



**TITHE AN OIREACHTAIS**

**AN COISTE UM CHUNTAIS PHOIBLÍ**

**TUARASCÁIL**

**Tuarascáil Thréimhsiúil Uimh. 3, Eanáir – Bealtaine 2018**

**Arna Foilsiú Iúil 2018**

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**HOUSES OF THE OIREACHTAS**

**COMMITTEE OF PUBLIC ACCOUNTS**

**REPORT**

**Periodic Report No.3, January – May 2018**

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## CHAIRMAN'S PREFACE

This is the Committee's third periodic report and it focuses on matters arising from engagements of the Committee of Public Accounts from 25 January to 3 May 2018. The Committee has considered the evidence presented at its meetings over the period and has arrived at a number of conclusions and recommendations for further actions.

The Committee held 11 public sessions between 25 January and 3 May 2018, following up on matters arising from previous meetings and examining issues emerging from financial statements audited, and matters reported on, by the C&AG.

The Committee held meetings with the Valuation Office; the National Shared Service Office; the Department of Rural and Community Development; the Department of Housing, Planning, and Local Government; the Department of Culture, Heritage and the Gaeltacht; the Department of Finance; the Department of Justice and Equality; the Department of the Taoiseach; and RTÉ.

During this period the Committee also addressed the issue of receipts from Corporation Tax, and has reported on this separately. Public Private Partnerships were also considered, and the Committee intends to return to this matter in the autumn.

On behalf of the Committee, I would like to express my gratitude to everyone who participated in the hearings and to those who provided detailed briefing in advance to assist the Committee in its deliberations. I would also like to express my appreciation to the members of the Committee and the Secretariat for their work in relation to the Committee's consideration of the issues, and in the preparation of this report. I recommend that all those with an interest in governance, public finances and administration read the report in full, as it contains interesting and important factual information.

I commend the Committee's report to Dáil Éireann.



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**Sean Fleming, TD**  
**Chairman, Committee of Public Accounts**  
**July 2018**



## GENERAL CONCLUSIONS AND RECOMMENDATIONS

After consideration of the evidence presented to the Committee during meetings held from late January to early May 2018, the Committee has come to the following general conclusions and recommendations for further actions.

- A.1.** Business cases for the expenditure of sizeable sums of public funds are not made publically available as a matter of course. During a number of its engagements, the Committee has had to request business cases from government departments and agencies. The Committee recommends that the Department of Public Expenditure and Reform requires that business cases relating to proposed expenditure above an appropriate threshold are published once approved.
  
- A.2.** The failure of government departments and agencies to comply with the government's policy in relation to public procurement is a recurring theme. The Committee recommends that the Department of Public Expenditure and Reform examines the imposition of appropriate sanctions for public bodies that do not adhere to public procurement policy. The issue of compliance with public procurement policy is a matter to which the Committee intends to return.

## CONCLUSIONS AND RECOMMENDATIONS ARRIVED AT IN BODY OF THE REPORT

Below is a complete list of all conclusions and recommendations, which can be found at the end of each chapter.

The Committee of Public Accounts is of the view that:

### 1. THE NATIONAL PROPERTY REVALUATION PROGRAMME

- B.1.** The Valuation Office's progress on the national property revaluation programme has been unacceptably slow. In some cases, there will be more than ten years between the first revaluations in different local authorities, which has led to significant discrepancies in the commercial rates charged by local authorities. The Committee is dissatisfied with the performance of the Office in relation to the national property revaluation programme, and recommends that the Office ensures the programme is completed by 2021.
- B.2.** The fact that properties have not been revalued since 1988 has led to spikes in some commercial rates bills, which can have a significant impact on businesses, particularly small and medium enterprises. The Committee recommends that the Office ensures it complies with its statutory duty to conduct revaluations every five to ten years to minimise the potential for further spikes in commercial rates.
- B.3.** In order to reduce the need for local authorities to increase commercial rates, the Department of Housing, Planning, and Local Government should ensure that forthcoming legislation – the Commercial Rates Bill 2017 - includes a variety of payment methods and supports to facilitate the effective collection of rates, which currently stands at 84%.
- B.4.** Coherent justification for the order in which local authorities have been revalued is lacking. The Committee recommends that future revaluations are structured to allow for greater transparency, and to ensure the approach is as fair as possible.
- B.5.** Given that the Office now has a number of options open to it to conduct revaluations, it is imperative that the Office has an ICT system capable of recording the time spent on



