

# **Donegal County Council Internal Audit Department**



## **FINAL REPORT**

### **DONEGAL COUNTY COUNCIL**

#### **IA25/2 – Review of Defective Concrete Blocks Grant Process**

September 2025

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## **1. Executive Summary**

Internal Audit has carried out a review on the procedures in place for the operation of the Enhanced Scheme for the Remediation of Dwellings Damaged by the use of Defective Concrete Blocks, (Enhanced DCB Grant Scheme) within Donegal County Council (DCC).

This audit was originally on the 2025 Internal Audit work programme however it was brought forward at the specific request of the Director of Water and Environment who requested Internal Audit to carry out an independent assessment of the processes within the DCB team specifically around how scheme applications and payment claims were validated and approved by DCC and to review how these processes comply with the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022, (2022 Act) and the Remediation of Dwellings Damaged by the Use of Defective Concrete Block Regulations 2023, (Enhanced DCB Scheme Regulations) and the other relevant legislation.

The review primarily focussed on the process around how scheme applications and payment claims were validated and approved by DCC along with testing a sample of completed applications to ensure they complied with the Enhanced DCB Scheme Regulations, the 2022 Act and the associated relevant legislation.

Internal Audit acknowledge that Enhanced DCB Scheme grants need to be paid in an efficient way to qualifying applicants, to ensure that their homes can be remediated without undue delays to the payment process.

Internal Audit also acknowledge that the Defective Concrete Blocks, (DCB) team in DCC are required to adhere to specific legislation and regulations as prescribed by the Department of Housing, Local Government and Heritage, (DHLGH) in the administration of the Enhanced DCB Grant Scheme and are responsible for approving payment of six figure grants to eligible applicants. This requires the DCB team to adopt a thorough and meticulous approach to the validation and approval process of all Enhanced DCB Grant Scheme applications and payment claims, whilst endeavouring to ensure eligible applicants are paid as soon as possible.

The recommendations included below in the Executive Summary and in section 9 of this report were first discussed between Internal Audit and Management as the audit fieldwork was ongoing. Internal Audit note that a number of the recommendations in section 9 have now been implemented or are in the process of being implemented by Management and this should lead to greater efficiency

in the processing of applications and payment claims going forward, assuming the DCB team is sufficiently resourced to deal with the workload.

Internal Audit note that while the process currently in place can be improved in some respects, it is nonetheless dependent on the applicant submitting all the accurate information and supporting documentation as required by the relevant legislation and the Enhanced DCB Scheme Regulations which have been laid down by the Department of Housing, Local Government and Heritage.

Internal Audit also note that any changes to legislation or to operational guidance in respect of the Enhanced DCB Grant Scheme requires significant development to the systems used to process applications, (both the Online Portal and Back Office Processing Solution in DCC. Refer to section 8.3 for further information on these systems). This has a direct impact on the timeframe in which the DCB team is able to implement new aspects of the Enhanced DCB Grant Scheme.

Internal Audit's findings and recommendations for remedial action, where applicable, are set out hereunder.

#### **1.4.2 Chief Executive, (CE) Orders**

Internal Audit found that the DCB team currently complete three CE orders in respect of each Enhanced DCB Grant Scheme application, (one for the repayment of the Competent Building Professional's fees for the Building Condition Assessment report, (BCA report), one to pay an Ancillary Grant and one to pay the remedial option grant amount) and a member of the Validation Team reported that one Full Time Equivalent, (FTE) staff member is required to draft CE Orders on an ongoing basis. This is a legacy from the Previous Scheme as the Enhanced DCB Grant Scheme introduced new grant provisions, e.g. payment of Ancillary Grants. The new grant provisions required an additional CE Order to be prepared to allow payment of the Ancillary Grant to applicants whose Remediation Option Grant had previously been approved before the commencement of the Enhanced DCB Grant Scheme.

Internal Audit are of the opinion that Schedule 15 of the Local Government Act 2001 only requires one CE order to be completed for the award of a grant under the Enhanced DCB Scheme. Completing one CE order for each grant application instead of three would streamline the approval process and reduce the administrative workload for the DCB team.

It is recommended that Management consider the use of a consolidated CE Order to streamline the approval process for each Enhanced DCB Grant Scheme application and associated grant payments.

**Management Response:** Accepted. A consolidated Chief Executive Order template has been introduced. This has streamlined the approval process and reduced administrative workload.

#### **1.4.5 Remedial Option Grant Payment – Payment Team Validation Process (Water and Environment Directorate)**

Staff in the Payments Team would benefit from the updating of their standard checklist which is used to perform validation checks of payment claims. The global use of a standardised checking template can make the review process more efficient.

It is recommended that Management consider introducing a standard checking template for use in the validation process of all Enhanced DCB Grant Scheme payment claims.

**Management Response:** Accepted. The standard Checking Template has been reviewed and updated. Once complete, relevant staff will use this Checking Template going forward, ensuring a consistent approach

#### **1.4.6 Remedial Option Grant Payment – Assessment Team Validation Process (Housing Directorate)**

Technical staff from the Housing Directorate who have competing essential work priorities including this work on Enhanced DCB Grant Scheme payment claims, are still involved in the validation and approval process, despite there being no technical remit for DCC under the Enhanced DCB Grant Scheme. While this reflects a strong commitment to service delivery, the Enhanced DCB Grant Scheme does not require a technical remit from DCC, and these tasks could be effectively carried out by trained administrative

staff. Implementing this change could reduce delays in payment approvals in some cases, while allowing technical staff to focus on their core functions.

It is recommended that management ensure that the DCB team is appropriately resourced so that going forward, all Enhanced DCB Grant Scheme payment claims are validated and approved without the need for the involvement of technical staff from the Housing Directorate.

**Management Response:** Accepted. It is accepted by Management that the DCB team should be appropriately resourced to provide efficient and continuous service delivery. The DCB Workforce Plan was submitted to the DHLGH in February 2025 and formed part of the Council's Organisational Review.

Measures were taken by Management in Q3 2025 to remove the need for the involvement of staff from the Housing Directorate in the DCB payments assessment process. This involved the temporary assignment of other staff to the DCB team, while sanction from the DHLGH for the Workforce Plan is awaited.

The Implementation of the DCB Workforce Plan will ensure resilience within the DCB team and ensure the efficient administration of the Enhanced DCB Grant Scheme.

#### **1.4.7 Pre-Payment checks – Payments Team (Water and Environment Directorate)**

Internal Audit found that the [REDACTED] in the Payments Team performs a third check between the Back Office Processing Solution, and all source documents on the Document Management Solution (DMS) for the payment claim, after it has been approved for payment and prior to them completing the essential pre-payment checks. It was reported to Internal Audit that this third check takes approximately 20 minutes per application. In some cases, documents may be reviewed by multiple staff members, (up to four) and can lead to some payments being delayed until the following week's payment run.

It is recommended that management review the level of checks at this stage of the process with a view to ensuring they are appropriate and reasonable, given the level of checking that has already taken place.

**Management Response:** Accepted. The level of final checks was reviewed in Q4 2025. The checking process has now been optimised to balance accuracy with processing efficiency

### **1.5 Potential Legislative Amendment - Remediation of Dwellings damaged by the Use of Defective Concrete Blocks (Amendment) Bill**

The approval of the Amended Bill will result in an additional large body of work for DCC that the current DCB team does not have the capacity to absorb, given the pressure the staff are under to process the ongoing Enhanced DCB Grant Scheme applications and payment claims. Staff in the DCB team advised Internal Audit that in their opinion, a new, appropriately resourced Project Team would be the best option of ensuring that the new amended Regulations are implemented effectively by DCC.

It is recommended that management consider whether a separate Project Team is needed and if so, that the team is appropriately resourced, to ensure that the Amended Regulations resulting from this Bill are complied with in a timely fashion.

