Due Collected</b> | <b>2014 % of Total Due Collected</b> | <b>Difference</b> |
|--------------------------------|--------------------------------------|--------------------------------------|-------------------|
| Louth County Council           | 51                                   | 56                                   | 5%                |
| Donegal County Council         | 57                                   | 56                                   | (1%)              |
| Galway City Council            | 62                                   | 66                                   | 4%                |
| Leitrim County Council         | 65                                   | 60                                   | (5%)              |
| Sligo County Council           | 59                                   | 67                                   | 8%                |
| Galway County Council          | 65                                   | 67                                   | 2%                |
| Limerick City & County Council | 65                                   | 65                                   | 0%                |

Note: Collection performance in this Table is the amount collected in the year expressed as a percentage of the total of the amount levied that year together with the arrears at the start of the year and less any bad debts written off that year.

Table 2 indicates that

- The seven authorities had arrears (after taking account of write-offs) that were the equivalent of between 35% and 49% of the cumulative amount due by end 2013.
- The same authorities had between 33% and 44% of cumulative debt outstanding at end 2014.

Care is necessary in interpreting these reported year-on-year reductions since the percentage of debt outstanding at year end can be influenced by the timing and amount of write-offs as well as by changes in collection performance.

While, in general, the movement in arrears outstanding broadly aligned with changes in collection patterns, there was a significant misalignment in two cases – Louth and Donegal. In the case of Louth, increases in write-offs account for the apparent improvement as measured based on the total due for collection (after write-offs) as set out in Table 2. In fact, cash collection as a proportion of the annual levy reduced by 4% between the two years. Similarly, per Table 2 Donegal’s arrears level increased by only 1%, although the cash collected as a proportion of the annual rates levy slipped by 5%.<sup>1</sup>

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<sup>1</sup> See also Table 4 which compares write-offs in 2013 and 2014.

Table 3 sets out a comparison of collection performance for 2013 and 2014 for those authorities that were designated as having weak collection performance in Table 1.

**Table 3**  
**Comparison of 2013 and 2014 Collection Performance – Weak Collection Cases**

| <b>Local Authority</b>         | <b>2013 % of Current Year Levy Collected</b> | <b>2014 % of Current Year Levy Collected</b> | <b>Difference</b> |
|--------------------------------|--|--|-------------------|
| Laois County Council           | 72   | 72   | 0%                |
| Kildare County Council         | 76   | 77   | 1%                |
| Mayo County Council            | 76   | 75   | (1%)              |
| Roscommon County Council       | 76   | 79   | 3%                |
| Sligo County Council           | 75   | 76   | 1%                |
| Galway County Council          | 75   | 81   | 6%                |
| Limerick City & County Council | 81   | 86   | 5%                |

Note: Collection performance in this Table is the amount collected in the year expressed as a percentage of the amount of rates levied that year.

When 2013 outturns are restated as appropriate, 3 authorities (Laois, Kildare and Mayo County Councils) showed broadly comparable collection performance in both years. However, the cash collected as a percentage of the annual rates levy increased in Roscommon and Sligo and grew substantially (by more than 5%) in Galway County Council and in Limerick City and County Council.

Notwithstanding the improvements in collection rates in some cases this group of authorities continued to fall well short of collecting the equivalent of their annual rates levy. The impact of the recession was generally cited as the cause of similar poor performance in 2014. However, in cases where performance improved, this was attributed to changes in debt collection arrangements.

#### **NOAC Queries on Collection Systems**

In view of the risk that poor performance could persist even as the economy improves, NOAC sought information from the Chief Executives on the measures taken or proposed to improve collection performance. It also reviewed the national coordinating measures being adopted.

## Local Collection Improvement Measures

The key collection improvement measures reported by local authorities were:

**Louth:** Targets have been set for 2015 collection. The authority is working with the Programme Management Office (PMO) Debt Management Project<sup>2</sup> to ensure that best practice procedures are introduced. Outsourcing of debt collection is under consideration and staff are being trained or up-skilled. There is regular reporting on debt collection to senior management.

**Donegal:** The multiplier (the Annual Rate on Valuation) was decreased in 2010, 2011 and 2014 to improve affordability. An informal Temporary Apportionment Measure (deducting unused floor space) subject to payment performance on account has been introduced as well as a Small Business Grant Scheme in 2015. The authority is working with the PMO Debt Management Project to identify and apply best practice methods. It is aiming to issue Rates demands in January 2016 rather than February and in 2015 it introduced a new Debt Management System to manage customer contacts and streamline processes.

**Galway City:** Participated in the PMO Debt Management Project workshops in order to share best practice and has volunteered to participate as a pilot in a debt management improvement process.

**Leitrim:** Transfer of staff to Rates Collection Section. Problematic cases will be referred earlier to a third party debt collector. A new Debt Collection System has been installed and a commitment was made to the Debt Management Project to reduce arrears by 12.5% by end 2015.