each revaluation. The Committee recommends that the implementation of the system is expedited to allow the Office to identify the most cost-effective revaluation process, whether it is in-house, external, or occupier assisted revaluation.

- B.6.** It is not clear how the revaluations conducted by the Office compare with revaluations it outsourced to the private company CBRE. The external independent review of the Office's and CBRE's revaluations should remain a priority for the Office.

## 2. SHARED SERVICES – MANAGEMENT OF SALARY OVERPAYMENTS

- B.7.** Given the complexity involved in the National Shared Services Office's administration of €3.24 billion in payments to over 100,000 payees, and the fact that payrolls are run in advance of payday, some salary overpayments are inevitable. This, however, does not account for the number of overpayments, or the extent of delays in their calculation and recoupment. The Committee recommends that the National Shared Services Office focuses on addressing the incidence of overpayments, and delays in their calculation and recoupment. Particular attention should be given to streamlining notification procedures and minimising internal errors.

- B.8.** While it appears that the National Shared Services Office has undertaken considerable work to address the shortcomings identified in the C&AG's 2016 report, the Committee recommends that the Office now ensures that its service improvement priorities are aligned with the issues identified by its service users.

- B.9.** The extent of savings derived from the implementation of the Shared Services model are not clear. The Committee recommends that an independent evaluation of savings generated is commissioned at the end of 2018, to assess whether it is providing value for money to the taxpayer.

## 3. THE DORMANT ACCOUNTS FUND

- B.10.** The Dormant Accounts Fund was designed to assist vulnerable sections of society, but due to administrative failures, it is not getting to them. On the basis of the evidence presented to the Committee, the dissolution of the Dormant Accounts Board, and the accompanying transfer of statutory responsibility for the Fund to government departments, has coincided with a serious decline in the effective administration of the

Fund. The Committee recommends that the mechanisms employed by the dissolved Dormant Accounts Board, and other government models that effectively disburse funds, are examined by the Department of Public Expenditure and Reform in order to help address the failures of the current system.

**B.11.** Over €70 million is committed to projects and programmes under the Dormant Accounts Fund, €12 million of which was committed prior to 2012. The Committee recommends that the Department of Rural and Community Development prioritises its review of these commitments, and includes a provision to decommit funds in future arrangements.

**B.12.** There has been a distinct lack of continuity regarding responsibility for disbursement of the Dormant Accounts Fund. The Committee recommends that responsibility for the Fund is maintained by one body to provide a stable platform for the effective administration of the Fund.

**B.13.** The Dormant Accounts Fund is insufficiently publicised and there is a lack of proactive engagement with organisations eligible to avail of funding. The Committee recommends that greater effort should be put into publicising the Fund, and proactively engaging with organisations that are actively seeking funding, and are eligible to avail of Dormant Accounts Funds.

**B.14.** The Dormant Accounts Fund application process is too complex, and has the potential to discourage applications for funding. The Committee recommends that the Department reviews the Dormant Accounts Fund application process.

**B.15.** Between 2012 and 2016, €143 million was transferred to the Dormant Accounts Fund. The Committee finds it unacceptable that just €29 million was disbursed during this period, and that:

- the statutory requirement to conduct a review of the 2013 – 2016 disbursement scheme by end December 2016 was not met; and
- the statutory requirement to produce an action plan for the implementation of the disbursement scheme was not met in 2015.

The Committee recommends that the statutory review of the 2013 – 2016 Dormant Accounts Fund disbursement scheme be completed by July 2018, as stated by the

Secretary General, and that the Department of Rural and Community Development complies with its statutory responsibilities to produce an action plan in relation to the Dormant Accounts Fund every year.