**Management Response:** Accepted. The approval of the DCB Workforce Plan, submitted to the DHLGH in Feb 2025, is key to ensuring that all functions of the DCB Grant Office are sufficiently resourced to allow efficient and continued service delivery, including the additional workload associated with Retrospection. The additional workload associated with the implementation of Retrospection was first flagged to the DHLGH in 2024.



## **2. Assurance Rating**

This Audit has been assigned an assurance rating of:

### **Level 2 – Adequate**

See **Appendix 2** for Classification of Audit Assurance.

On the basis of the work carried out in this audit, Internal Audit found that there is a generally adequate system of risk management, control and governance around the administration of the Enhanced DCB Grant Scheme by DCC.

However, there are some parts of the process where enhancements are required, and some improvements have been suggested to enhance the effectiveness of the controls in place.

Based on the samples reviewed and to the best of Internal Audit's knowledge, the DCB team in DCC has acted in compliance with the relevant legislation and regulations whilst administering the Enhanced Defective Concrete Block Grant Scheme.

## **3. Introduction/ Background**

As stated on Donegal County Council's website, the primary aim of the Enhanced DCB Grant Scheme is to assist eligible homeowners, impacted and affected by the presence of deleterious materials, to have their homes remediated.

The Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022, is the primary piece of legislation underpinning the Enhanced DCB scheme and requires Designated Local Authorities to carry out a series of administrative and confirmation checks in respect of grant applications and payment claims. The Department of Housing, Local Government and Heritage, clarified in 2023 that Designated Local Authorities are required to ensure proper governance measures are in place in respect of payments it makes to Enhanced DCB Grant Scheme applicants and that Designated Local Authorities no longer have any technical or engineering role in the operation of the Scheme.

Under the Enhanced DCB Grant Scheme, homeowners in Donegal whose dwelling is impacted by Defective Concrete Blocks can apply to DCC for a maximum grant amount of €462,000, (this was previously €420,000) subject to certain conditions being met and the required evidence being provided. DCC is administering the Enhanced DCB Grant Scheme on behalf of the DHLGH, specifically by a team within the Water and Environment Directorate with assistance from a team in the Housing Directorate.

Section 2, 'roles and responsibilities' of the Ministerial Guidelines for the Enhanced Grant Scheme for the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks in their Construction, which was published in 2023, sets out the role of both the Housing Agency and Designated Local Authorities in the operation of the Enhanced DCB Grant Scheme, and the relevant sections have been included below for ease of reference:

### **Roles and Responsibilities of Designated Local Authorities**

*'A designated local authority is responsible for the administration of the Enhanced Grant Scheme, engaging directly with the relevant owner to ensure completed applications are valid in accordance with Section 13 of the Act of 2022. A designated local authority will escalate valid applications to the Housing Agency for their determination. Designated local authorities will work closely with the Housing Agency to ensure that the decision made by the Housing Agency on the appropriate remediation options and subsequent grant amount is communicated to the relevant owner at the earliest opportunity. The designated local authority is responsible for the processing of applications originally made under the scheme introduced in June 2020 to which transitional provisions now apply. The designated local authority is responsible for administering the payment process thereby enabling the relevant owner to submit applications for the payment of 13 ancillary grants and grant payments either in full or staged payments dependent on the remediation option. The designated local authority is responsible for ensuring all remedial works are carried out in full compliance with the remedial works plan and in circumstances of non-compliance, proceed with enforcement measures. It should be noted the Act requires designated local authorities to carry out a series of administrative and confirmation checks only. At no stage does an authority have to make any adjudication in relation to already certified engineering decisions. The role of ensuring engineering compliance is, depending on the stage of the process, within the remit of the Housing Agency and/or the homeowners' Competent Building Professional (CBP).'*

### **Roles and Responsibilities of the Housing Agency**

*'The Housing Agency will act as agents on behalf of the local authorities under the Enhanced Grant Scheme. Applications received by a designated local authority will be referred to the Housing Agency to review the 'Building Condition Assessment' (BCA) report and determine if the home has met the 'damage threshold' for entry to the scheme. Once a home has met the damage threshold for entry to the scheme, the Housing Agency will appoint an authorised officer for the purposes of conducting an assessment, sampling, testing and categorisation of dwellings on a priority basis in accordance with the national standard IS 465:2018 to enable the Housing Agency to determine the appropriate remediation option and grant amount.'*

#### **4. Scope**

The scope of this audit was to:

- Review how applications to the Enhanced DCB Grant Scheme are processed by Donegal County Council, (DCC), identify any bottlenecks and recommend improvements to the process where possible, (this review is limited to the administration of the scheme by DCC. The content of the Enhanced DCB Scheme Regulations is the remit of the DHLGH and the determination of damage threshold, the remedial option and grant amounts awarded to applicants fall within the remit of the Housing Agency. These aspects are therefore outside the scope of this audit).
- Review the average time required to process an application from receipt to payment and ascertain the reason for any lengthy processing times on a sample basis.
- Review a sample of completed and closed applications to ensure they were processed in accordance with the 2022 Act, the Enhanced DCB Scheme Regulations and other relevant legislation.

It is important to note that the Enhanced DCB Scheme Regulations and the 2022 Act were drafted by the Department of Housing, Local Government and Heritage and approved by the Minister for Housing, Local Government and Heritage and the Oireachtas respectively. While Donegal County Council were afforded the opportunity to submit feedback on the draft Regulations/ Act, the final decision on their content was taken by the DHLGH. The scope of the audit is therefore limited to a review of the Local Authority's responsibilities as set out under the final regulations and legislation, i.e. the

administrative processing and associated appropriate checks of received applications.

The DHLGH confirmed to DCC that the role of ensuring engineering compliance under the Enhanced DCB Grant Scheme is, depending on the stage of the process, within the remit of the Housing Agency and/ or the Homeowners' Competent Building Professional, (CBP). The determination of the remedial option and amount of the grant available to a successful applicant, is also the remit of the Housing Agency. As these aspects are not the responsibility of DCC under the Enhanced DCB Grant Scheme, they are not within the scope of this audit.

## **5. Objective and Methodology**

The objective is to carry out a review of the administration of the Enhanced Scheme for the Remediation of Defective Concrete Blocks by Donegal County Council.

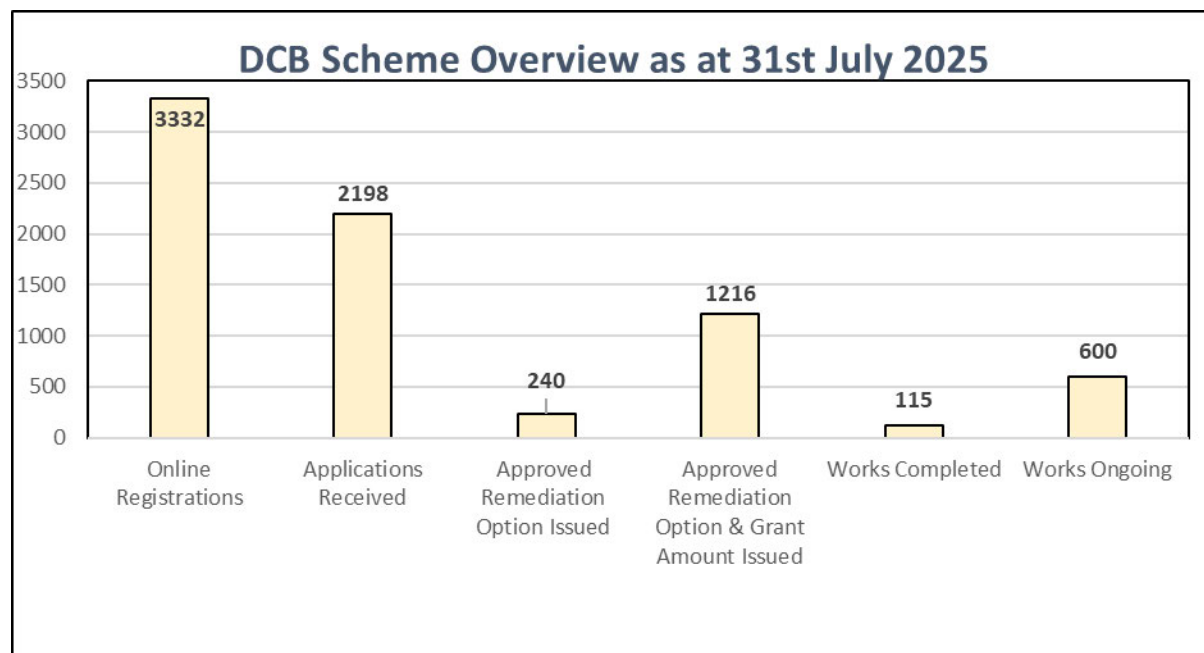
The audit was approached as follows:

- Internal Audit conducted interviews with relevant personnel involved in processing applications and payment claims to the Scheme.
- A sample of applications and payment claims made to the Enhanced DCB Grant Scheme and associated relevant documentation received from applicants was examined.
- The relevant legislation, guidelines and scheme regulations were examined.
- Internal Audit examined relevant data from the Financial Management system and from the Back Office Processing Solution for the purposes of completing statistical analysis.
- Relevant Donegal County Council Procedures documents were examined.

## 6. Statistical Analysis

### 6.1 Enhanced DCB Grant Scheme Overview as at 31 July 2025

The below table provides an overview of the Enhanced DCB Grant Scheme from its inception up to and including 31 July 2025, (note these tables include data both from the Enhanced Scheme and the Previous Scheme).



### 6.2 Overview of Referral of Applications to the Housing Agency

Under the provisions of the Enhanced DCB Grant Scheme, the technical assessment of validated applications falls within the remit of the Housing Agency. The initial step for an application, following validation and referral to the Housing Agency, is the Housing Agency's Determination of Damage Threshold of the relevant dwelling.

The average timescale for Determination of Damage Threshold by the Housing Agency is 60 days. This timeframe is set by the Housing Agency.

For applications that meet the Damage Threshold, the Housing Agency provides an indicative timeline for determination of the Remediation Option & Grant Amount. The Determination of Damage Threshold and the Remediation Option Grant as decided by the Housing Agency is communicated to the applicant by the Council's DCB Grant Office.

Applications Validated by Donegal County Council & Referred to the Housing Agency for Determination on Damage Threshold	1219
Application for Revised Approval under Section 23 Received & Referred to the Housing Agency	7
Determination on Damage Threshold received from the Housing Agency and communicated to applicant by Donegal County Council	1125
Determination by Housing Agency – Dwelling Meets the Damage Threshold	1105
Determination by Housing Agency – Dwelling did not meet the Damage Threshold	20

As at 31 July 2025, the Housing Agency had decided the Remedial Option Grant on **55%** of the applications which have been determined to have met the Damage Threshold under the provisions of the Enhanced Scheme. These Options are summarised below:

Remediation Option Grant Determined by the Housing Agency	607
Option 1	437
Option 2	83
Option 3	49
Option 4	13
Blended Option or Combination	25
Remediation Option Grant Refusal by the Housing Agency	4
Value of Grant Amounts decided by the Housing Agency	€211,295,410

### 6.3 Payments Processed Since the Introduction of the Enhanced DCB Grant Scheme

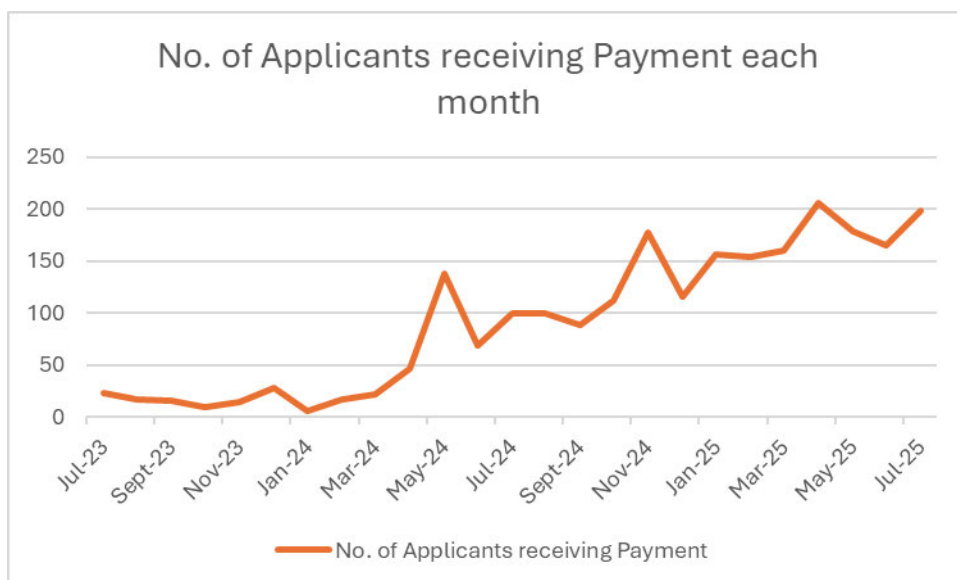
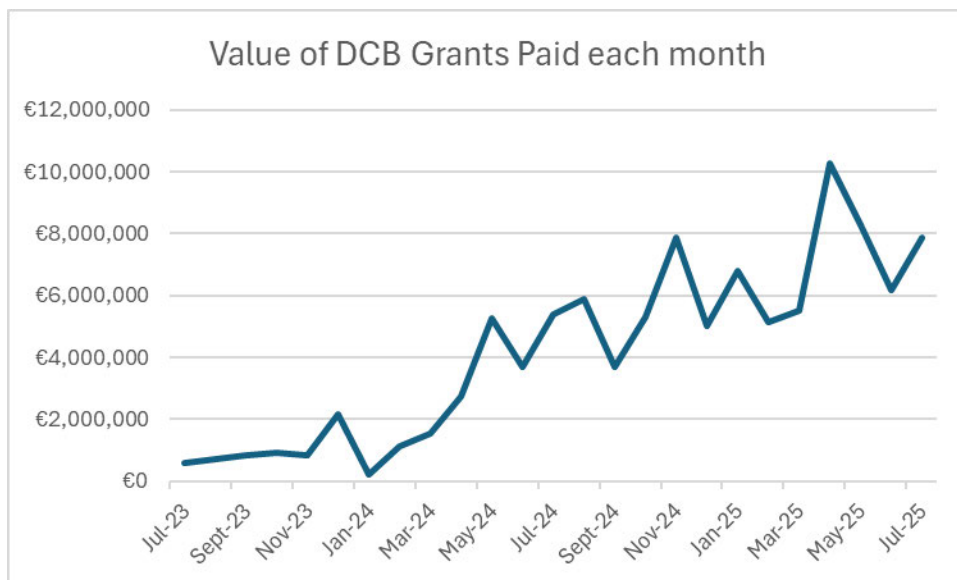
The below table and the two associated line graphs provide an overview of payments issued to applicants since the introduction of the Enhanced DCB Grant Scheme in July 2023 up to 31 July 2025. In this period, a total of 2,317 individual grant claims have been paid by DCC to applicants.

Internal Audit note that the number of payment claims submitted by applicants has increased significantly since May 2024. The DCB team has continued to meet this increased service demand through the dedication and commitment of the staff, including regularly working additional hours on

evenings and weekends to process as many payments as efficiently as possible. This is not sustainable for the existing staff involved on a long-term basis. The DCB team first flagged the additional staffing requirements to the DHLGH in 2024. This additional requirement, (which was formalised when the DCB Workforce Plan was submitted to the DHLGH in February 2025 and formed part of the Council's recent Organisational Review), is necessary to assist the current staff in validating applications and to ensure more efficient and effective processing of payments to eligible Homeowners. Internal Audit understands engagement with the DHLGH is ongoing at the time of writing.