**Laois:** A new Debt Management System/Credit Control policy has been implemented. The use of an external debt collection agency has been agreed on a pilot basis for the collection of a number of the debts.

**Kildare:** Revenue collectors meet regularly, flexible payment options are offered to customers and new IT systems have been introduced. The Council is working with the Debt Management Project with collection targets set for 2015. New initiatives are being considered such as an SMS reminder service.

**Mayo:** The Council are in the process of implementing a new Debt Management IT system and all rates collection processes are under review with a view to achieving an increase in their collection performance in line with their target.

**Roscommon:** The Council is involved in the PMO Debt Management Project which has led to a Debt Management/Credit Control policy being adopted, agreement to reduce arrears by 10% in 2015 and staff attendance at regional workshops to adopt best practice.

**Sligo:** The Council has reverted from a desk based collection system in 2014 to that of revenue collection overseen by a specific income collection team. The team is working towards the 12.5% arrears reduction target set by the Debt Management Project for 2015. Customers are encouraged to enter payment plans and procedures up to and including Stubbs Gazette and legal proceedings are in place to follow up agreements to ensure collection. Write-offs involving amounts greater than

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<sup>2</sup> The role of the Debt Management Project is explained in the section that follows on national measures to address collection performance.

€10,000 have to be approved by the Chief Executive. It has put a Debt Management/Credit Control policy in place.

**Galway County:** Staff resources have been increased, no vacancies are being carried and additional training is being provided. There is a newly implemented Debt Management System and a debt management/credit control policy has been agreed by Senior Management. The Council will be implementing any best practice that emerges from the Debt Management Project also.

**Limerick:** The Council has set up a key performance indicator for its main commercial debtors, engaged an external debt collection agency, introduced a new debt management policy, makes greater use of direct debits, set individual targets for collection officers and has provided for additional staff training and reporting to management. It is involved with the Debt Management Project and regional workshop and holds regular meetings with legal representatives of debtors.

### **National Measures to Address Collection**

In 2013 the Public Sector Reform Oversight Group in the LGMA considered a Peer Reviewed Business Case for Debt Collection and recommended that the option to improve on the current system and identify best practices and develop a national debt collection policy for the sector be pursued.

In 2014 the Department of Public Expenditure and Reform (D/PER) published a Debt Management Review by Bearing Point that contained a number of recommendations in relation to debt management and collection within the public sector. Following the development of a national debt management programme by D/PER, the County and City Management Association established the Debt Management Project in 2015 and its terms of reference were (taking account of the findings of the Business Case) to:

- collect and analyse 2014 baseline data in relation to commercial rates,
- review existing local authority policies and procedure with a view to developing common debt management standards for the sector,
- focus specifically on bad debt write-off and provision with a view to developing best practice sectoral standards for these areas,
- develop best practice standards for the treatment of rates on vacant properties,
- agree consistent debt management process improvement in all local authorities,
- make recommendations in relation to legislative collection powers for rates,
- review the merit of rate collection incentive schemes,
- develop appropriate performance indicators for local authority revenue collection,
- identify critical training requirements and develop and implement a debt management training programme, and
- make recommendations in relation to the optimum approach to local authority debt management.



Members of the Debt Management Project team made a presentation to NOAC about its work in March 2015. The main objective of the Project is to streamline debt management policies, including bad debt write-off and recovery, across the local government sector. The Project is focussing initially on rates collection as commercial rates account for a third of local authority income. Issues identified in relation to rates are

- the limited collection powers
- no ability to charge interest and penalties
- the lack of an equivalent to the tax clearance certificate system
- frequent changes of company identity
- the high volume of small ratepayers with 25% paying less than €5,000,
- no priority in accessing the courts and
- when a court order is obtained, there are usually no goods to seize.

The Debt Management Project expects the fruits of its work to come through in 2016 with an improvement in collection performance. Incentives for payers and disincentives for non-payers, which had been looked at by the Local Government Efficiency Review<sup>3</sup>, are being included in the Project as part of potential changes requiring legislation.

Initial debt management surveys were completed by local authorities in April 2015 and six regional debt management workshops facilitated by the Institute of Public Administration and attended by over 90 Heads of Finance and debt management practitioners took place in April and May 2015. Targets for improvement of rates collection were set for each local authority to give an improved overall collection performance of 2-2.5% and a reduction in year-end arrears nationally by about €46m in 2015. Indications are that the overall collection performance improved by 3% in 2015 with a reduction in arrears of €56m.

A Debt Management Policy Template was issued to local authorities in June 2015 and a Procedures Guidance Manual is nearing completion. Six working groups were established with representatives from 16 local authorities to progress work on procedures, write-offs, training, data collection, IT systems and legislative requirements. Louth and Donegal County Councils were identified for a Pilot Process Improvement focus and a year-on-year analysis was made of their collection figures in October 2015.