#### 4. DEPARTMENT OF HOUSING, PLANNING, AND LOCAL GOVERNMENT

- B.16.** Central government funding of local government is overly complicated and disjointed, making it difficult to follow, and difficult to determine if value for money is being achieved. The Committee recommends that the flows of funds from central government to local government are reviewed to simplify the process.
- B.17.** The fragmented nature of the funding of local authorities means that they do not have certainty regarding the overall levels of central government funding they will receive from year to year. This makes it difficult to effectively plan and administer the funding. The Committee recommends that central government bodies proactively engage with local authorities to ensure they are aware of planned funding provision.
- B.18.** The distribution of local government funding requires further examination. Funding baselines are outdated and there is significant overreliance on commercial rates. The Committee recommends that the review of the local government funding distribution model by the Department of Housing, Planning, and Local Government ensures a more equitable, holistic, and transparent method of distributing funding to local authorities is devised. The Committee will monitor the progress of the review process.
- B.19.** The collapse of funding for road maintenance from 2010 has led to a significant deterioration in the quality of local and national roads across the country. Failure to maintain roads results in unnecessary loss to the Exchequer as road repair is more expensive than road maintenance. In order to safeguard public funds, the Committee recommends that roads are maintained to a high standard. In the interests of road safety, there should be a particular focus on identified accident black spots.
- B.20.** The current system for motor taxation unduly penalises those who cannot afford to pay their motor tax in a single annual transaction. Motor tax is most expensive when paid on a quarterly or half-yearly basis, as the associated additional charges are significantly in excess of the cost of the additional transactions (estimated to be €5 per online transaction). The Committee recommends that the Department of Transport,

Tourism and Sport replaces these additional quarterly and half-yearly charges with a processing fee, which should be limited to a maximum of €5 per transaction.

**B.21.** The underspend of €53.3 million represents almost a third of the Department's 2016 provision for voluntary and cooperative housing. The Committee recommends that the Department ensures capacity is scaled up sufficiently to deliver on its housing targets. The Committee intends to return to the matter in the autumn.

**B.22.** €153 million was paid to private landlords under the Housing Assistance Payment scheme in 2017. This is set to rise to over €300 million in 2018. The Committee finds it unacceptable that no data is available regarding the level of inspection of HAP properties, and that significant sums of public money are being paid to landlords that might be providing substandard or dangerous accommodation to vulnerable tenants. The Committee recommends that local authorities carry out inspections of properties in line with their obligations under relevant legislation.

## 5. GALWAY ART HOUSE CINEMA AND VOTE 33 – ARTS, HERITAGE, REGIONAL, RURAL AND GAELTACHT AFFAIRS

**B.23.** The extent of the issues with the site on which Galway Art House Cinema was constructed were not identified until the fourth site survey, three years after the initial funding application. In order to safeguard public funds, the Committee recommends that approval of applications for funding that involve construction on brownfield sites requires the completion of comprehensive site examinations in advance of construction commencing.

**B.24.** While the extent of the issues with the site on which Galway Art House Cinema was constructed did not become apparent until the fourth site survey was completed, the difficulties might have been dealt with more effectively had effective project management structures been in place. The Committee recommends that public bodies ensure that applications for public funding are accompanied by evidence of sufficient project management expertise.

**B.25.** The Department of Culture, Heritage and the Gaeltacht did not provide sufficient oversight of the project, and did not effectively deal with the project management failures that characterised the project. The Committee recommends that the

Department assumes a more proactive role in the oversight of projects which it funds, including regular reporting and site visits.

**B.26.** The Committee recommends that the Department of Culture, Heritage and the Gaeltacht conducts a post-project evaluation of the Galway Art House Cinema project to see what can be learned from the project, and to ensure public accountability. The report should be completed and published within the timeframe outlined to the Committee by the Secretary General.