Month	Value	No. of Applicants receiving Payment
July 2023	€586,164	23
August 2023	€697,993	17
September 2023	€828,753	15
October 2023	€928,006	9
November 2023	€857,790	14
December 2023	€2,165,626	28
January 2024	€218,861	6
February 2024	€1,113,658	17
March 2024	€1,545,774	22
April 2024	€2,730,416	47
May 2024	€5,256,002	138
June 2024	€3,681,933	69
July 2024	€5,389,474	100
August 2024	€5,902,984	100
September 2024	€3,683,603	88
October 2024	€5,298,326	112
November 2024	€7,867,250	177
December 2024	€5,016,872	116
January 2025	€6,812,419	156
February 2025	€5,138,771	154
March 2025	€5,519,920	160
April 2025	€10,291,768	206
May 2025	€8,294,005	179
June 2025	€6,163,234	165
July 2025	€7,857,094	199

Remediation Works	€102,820,492
Ancillary Grant	€3,941,097
Competent Building Professional / Engineer Report Fees	€7,268,302
Professional Fees (Remedial Works Plan, Health & Safety)	€3,680,357
<b>Total Value of Grants Paid to Date</b> (Previous Scheme and Enhanced Scheme)	<b>€117,710,248</b>



#### 6.4 Time taken to validate Enhanced DCB Grant Scheme applications before being referred to the Housing Agency for Determination of Damage Threshold

From 1 May 2025 to 31 July 2025, 101 Enhanced DCB Grant Scheme applications were referred to the Housing Agency from DCC for determination of the damage threshold. The average time taken to validate these applications by DCC was 45.7 working days per application. Internal Audit queried the reason for the delay in validating applications where the processing time was greater than 50 working days, (19 applications had a



processing time greater than 50 working days). Internal Audit noted that the reason for the delay in processing in all 19 applications was not due to the DCB team, and some further detail in respect of these is included below:

- For 11 of the 19 applications the delay was due to the submitted applications being incomplete and as result the DCB team had to issue at least 1 Further Information request to each of the applicants.
- For 6 of the 19 applications additional proof of Principal Private Residence, (PPR) was requested at final validation stage to support the applications, (as per Section 13 (3) (a) of the 2022 Act) and a period of time elapsed before this additional proof was submitted by the applicants.
- For 1 of the 19 applications, a site visit was conducted by an Authorised Officer of the Council as per Section 43 (2) of the 2022 Act. This was to confirm that the named homeowner used the dwelling as their Principal Private Residence, (this fulfils a condition of the Scheme).
- 1 of the 19 applications was originally a transitional application that received a decision under the Previous Scheme and this application was assessed by DCC as per the Regulations underpinning the Previous Scheme. At the applicant's request, the application was later revised under a Section 23 referral and was then processed under the Enhanced Scheme, (the applicant subsequently submitted a report from their Competent Building Professional, (CBP) under Section 23).

It is noted that during the validation process of both applications and payment claims when all the evidence and information required by the Enhanced DCB Scheme Regulations and 2022 Act is not included with an application, the DCB team request a Further Information, (FI) from the applicant. Staff in the DCB team reported that many applications submitted to date have been missing mandatory information required under the terms and conditions of the scheme as prescribed by the DHLGH, and this is the main reason for the large number of FIs required. Depending on the type of information/ support required for the FI, it can often be some time before the applicant is able to respond with the necessary information. This can lead to long delays in processing time. Internal Audit were advised by staff in the DCB team that they actively follow up and issue reminders either by email and/or telephone call where an FI has been issued to an applicant and a response remains outstanding. However, an application to the Enhanced DCB Grant Scheme cannot be forwarded to the Housing Agency until all FIs have been responded to appropriately by the applicant.

Staff in the DCB team also reported to Internal Audit that they are currently preparing a webinar aimed at supporting Competent Building Professionals and Contractors engaged by applicants to the Enhanced DCB Grant Scheme. The purpose of the initiative is to provide clear guidance on how to submit valid payment claims in future and therefore reduce the number of FIs which will improve the overall efficiency of the process.

### **6.5 Time taken to validate and pay Enhanced DCB Grant Scheme payment claim applications**

The DCB team reported to Internal Audit that following a review of 3 different weekly pay runs for the weeks commencing the 14<sup>th</sup>, 21<sup>st</sup> and 28<sup>th</sup> May 2025, the average time taken to process Enhanced DCB Grant Scheme payment claims was 19.52 working days or approximately 4 weeks. Internal Audit note that of the 2,317 grant payment claims made since July 2023 when the Enhanced DCB Grant Scheme began, 73 claims took 60 days or longer to process from submission to payment, (approximately 3 months or longer).

As in section 6.4 above, Internal Audit queried with the DCB team the reason for the delay in payment for a sample of 16 of these 73 payment claims (these 16 claims had the longest processing time of all payment claims received to date). Internal Audit noted that the reason for the delay in processing these 16 payment claims was not due to the DCB team and some further detail is included below:

- For 8 of the 16 claims the delay in processing arose because the DCB team was awaiting an FI response from the applicants, (these 8 claims were all final payment claims). Internal Audit note that the DCB office actively follow up on outstanding FIs with all applicants.
- 3 of the 16 payment claims involved an applicant who received an Emergency Ancillary Grant and the reason for the delay in processing was because the DCB team were awaiting an FI response from the applicant.
- 3 of the sample of 16 were in respect of final payment claims where the claim was submitted outside the 65 week time frame prescribed under the scheme regulations. The time frame was extended following subsequent review under Schedule 19 (10) of the 2022 Act and the

claims were processed once all FIs were appropriately responded to by the applicants.

- 1 of the sample of 16 was an Ancillary Grant Claim for short term overseas alternative accommodation - guidance from DHLGH was required in respect of this claim and this delayed the processing.
- 1 of the sample of 16 was a BCA/Engineers Fees related payment claim and there was a delay in the applicant submitting their bank details to receive payment.

Staff in the DCB team reported to Internal Audit that the majority of payment claims submitted did not include all the mandatory information required under the terms and conditions of the scheme as prescribed by the DHLGH. Many of the FIs can be time consuming to resolve depending on the circumstances of the claim, (for example, a claim where there was an Emergency Ancillary Grant provided, requires an applicant to provide additional supporting documentation to fully evidence the expenditure. Emergency Ancillary Grants were available under the Previous Scheme in advance of the commencement of the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022). 31 Scheme applicants availed of this Emergency Ancillary Grant.

## **6.6 Status of DCB Grant Payment Claims at 22/07/2025**

Internal Audit conducted interviews with several members of the DCB and Housing Capital Teams in July 2025 as part of this review. There were 250 grant payment claims with DCC for validation at the time of these interviews, and a brief explanation of the stages these claims were at is included below, (for context, Internal Audit note that the DCB team paid 42 grant claims in the week ending 25 July 2025. From 1 July 2025 to 25 July 2025, the DCB team paid 140 grant claims in total):

- 101 of these 250 claims were awaiting initial assessment and validation by the DCB Payments Team, (refer to section 8.1 below for further detail on the team structures and their respective duties).
- 19 of these 250 claims had been initially assessed by the DCB Payments Team and a Further Information request had been sent to

the applicant as they had not included all of the mandatory information required under the 2022 Act/ Enhanced DCB Scheme Regulations.

- For 10 of these 250 claims the applicant had submitted their response to the FI and it was awaiting review by the Payments Team. Internal Audit were advised that FIs are checked each day for responses from applicants.
- 84 of these 250 claims were awaiting the second validation and approval of the claim by the Assessment Team which consists of staff in the Housing Directorate.
- 36 of these 250 claims had received approval from the Assessment Team in the Housing Directorate and were awaiting a final check by the Payments Team before the next scheduled Pay run.