All 31 local authorities have revised their debt management and credit control policies. A debt management training course is to commence in the second quarter of 2016 consisting of a mixture of workshops, seminars and courses with professional qualifications. The Project is looking at the possibility of providing local authorities with Revenue Sheriff type collection powers and also seeking

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<sup>3</sup> The Local Government Efficiency Review Group (LGER) was established in late 2009 to carry out an independent review of the cost base of, expenditure by, and numbers employed in, local authorities. The Review Group, which presented its report to the then Minister for the Environment, Heritage and Local Government in July 2010, made 106 recommendations and identified a range of efficiency savings and other revenue options for the local government sector. NOAC has published on its website a report on the current position with regard to the delivery of those recommendations.

that the tax clearance system operated by Revenue be modified to certify that rates liabilities, in addition to tax and customs affairs, are in order.

### NOAC Queries on Write-offs

The level of cumulative arrears - which is the measure used generally for accounting purposes in the sector - is influenced heavily by the level of write-offs in a particular year. Accordingly, NOAC sought to establish the pattern of write-offs in 2013 and 2014 and establish the procedures used by local authorities when assessing the collectability of debts.

### Write-offs by Local Authorities

The write-off levels expressed as a percentage of the amount of rates levied that year are as set out in Table 4.

**Table 4**  
**Comparison of Write-offs 2013 and 2014**

| <b>Local Authority</b>         | <b>*Restated Write-Off % 2013</b> | <b>Write-off % 2014</b> |
|--------------------------------|-----------------------------------|-------------------------|
| Louth County Council           | 11.93                             | 45.19                   |
| Donegal County Council         | 14.60                             | 25.45                   |
| Galway City Council            | 15.69                             | 19.69                   |
| Leitrim County Council         | 13.05                             | 12.56                   |
| Laois County Council           | 23.09                             | 26.79                   |
| Kildare County Council         | 24.27                             | 27.20                   |
| Mayo County Council            | 23.01                             | 22.07                   |
| Roscommon County Council       | 21.96                             | 24.46                   |
| Sligo County Council           | 20.14                             | 38.92                   |
| Galway County Council          | 17.98                             | 21.07                   |
| Limerick City & County Council | 17.09                             | 14.87                   |

\* The write-off percentages for Louth, Donegal, Kildare, Mayo, Sligo, Limerick and Galway County are adjusted to include the write-off amounts relating to the abolished and merged authorities.

In eight of the eleven authorities the write-off levels in 2014 were higher than in 2013 (when restated in the case of the abolished/merged authorities), with significant increases in Louth, Donegal and Sligo County Councils. The 2014 level of write-off in Louth was €15m whereas less than €4m was written off by the County, Drogheda Borough and Dundalk Town Councils combined in 2013 – the substantial increase in the level of write-off may be related to the modified audit opinion for 2013 (discussed in the NOAC report, *Financial Performance of Local Authorities 2013-2015*:

*Deficits, Audit Opinion and Financial Statements*) which, inter alia, referred to a 17.5% provision for rates-related bad debts in 2013 as inadequate.

NOAC sought information on the approach used by authorities to review and write-off unpaid rates. In general, a review of bad and doubtful debt is carried out as an annual exercise in January. Some local authorities write off the entire customer balance, others the oldest debt first and others write off a mixture of either all debt or partial debt based on a particular year's trading losses. In most cases, payments received are allocated against the oldest debt first except for Kildare County Council, who allocate against the balance and Sligo County Council who allocate against the year of receipt in the first instance. The write-off figures for 2014 include amounts that are in the nature of exemptions as well as bad debts.

The main bases for write-offs cited by local authorities were vacant properties, liquidation/receiverships, exemptions (e.g. charities) and seasonal businesses. In some cases, de-rating by the Valuation Office, domestic use, dereliction, partial usage, bad debt and amounts deemed uncollectable and council property also featured.

The processes for ensuring that write-offs are appropriate are broadly consistent across authorities, in that proof must be provided - e.g. a letter from the liquidator/receiver in the case of a write-off for liquidation/receivership/examinership or a letter from an auctioneer in the case of a write-off for vacancy. In most cases the Head of Finance signs off on requests for a write-off but in some cases it is the Chief Executive.

A summary of the comments of authorities on the associated procedures is set out below:

**Louth:** Bad debt cases are reviewed individually and only written off when all the steps of the debt collection process have been exhausted and either the Court Sheriff has confirmed that there are no goods to seize or the liquidator has provided the final settlement of the business's account. Bad debt relates to the entire customer balance and not just older arrears. If dealing with vacancies, write-offs only apply to periods for which the local authority has proof of entitlement for a rates rebate.

**Donegal:** Customer accounts are reviewed individually at year end and rates owed are written off only when deemed uncollectable. Write-off applies only to appropriate arrears, e.g. if a property, vacant in 2015, was occupied prior to this, only the rates for the year 2015 would be written off. If the occupier has ceased trading and its whereabouts are unknown, the entire balance would be considered for write-off.