**B.27.** The business case for the relocation of Foras na Gaeilge to its new headquarters on Amiens Street identified the purchase of a building as the better financial option, but this option was not pursued. Ongoing rental costs will result in significant financial loss to the State in the long term. The Committee recommends that the Department pursues such options fully in the future, and that capital support be made available where the purchase of a building is the most cost effective solution.

## 6. DEPARTMENT OF FINANCE

**B.28.** Fiscal reporting is fragmented. There is no report that gives a complete picture of the public sector's net worth. This lack of clarity makes it difficult to follow the flow of public funds, and impedes accountability. The Committee recommends that the Department prioritises the production of a consolidated central government financial statement.

**B.29.** Harmonising accounting practices across public bodies would allow for increased clarity, transparency, and coherence in government accounting. The Committee recommends that the Department brings forward proposals to improve co-ordination in government accounting.

**B.30.** Established macroeconomic indicators have become unreliable in the Irish context. The distorted picture they provide overstates debt sustainability, and is costing the State hundreds of millions of euro each year in EU budget contributions. The Committee recommends that the Minister continues to pursue a legal basis for the adoption of alternative economic indicators in the State's reporting at EU level. The Minister should endeavour to make progress on the issue sooner than the two to three year timeframe indicated by the Secretary General of the Department of Finance. This

issue should also be highlighted in the context of the potential increase in Ireland's EU budget contributions in the aftermath of Brexit.

## 7. DEPARTMENT OF JUSTICE AND EQUALITY

**B.31.** €3.89 million of public funds was lost on the lease of a building on Wolfe Tone Street in Dublin by the Probation Service. It was never occupied and provided no benefit whatsoever to the taxpayer. On the basis of the evidence presented to the Committee, the Chief State Solicitor's Office complete reliance on established practice, and failure to take action when it was made aware of the expiration of planning permission are the primary causes of the loss. The Committee recommends that the Chief State Solicitor's Office ensures its oversight mechanisms are sufficient to prevent reoccurrence of this unacceptable waste of taxpayers' money.

**B.32.** When asked to provide detail on its role in the loss of €3.89 million of public funds, the Chief State Solicitor's Office cited "legal professional privilege." This prevented the Committee fully scrutinising the matter. The Committee recommends that the Department of Public Expenditure and Reform examines barriers presented by claims of legal professional privilege that might prevent full accountability for the use of public funds.

**B.33.** The Toland Report's examination of the functionality of the Department of Justice and Equality was carried out by an Independent Review Group. The Group offered to review the implementation of the report's recommendations but this offer was not availed of. The Group was ideally placed to monitor the recommendations and provide advice and assistance in their implementation, and the offer should have been availed of.

**B.34.** There were significant governance failures relating to the three ICT projects undertaken by the Department of Justice and Equality on behalf of agencies under its remit. The Department has taken a number of steps to address these failures, and the Committee recommends that the Department monitors and follows through on the changes to ensure the mistakes are not repeated.

## 8. THE STRATEGIC COMMUNICATIONS UNIT AND THE DEPARTMENT OF THE TAOISEACH

**B.35.** There is a legitimate need to rationalise and streamline government communications in order to avoid duplication, ensure a whole of government perspective, and safeguard public funds. The Committee recommends that this process should proceed in the manner outlined by the Secretary General of the Department of the Taoiseach in his review of the operation of the Strategic Communications Unit.

**B.36.** Had the Strategic Communications Unit retained final editorial control, or ‘sign off’, of the Project 2040 advertorials, much of the associated controversy might have been avoided. The Committee recommends that public bodies should always ensure that they retain the right to sign off on content paid for by the State, so that they can ensure that public funds are spent on content that is accurate and unbiased.

## 9. RAIDÍÓ TEILIFÍS ÉIREANN (RTÉ)

**B.37.** The level of TV license evasion (15% in 2016) is contributing to RTÉ’s difficulties in delivering on its obligations as a public service broadcaster. It is also endangering the development of creative Irish talent, and associated independent industries. The Committee recommends that the current television licensing system is reviewed as a matter of urgency with a view to decreasing evasion rates.