## **7. Relevant Legislation and Guidance**

- Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022
- Remediation of Dwellings Damaged by the use of Defective Concrete Blocks Regulations 2023
- Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks (Amendment) Regulations 2024
- Local Government Act, 2001
- Ministerial Guidelines for the Enhanced Grant Scheme for the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks in their Construction (June 2023)

## **8. Findings**

### **8.1 Team Structures and Respective Key Duties**

At the time of the audit fieldwork, the Enhanced DCB Grant Scheme payment claim validation and approval process from beginning to end involved staff from two Directorates in DCC, the Water and Environment Directorate, and the Housing, Corporate and Cultural Services Directorate.

The Administration team in the Water and Environment Directorate that manages the overall administration of the Enhanced DCB Grant Scheme, consists of 15 permanent staff, 2 of whom manage the process with the remainder split between 2 sub teams, the Validation Team and Payments Team, (Internal Audit also note that there are other staff involved in the process at different times including 2 Information Systems Team staff and the Director of Service for Water and Environment).

The Validation Team consists of 7 staff including a [REDACTED], [REDACTED] who manages the section. This team process and validate initial DCB scheme applications prior to referral of these applications to the Housing Agency. They also notify applicants of the Damage Threshold decision and of the Remediation Option and Grant Amounts decided by the Housing Agency. The Validation Team also process, validate and approve Ancillary Grant claims from approved Enhanced DCB Grant Scheme applicants and are responsible for processing applications that are transitioning from the Previous DCB scheme to the new Enhanced DCB scheme. The [REDACTED] of the Validation Team advised that they are also responsible for managing the DCB team email inbox and approximately 2 FTE staff members are required to address and respond to email queries received on an ongoing basis.

The Payments Team consists of 6 people including a [REDACTED] who manages the section. The Payments Team perform the initial validation check of the grant payment claims and supporting documentation before sending these to the Assessment Team in the Housing Directorate. The Payments Team also complete the pre-payment final checks and prepare the file which is then sent to DCC's Finance Team for payment processing.

All clerical staff in the Validation Team and the Payments Team also partake in the DCC DCB Phone Clinic on Tuesdays and Thursdays from 9.30am – 12.30pm.

The Assessment Team consists of 3 engineers and a Technician in the Housing Directorate who normally spend part of their time each week performing the second validation check of grant payment claims after receiving these from the Payments Team. This team also complete the grant re-calculations for transitional applicants, (i.e. those eligible homeowners who applied under the Previous DCB Scheme, but their applications are now within the remit and terms of the Enhanced DCB Grant Scheme).

It is important to re-iterate for context at this stage that DCC has no technical remit or engineering compliance role under the Enhanced DCB Grant Scheme, (refer to section 4 Scope above for further information). The involvement of technical staff from the Housing Directorate in the current

validation process for Enhanced DCB Grant Scheme payment claims is a legacy stemming from the Previous Scheme.

Internal Audit note that while the DHLGH has confirmed that they expect DCC to complete appropriate administrative checks in line with normal practice for grant schemes, no detailed written guidance on what these checks should consist of has been provided by them to date. As a result, Designated Local Authorities who are administering the Enhanced DCB Grant Scheme have had to interpret and define what, constitutes 'appropriate administrative checks', at a local level. The provision of clearer guidance by the DHLGH would help ensure consistency and support more efficient implementation across all participating Designated Local Authorities.

### **8.1.1 Payment Approval Limits**

To provide context for the reader when reviewing the processes outlined below, Internal Audit has set out below the payment approval limits that are mandated in DCC. These limits apply to approvals of all Enhanced DCB Grant Scheme payments:

1. <€10K - Staff Officer and similar grades
2. €10k - €25k – Senior Staff Officer and similar grades
3. €25k - €50k - Administrative Officer and similar grades
4. €50k - €100k - Area Manager and similar grades
5. €100k - €250k – Senior Executive Officer and similar grades
6. €250k - €750k – Director of Service
7. >€750k – Chief Executive Officer

## **8.2 Policies & Procedures**

Internal Audit found that there are documented payment claim procedures in place. These procedures detail the key checks to be carried out by the relevant team involved at each stage of the payment claim validation process. There are also documented procedures in place for the initial grant application process.

### 8.2.1 DCC Website

Internal Audit note that there is a significant volume of information about the Enhanced DCB Grant Scheme on the DCC website including guidance on how to apply, the necessary Schedules and Templates required as part of a valid application along with contact details of the Community Facilitators in the Inishowen Development Partnership and the Donegal Local Development Company, (the Community Facilitators have a role in supporting and guiding the Homeowner through the Application Process and facilitating access to relevant support services). There are also links to the relevant legislation and regulations underpinning the scheme and monthly activity reports which detail the amount of applications received, processed and paid.

### 8.3 Systems used by DCC in Processing Enhanced DCB Grant Scheme Applications and payment claims

To provide further context for the reader, Internal Audit has detailed below the main systems used by DCC in the processing of Enhanced DCB Grant Scheme applications.

- **Online Portal** – This is available through a link on the DCC website and all Enhanced DCB Grant Scheme applications and payment claims are submitted here by affected homeowners through online forms.
- **Document Management Solution (DMS)** – This is a document storage system used by DCC and all supporting documents submitted by DCB applicants in support of their applications are saved here. The Online Portal directly interfaces to this system, so documents submitted as part of a grant application are automatically saved to the DMS.
- **Back Office Processing Solution** – This is the main system used by DCC staff to process Enhanced DCB grant applications and payment claims. The Online Portal interfaces with the Back Office Processing Solution and the relevant information for each applicant is automatically populated in screens under each unique application and payment claim number.  
The Back Office Processing Solution displays a 'Guided User Process' for each application which helps to ensure the validation process is consistent with the requirements of the Enhanced DCB Scheme Regulations. Each DCC staff member reviewing an application/

payment claim must update this Guided User Process as the necessary validation checks are completed.

## **8.4 Overview of DCB application process from beginning to end**

Internal Audit has summarised below the main validation processes that are carried out by the various teams in the administration of Enhanced DCB Grant Scheme applications and payment claims.

### **8.4.1 Initial Validation of Grant Application and forwarding to the Housing Agency**

- An affected homeowner can register for the Scheme by completing and submitting a DCB grant application along with the necessary supporting documentation via the Online Portal, (the supporting documentation required to be submitted is detailed in the 2022 Act and the 2023 Enhanced DCB Scheme Regulations. This action prompts the Back Office Processing Solution to create a unique reference number for the application and the associated supporting documents are automatically uploaded into the Document Management Solution (DMS). In the relevant screen on the Back Office Processing Solution, the unique reference number will include all the relevant information included by the homeowner in their application.
- The [REDACTED] of the Validation Team reviews all applications submitted each working day and assigns them to team members for validation based on the date order they were received. In the absence of the [REDACTED], the [REDACTED] undertakes this role.
- The Validation Team member opens the DCB application on the Back Office Processing Solution and updates the Guided User Process on this system as they check that the application assigned to them contains the correct information, and that all the required supporting documentation is present. This includes proof that the residence is the applicant's Principle Private Residence (PPR) and proof of the identity of the applicant, amongst others.
- If the application does not include all the mandatory information/ supporting documentation, then the Validation Team member will raise a Further Information request, (FI) with the applicant. Raising an FI in the Back Office Processing Solution automatically sends the applicant an email or text which details the additional information required to be



provided. Once the applicant uploads this additional information to the Online Portal, then the FI will be automatically sent to the DCB validation team for completion. The [REDACTED] reported to Internal Audit that staff check FIs raised each morning for any updates from applicants and follow up as required.

- Once the initial validation process is complete, then the status on the Back Office Processing Solution is updated and the application is placed in a queue for final review. The [REDACTED] is notified at this stage that the application is ready for a 'final review'. These applications are reviewed in the order they were received and the [REDACTED] rechecks each tab and supporting document for accuracy and compliance with the Enhanced DCB Scheme Regulations.
- Provided no further FIs are required, once the checks are complete the [REDACTED] then sends the required 3 documents to the Housing Agency, (Planning permission, certificate of compliance with planning permission and a Building Condition Assessment, (BCA) report). Internal Audit was advised that 1 file is referred to the Housing Agency, (HA) each week with approximately 10-12 applications.