**Galway City:** All cases are reviewed and debt is written off only where all avenues to secure payment have been exhausted and the entirety of the debt is written off.

**Leitrim:** All cases are reviewed individually and arrears are written off on a case by case basis. Only arrears that the LA can afford to write off in any particular year are written off. (€650,000 written off annually relates to vacant properties mainly on a first come first served basis, with surplus signed and witnessed vacancy application forms carried over to the next year.)

**Laois:** All potential bad debt cases are reviewed in determining the level of write-off. Various factors will determine the amount written off. Partial write-offs may be applied if a rate payer is showing losses in a particular year, has a nil tax assessment or if the property is vacant for specific periods.

**Kildare:** All outstanding rates accounts are reviewed. Write-offs are based on whether arrears are collectable/recoverable. Factors are age/vacancy/exempt/insolvency.

**Mayo:** Each case is reviewed on an individual basis. The amount written off varies from case to case. Where the full amount is written off, it is done in one go or else a payment plan is agreed whereby a portion may be written off. Payments are allocated against the oldest debts first.

**Roscommon:** An annual review of bad and doubtful debts is undertaken by the Head of Finance in January. Exemptions and vacant properties are included on an on-going basis within the write off figure for the year in question once the circumstances are verified. It is policy to write off arrears in the year the Council becomes aware of a business closure so that arrears do not accumulate.

**Sligo:** All bad debt cases are thoroughly reviewed with Rates Collectors. Where possible, arrears are written off in one go. In 2014 older arrears were written off first.

**Galway County:** Each Revenue Collector reviews their customer list and makes recommendations for strike off and the decision regarding the amount will depend on each individual case. In all instances the oldest debt will be struck off first. Vacant or exempt properties account for about 95% of write-off amounts, with the remainder pertaining to confirmation from a liquidator/receiver that there are no funds available.

**Limerick:** 50% write-off for vacant property is not applied until the other 50% has been paid.

Arrears owing at end 2014 that related to previous years amounted to 68% of the total in Donegal, 52% in Galway City, 51% in Leitrim, 44% in Laois and Kildare, 47% in Mayo, 40% in Sligo, 46% in Galway County and 57% in Limerick (at November 2015), with Louth and Roscommon unable to provide this information.

Apart from Roscommon County Council, rates are charged on local authority properties. They are paid by Louth, Donegal, Galway City, Laois, Mayo, Sligo and Limerick Councils and written off by Leitrim and Kildare County Councils. Galway County Council reduces the net effective valuation to take account of local authority property so the income is not reported and a strike off is not required in respect of the levied amount.

A modified audit opinion was issued to Louth County Council due to the inadequacy of its bad debt provisions, including in relation to rates, in 2013. Based on replies to NOAC queries, there remains some doubt about the collectability of their recorded net arrears (after taking account of bad debt provision) in some local authorities. For instance

- Leitrim County Council stated that a further €1.57m may be uncollectable
- Galway County Council considered that 90% of its net arrears is fully collectable
- Kildare County Council cannot be fully confident of collecting the full amount outstanding.

### **Accounting Adjustments 2015**

On foot of a request by the Debt Management Project, the 2015 Annual Financial Statements figures in respect of Rates will contain a new column showing vacant property adjustment strike offs

processed during the year as a separate category from the rates write-off figure for the first time. These strike offs relate to properties where no commercial activities took place for all or part of the year and that satisfied the vacancy criteria so as not to have a rates liability for some or all of the year.

The write-offs column is primarily intended to include amounts written off due to occupier insolvency, receivership or examinership, inability to discharge its debts and the receiver has indicated that a dividend is unlikely to be paid, inability to locate the ratepayer or confirmation by the Sheriff that the occupier is no longer trading and that there are no goods to seize. A separate column for waivers is intended to include rates waiver schemes under section 2(1) of the Local Government (Rates) Act 1970 (of which none has been consented to by the Minister for the Environment, Community and Local Government) and other relevant debtor types.

A further new column has been added to cater for specific doubtful arrears including accounts in examinership/receivership/liquidation where no communication has been received regarding a likely dividend thus not yet warranting write-off and cases of vacancy applications pending and not yet decided at year end. The percentage of rates collected in 2015 shown in the Annual Financial Statement will be calculated differently from previous years in that the proportion collected will be based on the percentage of a total for collection amount that has been reduced by any specific doubtful arrears. Indications are that the effect of this change will be to increase the overall collection percentage for 2015 by two per cent more than the previous format.

## **Conclusions**

While there is evidence of some improvement of performance in a number of the local authorities, the 11 authorities examined had poor collection performance and face a challenge in incrementally improving collection levels.

The 7 authorities with the weakest collection performance fell well short of generating a full year's income, with all cash collected (including that related to opening arrears) constituting around three-quarters of the 2013 rates levy.

While continuing to fall well short of generating cash equivalent to the annual rates levy, some counties began to show improvement in cash collection in 2014. These improvements were ascribed by the authorities to changes in debt collection arrangements.