**B.38.** The Eversheds Sutherland report into the use of contracts for services by RTÉ has recommended that RTÉ introduce a clear policy and guidelines regarding the use of contracts for services, and that it reviews 157 of the 433 contracts examined by Eversheds Sutherland. The Committee welcomes the fact that RTÉ has accepted the report’s recommendations, and it is the intention of the Committee to seek updates on their implementation.

## 1. THE NATIONAL PROPERTY REVALUATION PROGRAMME

**Meeting Date:** 25 January 2018

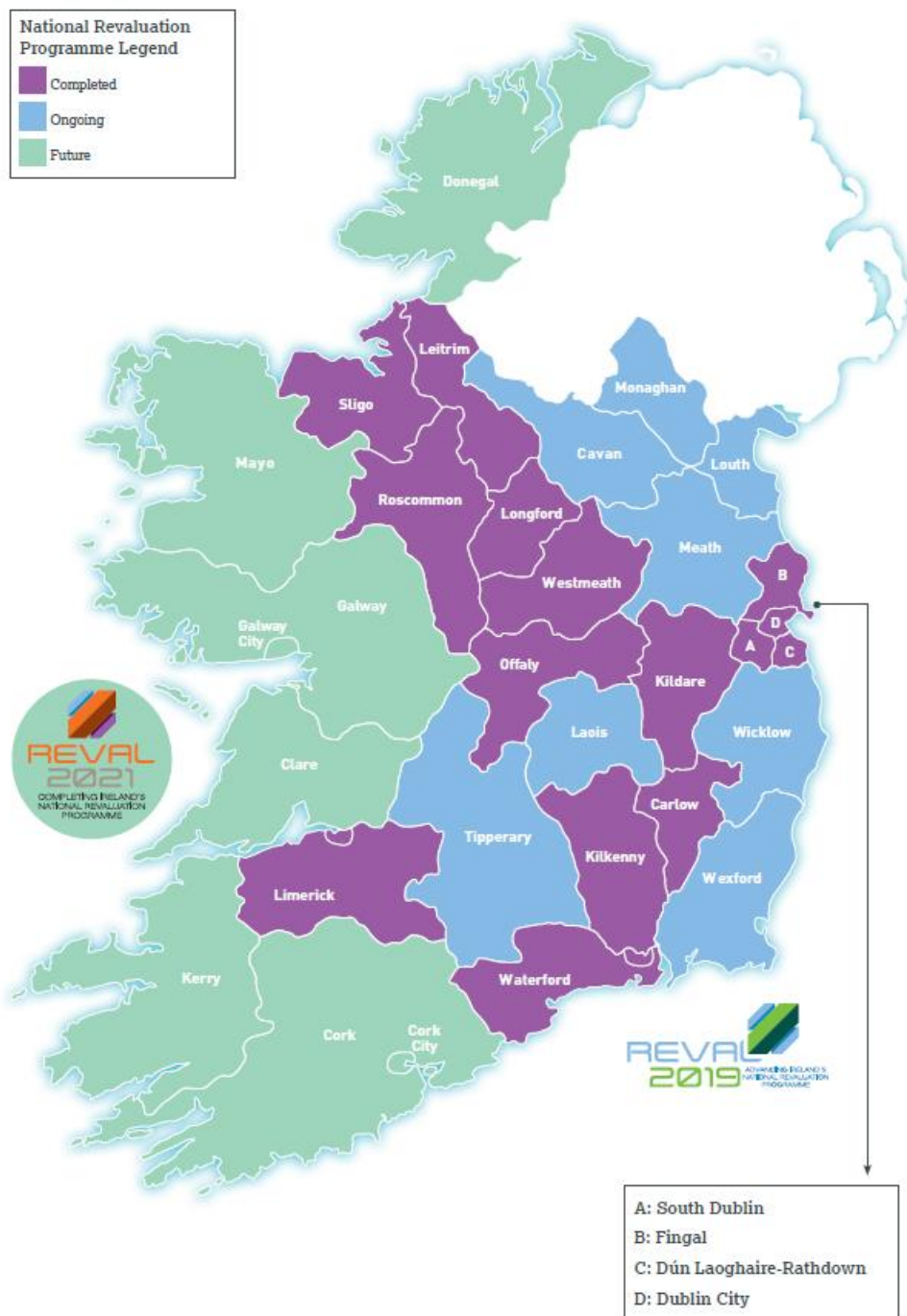
**Principal Purpose of the Meeting:** C&AG Report 2016 Chapter 11: The National Property Revaluation Programme