#### **8.4.2 Chief Executive, (CE) Orders**

Under Schedule 15 of the Local Government Act 2001, a Chief Executive (CE) order is required for a defined set of functions including the awarding of grants, loans or other financial assistance.

It was reported to Internal Audit that under the Previous Scheme, two CE orders were completed per DCB grant, (one CE order was completed at stage 1, confirmation of eligibility, and a second CE order was completed for the provision of the grant amount). This procedure was carried over to the administration of the Enhanced DCB Grant Scheme and a third CE order was deemed to be required, (under the Enhanced DCB Scheme, 1 CE Order is completed for repayment of the BCA report fees, 1 CE order is completed for payment of an Ancillary Grant and 1 CE Order is completed for payment of the Remedial Option Grant).

Staff in the DCB team reported to Internal Audit that approximately 1 Full Time Equivalent Staff member in the Validation Team was required to complete the CE Orders for all received grant applications on an ongoing basis.

Internal Audit are of the opinion that Schedule 15 of the Local Government Act 2001 only requires a single CE order to be completed for the award of a DCB grant rather than the three currently completed. Changing the process to complete 1 CE order per application instead of 3, would still comply with Schedule 15 of the Local Government Act 2001 whilst freeing up some staff resources which could be reutilised elsewhere within the DCB team.

### **8.4.3 Housing Agency Assessment Process**

- The Housing Agency, (HA) assess the Building Condition Assessment Report, (BCA) and decides if the application meets the Minimum Damage Threshold as outlined in the legislation. Internal Audit was advised that this is typically completed within 60 days, (this timeframe is controlled by the HA) after which the HA notifies the decision to DCC for onward communication to the applicant. A determination that an application meets the damage threshold doesn't guarantee the homeowner will get approved for a grant, (the relevant dwelling may have pattern cracking unrelated to Defective Concrete Blocks for example).
- The HA also determines the remedial option and grant amount, which are then communicated to DCC for onward notification to the applicant. It was reported to Internal Audit that the time between the damage threshold notification to the remedial option decision can take a minimum of eight months, primarily due to the time required for testing of samples and analysis.
- Internal Audit were advised by staff in the DCB team that the HA have a priority matrix that they use to assess applications, and this determines the order they process those received. DCC have no influence on how the HA prioritise applications.
- Once a remedial option grant amount has been approved by the HA and DCC has issued the notification to the applicant, the applicant can claim a reimbursement of the Competent Building Professional's, (CBP) fee for the BCA report which usually forms the first payment. This payment claim for a reimbursement is automatically forwarded by the system to the Payment Team in DCC, once it has been validated.

### **8.4.4 Ancillary Grant Payment Process**

- Ancillary Grants payment claims are processed by the Validation Team. There are 3 types of Ancillary Grants available to applicants, (Storage costs, Alternative Accommodation costs and Immediate Repairs) and there are limits on the amounts that can be claimed depending on whether the applicant is subject to the pre-October 2024 rates or post October 2024 rates. Internal Audit note that total Ancillary Grants paid, cannot exceed €25,000, (or €27,500 for applicants subject to the post October 2024 rates) and this is subject to an overall DCB grant payment of €462,000 per applicant (this was previously €420,000).
- The [REDACTED] of the validation team reviews Ancillary grant applications submitted each working day and assigns them to a team member for validation based on the date order they were received.
- The Validation Team member then validates the application and supporting documentation to the requirements of the 2022 Act and 2023 Enhanced DCB Scheme Regulations.
- The validated application is then sent to the Validation Team manager for a second full check. The [REDACTED] of the Validation Team then sends the payment file to the [REDACTED] of the Payments Team for inclusion in the overall payment file that is sent to the Finance Team in DCC each week.

#### **8.4.5 Remedial Option Grant Payments process – Payments Team (Water and Environment Directorate)**

- Once the applicant has submitted their remedial works payment claim, the Payments Team log into the Back Office Processing Solution and view the applicant's payment file, (the applicant's payment file on the Back Office Processing Solution lists each separate payment claim submitted by the individual). The relevant claim is validated by one of the clerical staff in the Payments Team. The claims are reviewed based on the date order they are received.
- As per the process outlined in sections 8.4.1 and 8.4.4, the Payments Team member checks that the various documents required to be submitted under the legislation and regulations are included, and performs validation checks to ensure they are complete and accurate whilst simultaneously updating the Guided User Process on the Back Office Processing Solution in respect of the claim. The validation checks performed at this stage of the process include completing arithmetic checks on invoice amounts and amounts included on the Schedule 6 - Interim Valuation Certificate, (IVC), reviewing items

listed on Contractor invoices and Inspection Plans to photographic evidence of the house being remediated, confirmation of tax compliance and reviewing invoices for potential non-qualifying works, amongst others.

- A number of supporting documents to evidence a payment claim along with a number of essential validation checks are required under the 2022 Act and Enhanced DCB Scheme Regulations. FIs are often required in respect of incomplete or missing information or to remedy arithmetic and other errors. As grant payment claims cannot be approved and paid until all FIs are satisfactorily addressed, this can result in a longer than average processing time. Internal Audit were advised that of the 226 claims that had been approved by the time of the audit fieldwork in July 2025, only 14 claims did not require at least 1 FI. Staff advised Internal Audit that the Payments Team checked the raised FIs each morning to ensure any that were returned from applicants were addressed, before new payment claims awaiting assessment were processed.
- Internal Audit note that there are separate sets of validation checks required depending on whether a payment claim is a Stage payment or a Final Claim. Given the recent significant increase in the volume of claims received it was identified that a consistent approach for validating claims would enhance efficiency. Management reported to Internal Audit that they are aware that they need to standardise this process and this is currently in progress.
- Staff in the Payments team reported to Internal Audit that there were a number of payment claims that were delayed as the applicants exceeded the 65-week period allowed after the commencement notice was received by DCC to complete all works. The DCB Online Portal now contains a Tile to allow applicants to easily apply for an Extension of Period. A complimentary Back Office Processing Solution was also developed and this has streamlined the process for both applicants and staff. There is much greater awareness now amongst applicants of the timelines associated with the Enhanced DCB Grant Scheme and this has resulted in applicants seeking an Extension of Period in advance of the prescribed deadlines. To date, 156 applicants have been granted an Extension of Period to the 65-week timeframe. Extensions are granted where circumstances exist beyond the reasonable control of the applicant which lead to delays in the remediation process.
- Staff in the Payments team also reported to Internal Audit that some payment claims were delayed due to the applicant not being aware of

the additional documents required to be sent as part of the final payment claim. The ■■■ advised that the DCB team has asked IS to develop the Online Portal to ask the applicant if the claim is a final claim and if so, include a prompt which outlines the additional documentation that is required to be submitted at this stage.

- Once a claim has been checked and any FIs have been correctly addressed, the Payments Team staff member updates the status of the claim and this is then sent to the Assessment Team in the Housing Directorate for the second set of validation checks and approval of the claim for payment.

#### **8.4.6 Remedial Option Grant Payments process – Assessment Team (Housing Directorate)**

The second validation check of a DCB grant payment claim is completed by staff in the Housing Directorate. These are technical staff who were involved in the Previous DCB Scheme and thus were familiar with the processes and the supporting documentation when the Enhanced DCB Grant Scheme began. For operational necessity, they were required to assist the newly established DCB team in administering grant applications and payment claims that were received after the Enhanced DCB Grant Scheme first began, (this was expected to be a short-term arrangement until the DCB team was fully established). The key validation processes carried out by the Assessment Team are as follows:

- The Assessment Team use a checking template that is saved to a shared system drive in the validation of each payment claim. A new version of this template is created for each applicant, saved under their claim reference number and can be accessed by any team member at any time. The document holds real time information regarding all claims received to date for that applicant.
- A member of the Assessment Team inputs all the relevant data received from the applicant into the template to ensure all required supporting documents are present and the information is complete and accurate, (for example the template allows the staff member to input the amounts from CBP and Contractor invoices and this will automatically calculate the VAT and the total. There is also a sheet within the checking template to verify the IVC amounts and thus ensure that this document is accurate). The template also holds a checkbox function which ensures the assessment team have reviewed all necessary paperwork. These checks are a repeat of the first

validation check as completed by the Payments Team. The template will automatically carry forward amounts from a previous claim to those claims received at a later date. This makes the validation process for future claims more efficient.