In regard to debt collection arrangements, local authorities are taking a range of measures to improve performance in conjunction with the Debt Management Project and the indications of a €56m reduction in arrears at end 2015 are encouraging. It is important that compliance with the continuing targets set as part of this process is monitored closely.

The development of best practice standards for the areas of bad and doubtful debt provision and write-off is a very important aspect of the Project's terms of reference and work.

There is considerable scope to share experiences and identify transferable good practice given the wide variety of measures being implemented or piloted.

To promote consistency, NOAC recommends that local authorities:

- consider the timeliness of write-offs given the scale of the variations in practice that were noted,
- ensure that all uncollectable debt is provided for in the financial statements,
- ensure that rates on local authority owned property are treated similarly across authorities,
- provide for consistent allocation of receipts against outstanding debt, and
- provide for a capability to age the debt outstanding in all cases.

A review of the responses by Chief Executives to the above recommendations should be included in the next Annual Work Programmes of the Audit Committees of local authorities.

NOAC considers that the Debt Management Project can play a crucial role in bringing a measure of coordination and review to performance improvement efforts. NOAC will review periodic reports planned by the Public Sector Reform Oversight Group on progress towards the achievement of the targets set by the Project and on the impact and outcomes of the implementation of the measures it has identified to improve collection performance and harmonise administrative arrangements across local authorities.

Over the forthcoming reporting cycles, NOAC will monitor the extent to which these measures and those of individual authorities are contributing towards the achievement of improved collection performance.

## Appendix A

### 2013 Annual Financial Statements - Rates Collection

| Local Authority | Arrears @ 1/1/2013 | Accrued     | Write Off  | Waivers   | Total for Collection | Collected   | Arrears @ 31/12/2013 | Collected as % of Total | Collected as % of Accrued |
|-----------------|--------------------|-------------|------------|-----------|----------------------|-------------|----------------------|-------------------------|---------------------------|
| Carlow          | 2,285,542          | 5,703,956   | 185,030    | -         | 7,804,468            | 5,662,045   | 2,142,423            | 73%                     | 99%                       |
| Cavan           | 3,611,492          | 11,161,294  | 1,350,126  | -         | 13,422,660           | 9,547,936   | 3,874,724            | 71%                     | 86%                       |
| Clare           | 9,814,906          | 36,245,152  | 1,340,856  | -         | 44,718,702           | 35,781,114  | 8,937,588            | 80%                     | 99%                       |
| Cork Co.        | 26,383,089         | 113,468,590 | 13,674,551 | -         | 126,177,128          | 101,444,286 | 24,732,842           | 80%                     | 89%                       |
| Cork City       | 18,558,716         | 65,214,509  | 5,147,867  | -         | 78,625,358           | 56,979,228  | 21,646,130           | 72%                     | 87%                       |
| Donegal         | 10,146,835         | 21,306,610  | 2,536,979  | -         | 28,916,466           | 16,828,925  | 12,087,541           | 58%                     | 79%                       |
| Dublin City     | 76,298,631         | 341,150,111 | 37,789,463 | -         | 379,659,279          | 305,666,299 | 73,993,050           | 81%                     | 90%                       |
| DLRCC           | 24,997,531         | 83,345,888  | 7,777,926  | -         | 100,565,492          | 78,121,345  | 22,444,147           | 78%                     | 94%                       |
| Fingal          | 22,532,759         | 119,258,645 | 12,024,553 | -         | 129,766,851          | 117,054,598 | 12,712,253           | 90%                     | 98%                       |
| Galway Co.      | 8,336,795          | 23,905,615  | 4,084,539  | -         | 28,157,871           | 18,183,451  | 9,974,420            | 65%                     | 76%                       |
