An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
Department of Housing,
Local Government and Heritage

Mr. Liam Quinn,
Chief Executive Officer,
Buíon Phort Láirge,
Neptune House,
Canada Street,
Waterford City.

12th February 2026

Inspection visit to review the Social Inclusion Community Activation Programme (SICAP) 2024 financial year

Dear Mr. Quinn,

I refer to the inspection of the company's implementation of the Social Inclusion Community Activation Programme (SICAP), which was undertaken during the period 27th November – 4th December 2025. The review of the SICAP activity and the inspection of the company's records was conducted in accordance with the requirements of the memorandum of understanding agreed between the Local Government Audit Service and the Social Inclusion and Communities Unit of the Department of Rural and Community Development and the Gaeltacht (DRCDG) to undertake an audit of the SICAP programme covering the financial year ended 31 December 2024.

The purpose of the review visit was to obtain an understanding of how the SICAP programme is being implemented by Buíon Phort Láirge (the company) pursuant to the programme requirements. The review included an examination of a sample of financial and non-financial records.

During the course of the review certain matters relating to accounting procedures and internal controls were identified and I am now writing to draw your attention to these matters.

The scope of the review does not extend to providing assurance on the arrangements in place in your organisation for ensuring the proper conduct of financial business or the managing of performance and use of resources. Neither do I search specifically for fraud or test the effectiveness of all control systems. While the review cannot be expected to identify all weaknesses or irregularities that may exist, I do however report to you our findings or observations on matters which I believe should be addressed.

My procedures included an examination of the internal controls, accounting systems and procedures only to the extent considered necessary for the effective performance of the review and which specifically related to SICAP.

Review findings and observations therefore should not be regarded as representing a comprehensive statement of all the weaknesses that exist, or all improvements which could be made to the systems and procedures operated.

I noted that while the company's 2024 Annual Financial Statements were prepared on the going concern basis, note 10 to the accounts stated that "there remains a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business."

The material uncertainty referred to the findings from an audit which was carried out on the Asylum, Migration and Integration Fund (AMIF) Project Years 2018-2020 by the AMIF Audit Authority.

The findings indicated a partial lack of compliance with programme governance guidelines in relation to the period under audit, the results of which could potentially lead to exclusion of Department of Children, Equality, Disability, Integration and Youth (DCEDIY) claims to the funding authority, totalling €92,553.

The company's statutory auditors in their audit report for the 2024 financial year referenced the existence of this material uncertainty, which may cast doubt on the company's ability to continue as a going concern.

It is acknowledged that efforts continue to be made in securing formal confirmation from the DCEDIY that the sum identified by the audit would not be levied on the company by that Department.

The resolution of the above should continue to be a priority matter for management.

The findings set out in this letter are detailed as follows:

- The matters examined and my finding(s).
- The implication.
- The priority rating.
- My recommendation(s).
- Management's response.
- Target date for implementation.

Each finding has been categorised and an explanation of the category is noted below. This will assist you to gain an understanding of the nature and significance of the issue raised.

The findings have been categorised as follows;

- High – my finding represents a significant weakness in the current control environment, financial management or governance and requires immediate action by management.
- Medium – my finding represents a weakness in the current control environment, financial management or governance and requires management action in the near term.
- Low – my finding is an opportunity to improve the effectiveness of the control environment, financial management or governance.

Other issues of a more minor nature were discussed with you and your team during the course of the review.

In closing, I would like to express my appreciation for the co-operation afforded to my colleague Mr. Michael Kelly and I, by you and your team throughout the course of the visit.

Yours sincerely,

Eamonn Daly
Local Government Auditor,
Local Government Audit Service,
Department of Housing, Local Government and Heritage,
Customs House,
Dublin 1.

	Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for Implementation
1	**<u>Cash Basis Accounting</u>** Following a review of indirect salary costs, it was noted there was an element of accrual accounting applied to the administration element of the programme costs. The relevant accruals related to both the year under review, and also for the prior year of 2023. The programme requirements state that mid-year and end of year financial reports must be prepared on a cash receipts and payments basis i.e. no accruals or prepayments. I am satisfied that the application of accrual accounting, in this instance, did not result in	Non-compliance with programme requirements.	Medium	As prescribed by the programme requirements, all costs charged to SICAP must be real identifiable costs and should not include any element of accrual or prepayment accounting.	Noted and all future returns will exclude any accruals, which are done for AFS purposes.	H2 2025 returns.

	Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for Implementation
	any additional charges to the programme costs.					
2	**<u>Apportionment Policy</u>** The programme requirements state that the apportionment policy should be reviewed four times a year, with any changes or confirmation that there was no change to the policy being signed off by the CEO. Changes to the policy should be notified to the LCDC on a bi-annual basis, which I noted was not the case for the year under review.	Non-compliance with the programme requirements.	Medium	Programme requirements should be strictly adhered to, particularly in respect of the authorisation of the apportionment policy.	The policy is reviewed and updated where necessary on a quarterly basis by Finance with subsequent CEO approval being received and once per annum approval is obtained from the Finance sub-committee & the Board. CEO approval process will be improved evidentially going forward. The CEO informed the LCDC of this requirement at its January 2026 meeting, confirming that any changes to our apportionment policy will be put forward on a bi-annual basis for their perusal.	Quarter 1, 2026. Quarters 1 and 3, 2026.

	Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for Implementation
3	**Beneficiary Files** A sample of 5 Local Community Group files and 15 beneficiary files were selected for detailed testing, with findings as follows; The Local Community Group files sampled for review were maintained to a satisfactory standard with no adverse findings noted. In relation to the beneficiary files sampled for review, it is noted that these were also maintained to a satisfactory standard in the main. However, there were 2 instances noted where personal information of all of the course attendees were visible on the attendance sheets that are being filed on the individual beneficiary	Weakness in internal controls.	Medium	Internal controls should be strengthened to ensure complete compliance with GDPR regulations in relation to the recording of individuals on attendance sheets, which are subsequently provided as audit evidence. There is no requirement to maintain general course attendance information on individual beneficiary files, as this information can be kept on the relevant course files.	Attendance sheets will be held only on course files and not on individual files going forward.	Effective immediately.

	Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for Implementation
	files. The manner in which course attendance records are currently being maintained may be in contravention of GDPR regulations and guidelines.					
4	**<u>General Programme Payments</u>** In respect of the direct programme payments reviewed during the audit, the following was noted; - There was no reference to SICAP on a number of paid invoices. - Invoices were not stamped as having been paid in a number of sampled transactions.	Non-compliance with the programme requirements and the company's own invoice recording guidelines.	Low	Programme requirements should be adhered to in all instances, including ensuring full compliance with the company's own invoice recording guidelines.	Whilst not ideal, given the significant volume of invoices processed on an annual basis, there are always going to be some that will not meet all of the requirements, however we will continue to endeavour to keep these to a minimum. We introduced a Purchase Order (PO) reference system to incorporate the associated programme name since the last audit, however it can be difficult to get some suppliers to adhere to the inclusion of our PO reference.	In place. In place.

	Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for Implementation
	- A direct programme payment was recorded, in error, as an administration cost charge. In respect of the indirect programme payments reviewed during the audit, the following was noted; - Invoices were not stamped as having been paid in a number of sampled transactions.				This was an error that shouldn't have happened and steps have been put in place to avoid similar errors going forward. We will explore online options for evidence of remittances using our internal online payment system.	Quarter 1, 2026. Once identified, new system will be introduced.