- As the Assessment Team member is updating the template and checking the documents stored on the Document Management Solution (DMS), they will simultaneously update the Guided User Process on the Back Office Processing Solution in relation to the payment claim reference number. Once this is complete, the staff member will either forward the document to the relevant approver, (in cases where the value was above the staff member's approval level) or raise an FI in respect of issues with the documents or incomplete/inaccurate information submitted.
- As mentioned in section 8.1.1 above, different payment amounts require a different grade to approve the payment claim. The Assessment Team member may have to refer the payment claim to a colleague in the same team of a higher grade, depending on the approved claim value. This person then performs a third check of some of the key documents and some of the Back Office Processing Solution screens for the applicant before they can formally approve the claim. Once this approver is satisfied, the claim status is amended on the Back Office Processing Solution and is sent back to the Payments Team for the final pre-payment checks.
- It was reported to Internal Audit by the Assessment Team that they can only dedicate between 30-50% of their time each week on average, assessing and approving DCB claims as they have other Housing Project deadlines and priorities. The Assessment Team reported to Internal Audit that the level of payment claims they are currently approving is only possible due to staff working additional hours in the evenings or at weekends. Grant amounts over €100k in particular can only be approved by a Senior Engineer [REDACTED] who is only able to work on these at the weekends which is delaying approvals of payment claims. Internal Audit had queried whether there was a Senior Executive Officer, (SEO) in the Water and Environment Directorate that could assist with approving the current level of claims awaiting approval. Staff in the DCB team advised Internal Audit that a request has been made to the DHLGH for approval of an SEO post within the DCB team, and sanction is awaited, (an SEO post within the DCB team would resolve the issue of payments being delayed due to ongoing competing priorities for the Housing staff).

#### **8.4.7 Pre-payment checks – Payments Team (Water and Environment Directorate)**

- Following discussions between the DCB team and Finance Team in DCC, DCB grants are not paid through the normal purchase to pay cycle within DCC, with associated purchase orders and invoices, (this methodology was inherited from the Previous Scheme as it was deemed to be the most efficient way of processing the volume of payment claims involved). Instead, the payments are uploaded into the Financial Management system via a load sheet which is created by the [REDACTED] of the Payments Team. This method although faster than the normal purchase to pay cycle, requires the [REDACTED] of the Payments Team to conduct a number of essential pre-payroll checks, (these include a check of the supplier number to the Financial Management system, a check to ensure the recipient has provided a valid bank account number etc).
- The [REDACTED] of the Payments Team reported to Internal Audit that after the grant payment claim has been approved but prior to them completing the essential Pre-payment checks, they complete another check of all information on the Back Office Processing Solution screen to the source documents on the Document Management Solution (DMS), (depending on the value of the grant, this means that some source documents may have been reviewed by up to 4 separate staff in DCC before payment). This third full check of the Back Office Processing Solution information to the documents on the Document Management Solution (DMS) takes approximately 20 minutes per approved payment claim and puts pressure on the [REDACTED] to ensure all payment claims make it onto the next available payment run, (the [REDACTED] reported that they often work on the weekends and late in the evenings to ensure that as many of these payment claims as possible are included in the next available payment run). Once this third full check and the essential pre-payment checks are completed, the grant is added to the weekly load sheet which is sent to DCC's Finance Team for payment.
- Internal Audit queried with the [REDACTED] if there is a need to complete this third check from the Back Office Processing Solution to the Document Management Solution (DMS) given that the application would already have been reviewed and approved by 2 and possibly 3 individuals. The [REDACTED] advised that there had been some clerical errors found on occasion still on this additional check but none that would have resulted in an incorrect amount being paid to a grant recipient. The [REDACTED] advised Internal Audit that the key documents to review at this stage in their opinion are the Schedule 6 Interim Valuation Certificate and the Chief

Executive Order. The checking of these key documents would provide comfort that the amount to be paid was correct. Only checking the IVC at this stage would reduce the 20 minutes required per application to approximately 1 or 2 minutes per application.

### **8.5 Potential Legislative Amendment - Remediation of Dwellings damaged by the Use of Defective Concrete Blocks (Amendment) Bill**

Staff in the DCB team reported that the DHLGH is currently working on an Amendment Bill that will increase the upper grant limit of the Enhanced DCB Grant Scheme from €420k to €462k. The Bill is expected to proceed for legislative scrutiny with the expectation it will be approved in late 2025. Up to 1,000 grant recipients could potentially benefit from retrospective grant payment rates once the Bill is approved.

The approval of this Bill will result in an additional large body of work for DCC that the current DCB team does not have the capacity to absorb, given the pressure the staff are under to process the ongoing Enhanced DCB Grant Scheme applications and payment claims. The potential beneficiaries of this Bill would need to be identified, then amounts would need recalculated before those eligible could be contacted and asked to provide the necessary supporting documentation. This supporting documentation would then need to be validated and approved, before any additional payments could be made.

Staff in the DCB team advised that to effectively administer such a scenario, DCC would require a new separate Project team managed by staff already experienced in DCB applications. The new team would then need to be sufficiently resourced with administrative staff and have access to the necessary IT Professional expertise when required. Staff in the DCB team advised Internal Audit that these additional staff would need to be sanctioned in the immediate future for the positions to be filled, and staff to be effectively trained in order to avoid potential beneficiaries facing delays in amounts they are owed, after the Bill's effective date.

Internal Audit note that these potential changes to the legislation/ operational guidance in respect of the Scheme would require significant development to the systems used to process applications, (both the Online Portal and Back Office Processing Solution). This would have a direct impact on the timeframe to implement any new aspects of the Enhanced Scheme.



## **8.6 Sample Check of Approved Payments**

Internal Audit selected a random sample of 5 approved payment claims and reviewed the relevant screens on the Back Office Processing Solution and the source documentation on the Document Management Solution (DMS) to ensure these were processed in accordance with the 2022 Act and the Enhanced DCB Scheme Regulations. No issues were noted with this testing.

## **9. Conclusions and Recommendations**

It is recommended that the findings in this report be considered and that appropriate remedial action be taken where necessary. (**See Appendix 3 for list of summary recommendations**).

### **9.4.2 Chief Executive, (CE) Orders**

#### Conclusion

The DCB team currently complete three CE orders in respect of each Enhanced DCB Grant Scheme application, (one for the repayment of the Competent Building Professional's fees for the BCA report, one to pay an Ancillary Grant and one to pay the remedial option grant amount). A member of the Validation Team reported to Internal Audit that one FTE staff member is required to draft CE orders on an ongoing basis. This is a legacy from the Previous Scheme as the Enhanced DCB Grant Scheme introduced new grant provisions, e.g. Ancillary Grant. The new Grant provisions required an additional CE Order to be prepared to allow payment of the Ancillary Grant to applicants whose Remediation Option Grant had previously been approved before the commencement of the Enhanced DCB Grant Scheme.

Internal Audit are of the opinion that Schedule 15 of the Local Government Act 2001 only requires one CE order to be completed for the award of an Enhanced DCB Scheme grant. Completing one CE order for each grant application instead of three would streamline the approval process and reduce the administrative workload for the DCB team.

#### Recommendation

It is recommended that Management consider the use of a consolidated CE Order to streamline the approval process for each Enhanced DCB Grant Scheme application and associated grant payments.