| Galway City     | 17,121,329         | 34,820,670  | 5,464,322  | -         | 46,477,678           | 28,751,323  | 17,726,354           | 62%                     | 83%                       |
| Kerry           | 3,935,068          | 21,729,400  | 3,479,574  | -         | 22,184,894           | 18,329,177  | 3,855,717            | 83%                     | 84%                       |
| Kildare         | 12,626,660         | 47,194,065  | 11,952,277 | -         | 47,868,448           | 35,934,498  | 11,933,950           | 75%                     | 76%                       |
| Kilkenny        | 1,736,776          | 12,058,348  | 2,284,949  | -         | 11,510,175           | 10,293,860  | 1,216,315            | 89%                     | 85%                       |
| Laois           | 3,185,016          | 12,273,101  | 2,833,495  | -         | 12,624,622           | 8,829,032   | 3,795,590            | 70%                     | 72%                       |
| Leitrim         | 1,997,904          | 4,982,914   | 650,451    | -         | 6,330,367            | 4,141,356   | 2,189,011            | 65%                     | 83%                       |
| Limerick Co.    | 5,174,029          | 29,070,113  | 4,522,655  | 92,137    | 29,629,350           | 24,229,527  | 5,399,823            | 82%                     | 83%                       |
| Limerick City   | 19,142,496         | 29,020,604  | 5,406,834  | -         | 42,756,266           | 22,650,976  | 20,105,290           | 53%                     | 78%                       |
| Longford        | 852,888            | 4,696,445   | 802,640    | -         | 4,746,693            | 3,817,962   | 928,731              | 80%                     | 81%                       |
| Louth           | 5,042,202          | 8,036,634   | 1,384,017  | -         | 11,694,819           | 6,589,934   | 5,104,884            | 56%                     | 82%                       |
| Mayo            | 2,724,384          | 14,699,264  | 3,202,946  | -         | 14,220,702           | 11,134,966  | 3,085,736            | 78%                     | 76%                       |
| Meath           | 5,610,883          | 25,346,531  | 4,544,500  | -         | 26,412,914           | 21,535,803  | 4,877,111            | 82%                     | 85%                       |
| Monaghan        | 2,290,962          | 6,597,586   | 1,363,327  | -         | 7,525,221            | 5,188,572   | 2,336,649            | 69%                     | 79%                       |
| North Tipp      | 1,815,829          | 6,853,951   | 633,248    | -         | 8,036,532            | 6,088,049   | 1,948,483            | 76%                     | 89%                       |
| South Tipp      | 1,393,197          | 8,604,888   | 946,441    | -         | 9,051,644            | 7,401,621   | 1,650,023            | 82%                     | 86%                       |
| Offaly          | 584,258            | 9,009,532   | 809,190    | 1,137,395 | 7,647,205            | 7,151,970   | 495,235              | 94%                     | 79%                       |
| Roscommon       | 2,398,419          | 11,195,305  | 2,458,072  | -         | 11,135,652           | 8,527,522   | 2,608,131            | 77%                     | 76%                       |
| Sligo           | 2,407,266          | 5,188,603   | 979,738    | -         | 6,616,130            | 3,889,700   | 2,726,430            | 59%                     | 75%                       |
| SDCC            | 39,940,231         | 122,440,818 | 11,189,046 | -         | 151,192,003          | 116,610,117 | 34,581,886           | 77%                     | 95%                       |
| Waterford Co.   | 3,003,844          | 7,253,827   | 1,466,342  | -         | 8,791,329            | 5,913,849   | 2,877,480            | 67%                     | 82%                       |
| Waterford City  | 4,668,200          | 20,943,532  | 3,452,374  | 477,049   | 21,682,309           | 16,347,137  | 5,335,173            | 75%                     | 78%                       |
| Westmeath       | 2,165,820          | 8,529,318   | 284,578    | 185,091   | 10,225,468           | 8,049,691   | 2,175,777            | 79%                     | 94%                       |
| Wexford         | 7,673,935          | 19,497,357  | 2,575,060  | -         | 24,596,230           | 16,977,391  | 7,618,839            | 69%                     | 87%                       |
| Wicklow         | 5,479,638          | 17,503,213  | 3,575,356  | -         | 19,407,495           | 13,658,447  | 5,749,048            | 70%                     | 78%                       |

## Appendix B

### 2013 Annual Financial Statements – Rates Collection - Restated to include dissolved Councils

| Local Authority | Arrears at 1/1/2013 | Accrued     | Write Off & Waivers | Total for Collection | Collected   | Arrears at 31/12/2013 | Collected as % of Total | Collected as % of Accrued |
|-----------------|---------------------|-------------|---------------------|----------------------|-------------|-----------------------|-------------------------|---------------------------|
| Carlow          | 4,663,162           | 11,063,071  | 651,145             | 15,075,088           | 10,731,273  | 4,343,815             | 71%                     | 97%                       |
| Cavan           | 4,681,670           | 13,057,850  | 1,766,783           | 15,972,737           | 11,186,735  | 4,786,002             | 70%                     | 86%                       |
| Clare           | 13,416,485          | 42,428,549  | 2,397,101           | 53,447,433           | 40,302,446  | 13,144,987            | 75%                     | 95%                       |
| Cork Co.        | 29,738,589          | 125,269,497 | 16,401,343          | 138,606,743          | 110,721,981 | 27,884,762            | 80%                     | 88%                       |
| Cork City       | 18,558,716          | 65,214,509  | 5,147,867           | 78,625,358           | 56,979,228  | 21,646,130            | 72%                     | 87%                       |
| Donegal         | 15,298,532          | 29,205,985  | 4,263,174           | 40,241,343           | 22,963,136  | 17,278,205            | 57%                     | 79%                       |
| Dublin City     | 76,298,631          | 341,150,111 | 37,789,463          | 379,659,279          | 305,666,299 | 73,993,050            | 81%                     | 90%                       |
| DLRCC           | 24,997,531          | 83,345,888  | 7,777,926           | 100,565,492          | 78,121,345  | 22,444,147            | 78%                     | 94%                       |
| Fingal          | 22,532,759          | 119,258,645 | 12,024,553          | 129,766,851          | 117,054,598 | 12,712,253            | 90%                     | 98%                       |
| Galway Co.      | 8,903,089           | 25,626,050  | 4,607,046           | 29,922,093           | 19,323,449  | 10,598,644            | 65%                     | 75%                       |
| Galway City     | 17,121,329          | 34,820,670  | 5,464,322           | 46,477,678           | 28,751,323  | 17,726,354            | 62%                     | 83%                       |
| Kerry           | 10,692,350          | 41,265,082  | 9,120,487           | 42,846,945           | 32,286,843  | 10,560,102            | 75%                     | 78%                       |
| Kildare         | 15,281,427          | 57,007,882  | 13,833,699          | 58,455,609           | 43,346,429  | 15,109,180            | 74%                     | 76%                       |
| Kilkenny        | 3,508,293           | 18,483,026  | 3,369,553           | 18,621,766           | 16,000,402  | 2,621,364             | 86%                     | 87%                       |
| Laois           | 3,185,016           | 12,273,101  | 2,833,495           | 12,624,622           | 8,829,032   | 3,795,590             | 70%                     | 72%                       |
| Leitrim         | 1,997,904           | 4,982,914   | 650,451             | 6,330,367            | 4,141,356   | 2,189,011             | 65%                     | 83%                       |
| Limerick        | 24,316,525          | 58,090,717  | 10,021,626          | 72,385,616           | 46,880,503  | 25,505,113            | 65%                     | 81%                       |
| Longford        | 2,404,760           | 7,964,393   | 1,727,070           | 8,642,084            | 6,031,512   | 2,610,571             | 70%                     | 76%                       |
| Louth           | 18,855,433          | 33,361,777  | 3,980,234           | 48,236,976           | 24,694,650  | 23,542,325            | 51%                     | 74%                       |
| Mayo            | 5,377,778           | 25,297,140  | 5,820,920           | 24,857,997           | 19,141,644  | 5,716,353             | 77%                     | 76%                       |
| Meath           | 7,668,541           | 32,271,220  | 6,184,394           | 33,755,366           | 26,962,333  | 6,793,033             | 80%                     | 84%                       |
| Monaghan        | 5,196,410           | 12,624,990  | 3,066,185           | 14,755,212           | 9,572,834   | 5,182,379             | 65%                     | 76%                       |
| Offaly          | 2,544,485           | 14,474,731  | 3,243,716           | 13,775,499           | 11,250,182  | 2,525,317             | 82%                     | 78%                       |
| Roscommon       | 2,398,419           | 11,195,305  | 2,458,072           | 11,135,652           | 8,527,522   | 2,608,130             | 77%                     | 76%                       |
| Sligo           | 6,064,983           | 12,915,118  | 2,600,476           | 16,379,625           | 9,625,180   | 6,754,445             | 59%                     | 75%                       |
| SDCC            | 39,940,231          | 122,440,818 | 11,189,046          | 151,192,003          | 116,610,117 | 34,581,886            | 77%                     | 95%                       |
| Tipperary       | 7,160,510           | 30,796,209  | 5,184,401           | 32,772,321           | 25,166,964  | 7,605,356             | 77%                     | 82%                       |
| Waterford       | 9,740,875           | 31,402,980  | 5,994,885           | 35,148,971           | 24,452,519  | 10,696,453            | 70%                     | 78%                       |
| Westmeath       | 3,556,566           | 12,817,470  | 621,186             | 15,752,850           | 12,023,476  | 3,729,374             | 76%                     | 94%                       |
| Wexford         | 12,538,044          | 30,534,838  | 4,987,850           | 38,085,030           | 25,826,037  | 12,258,993            | 68%                     | 85%                       |
| Wicklow         | 12,165,756          | 29,166,962  | 6,081,850           | 35,250,869           | 22,450,124  | 12,800,745            | 64%                     | 77%                       |