#### **9.4.5 Remedial Option Grant Payment – Payment Team Validation Process**

##### Conclusion

Staff in the Payments Team would benefit from the updating of their standard checklist which is used to perform validation checks of payment claims. The global use of a standardised checking template can make the review process more efficient.

##### Recommendation

It is recommended that Management consider introducing a standard checking template for use in the validation process of all Enhanced DCB Grant Scheme payment claims.

#### **9.4.6 Remedial Option Grant Payment – Assessment Team Validation Process**

##### Conclusion

Technical staff from the Housing Directorate who have competing essential work priorities including this work on Enhanced DCB Grant Scheme payment claims, are still involved in the validation and approval process, despite there being no technical remit for DCC under the Enhanced DCB Grant Scheme. While this reflects a strong commitment to service delivery, the Enhanced DCB Grant Scheme does not require a technical remit from DCC, and these tasks could be effectively carried out by trained administrative staff. Implementing this change could reduce delays in payment approvals in some cases, while allowing technical staff to focus on their core functions.

##### Recommendation

It is recommended that management ensure that the DCB team is appropriately resourced so that going forward, all Enhanced DCB Grant Scheme payment claims are validated and approved without the need for the involvement of technical staff from the Housing Directorate.

#### **9.4.7 Pre-Payment checks – Payments Team (Water and Environment Directorate)**

##### Conclusion

The [REDACTED] in the Payments Team performs a third check between the Back Office Processing Solution and all source documents on the Document Management Solution (DMS) for the payment claim, after it has been approved for payment and prior to them completing the essential pre-payment checks. It was reported to Internal Audit that this third check takes approximately 20 minutes per application. In some cases, documents may be reviewed by multiple staff members, (up to four) and can lead to some payments being delayed until the following week's payment run.

##### Recommendation

It is recommended that management review the level of checks at this stage of the process with a view to ensuring they are appropriate and reasonable, given the level of checking that has already taken place.

#### **9.5 Potential Legislative Amendment - Remediation of Dwellings damaged by the Use of Defective Concrete Blocks (Amendment) Bill**

##### Conclusion

The approval of the Amended Bill will result in an additional large body of work for DCC that the current DCB team does not have the capacity to absorb, given the pressure the staff are under to process the ongoing Enhanced DCB Grant Scheme applications and payment claims. Staff in the DCB team advised Internal Audit that in their opinion, a new, appropriately resourced Project Team would be the best option of ensuring that the new amended Regulations are implemented effectively by DCC.

### Recommendation

It is recommended that management consider whether a separate Project Team is needed and if so, that the team is appropriately resourced, to ensure that the Amended Regulations resulting from this Bill are complied with in a timely fashion.

## **10. Acknowledgement**

I wish to acknowledge the assistance and co-operation of Staff from the DCB Team and the Housing Directorate, during the course of this Audit.

*Gareth Park*

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**GARETH PARK, ACA  
INTERNAL AUDITOR**

**Appendix 1 – Circulation List**

**21/11/2025**

**Final Report sent to:**

[REDACTED]

**Copied to:**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**10/10/2025**

**Draft Report sent to:**

[REDACTED]

[REDACTED]

**Copied to:**

[REDACTED]

[REDACTED]

## **Appendix 2 – Audit Classification**

<b>Level</b>	<b>Definition</b>
1. Substantial	<p>Evaluation Opinion:</p> <ul style="list-style-type: none"> <li>- There is a robust system of risk management, control and governance</li> <li>- The systems in place should ensure that objectives are fully achieved</li> <li>- The control processes tested are being applied consistently</li> </ul>
2. Adequate	<p>Evaluation Opinion:</p> <ul style="list-style-type: none"> <li>- There is a generally adequate system of risk management, control and governance</li> <li>- The systems in place should ensure that essential objectives are fully achieved</li> <li>- The control processes tested are, in general, being applied consistently</li> <li>- However, there are some weaknesses in control that are placing some objectives at risk. There is a risk that some objectives may not be fully achieved</li> <li>- Some improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance</li> </ul>
3. Limited	<p>Evaluation Opinion:</p> <ul style="list-style-type: none"> <li>- There is a weak system of risk management, control and governance</li> <li>- There is considerable risk that objectives will not be achieved</li> <li>- The control processes that exist are not being applied consistently</li> <li>- There are some significant weaknesses in control in a number of areas</li> <li>- Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance</li> </ul>
4. Unsatisfactory	<p>Evaluation Opinion:</p> <ul style="list-style-type: none"> <li>- There is an inadequate system of risk management, control and governance</li> <li>- The system has failed or there is a real and substantial risk that the system will fail to meet its objectives</li> <li>- Systems/processes are open to significant error or abuse</li> <li>- Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance</li> </ul>
5. No Assurance	<p>Evaluation Opinion:</p> <ul style="list-style-type: none"> <li>- Internal Audit has been unable to form an opinion on the system of risk management, control and governance</li> <li>- Internal Audit has been unable to access or has been prevented from accessing essential information required to form an opinion</li> <li>- Internal Audit has not received the cooperation of staff/management</li> </ul>

**Appendix 3 – IA25/2 – Review of Defective Concrete Blocks Grant Process**  
**- Summary Recommendations**

	<b><i>Recommendations</i></b>	<b><i>Actions Undertaken or to be undertaken</i></b>	<b><i>Timeline</i></b>	<b><i>Responsible Director &amp; Service</i></b>
1	It is recommended that Management consider the use of a consolidated CE Order to streamline the approval process for each Enhanced DCB Grant Scheme application and associated grant payments.	Accepted. A consolidated Chief Executive Order template has been introduced. This has streamlined the approval process and reduced administrative workload.	Q4 2025	Director of Water and Environment
2	It is recommended that Management consider introducing a standard checking template for use in the validation process of all grant payment claims.	Accepted. The standard Checking Template has been reviewed and updated. Once complete, relevant staff will use this Checking Template going forward, ensuring a consistent approach.	Q4 2025	Director of Water and Environment
3	It is recommended that Management ensure that the DCB team is appropriately resourced so that going forward, all Enhanced DCB Grant Scheme payment claims are validated and approved without the need for the involvement of technical staff from the Housing Directorate.	Accepted. It is accepted by Management that the DCB team should be appropriately resourced to provide efficient and continuous service delivery.  The DCB Workforce Plan was submitted to the DHLGH in Feb 2025 and formed part of the Council's recent Organisational Review.  Measures were taken by Management in Q3 2025 to remove the need for the involvement of staff from the Housing Directorate in the DCB payments assessment process. This involved the temporary assignment of other staff to the DCB team, while sanction from the DHLGH for the Workforce Plan is awaited.  The implementation of the DCB Workforce Plan will ensure resilience within the DCB team and ensure the efficient administration of the Enhanced DCB Scheme.	Ongoing as of Q1 2025	Director of Water and Environment
4	It is recommended that Management review the level of checks at this stage of the process, (i.e., after the payment	Accepted. The level of final checks was reviewed in Q4 2025. The checking process has now been	Q4 2025	Director of Water and Environment

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	claim has been approved for payment and prior to the DCB team member completing the essential pre-payment checks) with a view to ensuring they are appropriate and reasonable, given the level of checking that has already taken place.	optimised to balance accuracy with processing efficiency.		
5	It is recommended that Management consider whether a separate Project Team is needed, (in respect of the application of Retrospection required under the Amended Bill) and if so, that the team is appropriately resourced, to ensure that the Amended Regulations resulting from this Bill are complied with in a timely fashion.	Accepted. The approval of the DCB Workforce Plan, submitted to the DHLGH in Feb 2025, is key to ensuring that all functions of the DCB Grant Office are sufficiently resourced to allow efficient and continued service delivery, including the additional workload associated with Retrospection. The additional workload associated with the implementation of Retrospection was first flagged to the DHLGH in 2024	Q3 2025	Director of Water and Environment