**Appendix C**  
2014 Annual Financial Statements – Rates Collection

| Local Authority | Arrears at 1/1/2014 | Accrued     | Write Off & Waivers | Total for Collection | Collected   | Arrears at 31/12/2014 | Collected as % of Total | Collected as % of Accrued |
|-----------------|---------------------|-------------|---------------------|----------------------|-------------|-----------------------|-------------------------|---------------------------|
| Carlow          | 4,343,815           | 14,455,527  | 4,501,944           | 14,297,398           | 10,706,965  | 3,590,433             | 75%                     | 74%                       |
| Cavan           | 4,786,002           | 13,336,541  | 2,118,319           | 16,004,225           | 11,129,638  | 4,874,587             | 70%                     | 83%                       |
| Clare           | 13,144,987          | 42,441,664  | 1,031,383           | 54,555,268           | 40,869,135  | 13,686,133            | 75%                     | 96%                       |
| Cork Co.        | 27,849,678          | 125,653,059 | 14,560,634          | 138,942,103          | 110,296,011 | 28,646,092            | 79%                     | 88%                       |
| Cork City       | 21,646,130          | 64,156,781  | 4,502,783           | 81,300,128           | 58,927,699  | 22,372,429            | 72%                     | 92%                       |
| Donegal         | 17,278,205          | 30,729,915  | 7,821,181           | 40,186,939           | 22,608,627  | 17,578,313            | 56%                     | 74%                       |
| Dublin City     | 73,993,050          | 342,234,446 | 33,699,776          | 382,527,720          | 319,929,702 | 62,598,018            | 84%                     | 93%                       |
| DLRCC           | 22,444,147          | 83,497,572  | 6,923,895           | 99,017,824           | 76,771,437  | 22,246,387            | 78%                     | 92%                       |
| Fingal          | 12,712,253          | 119,459,309 | 7,407,882           | 124,763,680          | 114,887,009 | 9,876,671             | 92%                     | 96%                       |
| Galway Co.      | 10,598,643          | 25,675,485  | 5,410,953           | 30,863,175           | 20,819,354  | 10,043,821            | 67%                     | 81%                       |
| Galway City     | 17,726,354          | 35,053,433  | 6,901,600           | 45,878,187           | 30,360,509  | 15,517,678            | 66%                     | 87%                       |
| Kerry           | 10,560,102          | 41,169,215  | 9,623,071           | 42,106,246           | 32,691,594  | 9,414,652             | 78%                     | 79%                       |
| Kildare         | 15,109,179          | 57,832,218  | 15,730,365          | 57,211,033           | 44,456,026  | 12,755,007            | 78%                     | 77%                       |
| Kilkenny        | 2,621,364           | 18,457,490  | 3,213,668           | 17,865,186           | 15,850,415  | 2,014,771             | 89%                     | 86%                       |
| Laois           | 3,795,590           | 12,602,815  | 3,376,325           | 13,022,080           | 9,040,193   | 3,981,886             | 69%                     | 72%                       |
| Leitrim         | 2,189,011           | 5,177,063   | 650,485             | 6,715,589            | 4,043,707   | 2,671,882             | 60%                     | 78%                       |
| Limerick        | 25,505,113          | 53,649,542  | 8,059,416           | 71,095,239           | 46,128,313  | 24,966,926            | 65%                     | 86%                       |
| Longford        | 2,610,571           | 7,660,915   | 1,555,136           | 8,716,349            | 6,074,093   | 2,642,256             | 70%                     | 79%                       |
| Louth           | 23,542,325          | 33,294,695  | 15,045,812          | 41,791,208           | 23,414,231  | 18,376,977            | 56%                     | 70%                       |
| Mayo            | 5,716,353           | 25,805,128  | 5,695,745           | 25,825,737           | 19,456,051  | 6,369,686             | 75%                     | 75%                       |
| Meath           | 6,793,918           | 33,218,074  | 4,748,833           | 35,263,160           | 28,395,082  | 6,868,078             | 81%                     | 85%                       |
| Monaghan        | 5,182,379           | 12,527,216  | 2,494,422           | 15,215,173           | 9,773,257   | 5,441,916             | 64%                     | 78%                       |
| Offaly          | 2,525,317           | 14,962,588  | 3,897,122           | 13,590,783           | 11,161,165  | 2,429,618             | 82%                     | 75%                       |
| Roscommon       | 2,608,131           | 11,182,951  | 2,735,271           | 11,055,811           | 8,814,379   | 2,241,431             | 80%                     | 79%                       |
| Sligo           | 6,754,444           | 13,034,073  | 5,073,136           | 14,715,381           | 9,906,663   | 4,808,718             | 67%                     | 76%                       |
| SDCC            | 34,581,886          | 122,879,937 | 5,318,856           | 152,142,967          | 121,855,403 | 30,287,564            | 80%                     | 99%                       |
| Tipperary       | 7,605,355           | 30,861,894  | 4,162,530           | 34,304,719           | 24,728,932  | 9,575,787             | 72%                     | 80%                       |
| Waterford       | 10,683,698          | 32,860,097  | 4,856,960           | 38,686,835           | 27,670,587  | 11,016,248            | 72%                     | 84%                       |
| Westmeath       | 3,729,373           | 12,957,410  | 594,751             | 16,092,031           | 11,685,988  | 4,406,043             | 73%                     | 90%                       |
| Wexford         | 12,258,994          | 30,574,072  | 4,775,752           | 38,057,315           | 26,849,026  | 11,208,289            | 71%                     | 88%                       |
| Wicklow         | 12,800,745          | 29,937,895  | 5,269,531           | 37,469,108           | 25,885,238  | 11,583,870            | 69%                     | 86%                       |

Note: The arrears at 1/1/2014 differ from those at 31/12/2013 in the table at Appendix A due to the inclusion of the dissolved Town and Borough Councils areas in the 2014 figures. They generally match the restated figures at 31/12/2013 in the table at Appendix B.