### INTRODUCTION

- C.1.** Since 1 January 2018, the Valuation Office (the Office) has been under the aegis of the Department of Housing, Planning, and Local Government. It is responsible for valuing commercial and industrial properties in the State in accordance with the Valuation Acts 2001 to 2015. A national property revaluation programme was provided for in the Valuation Act 2001. In local authority areas not yet revalued under the programme, valuations are based on market conditions in 1988.
- C.2.** The national property revaluation programme began in 2005. As of September 2017, approximately 43% of properties (78,000 of 180,000) on valuation lists had been revalued. The programme is expected to be completed by 2021. The following graphic details the status of the programme as of January 2018.



**Graphic 1: The Status of the National Property Revaluation Programme, January 2018**



**C.3.** The Valuation Act 2001 requires that valuations are updated between five and ten years after revaluation. Therefore, second revaluations will be necessary during the national property revaluation programme. The first revaluation of South County Dublin local authority was completed in December 2007, and a second revaluation was completed in September 2017.

**C.4.** Income for local authorities does not change markedly as a result of the revaluations. Local authorities determine and apply a multiplier to valuations to calculate commercial rates bills. Revaluations result in some commercial rates increasing and some decreasing, the aim being to rebalance rates based on prevailing market conditions.

**C.5.** Almost 60% of businesses have experienced a decrease in their rates bill following revaluation. Approximately 36% have experienced an increase, with the remaining 4% accounting for those that experienced no change, or new properties.

## DURATION OF THE NATIONAL PROPERTY REVALUATION PROGRAMME

**C.6.** The Committee questioned Mr. John O’Sullivan, Accounting Officer, Commissioner of Valuation and Chief Boundary Surveyor, as to why the national property revaluation programme has progressed so slowly. Since 2005, the Office had revalued just 43% of properties on valuation lists.

**C.7.** The Commissioner outlined the following reasons for the slow progress of the programme:

- The Valuation Act 2001 legislated for revaluations for the first time. The time required to complete a revaluation is governed by the procedures and timeframes set out in the Act, and conducting revaluations in line with prescribed statutory steps presented difficulties for the Office;
- The Office had not previously conducted revaluations and the first revaluations undertaken by the Office involved a learning process;
- From 2004 to 2011, progress on the programme was delayed due to industrial action, high staff turnover, the loss of experienced staff, and a volatile commercial property market.

**C.8.** The Valuation (Amendment) Act 2015 was designed to deal with the operational deficiencies encountered by the Office in the implementation of the 2001 Act. Referred to as a “game changer” by the Commissioner, the 2015 Act has helped the Office reduce the time taken to carry out revaluations. Prior to 2015, the Office took an average of 30 months to complete the revaluation of a local authority. Since 2015, the average has been reduced to 22 months (excluding second revaluations).

## SIGNIFICANT RATE CHANGES

- C.9.** Members of the Committee raised concerns regarding the significant changes in rates experienced by some ratepayers. In Limerick, one property's rate bill increased by €474,000, while another's decreased by €558,000. Committee members are also aware of cases where rates bills have increased by up to 400%. The Committee was particularly concerned at the impact that significant increases in rates can have on small and medium businesses' viability and potential for growth.
- C.10.** The Commissioner stated that those properties that have developed considerably since 1988 are likely to experience significant increases in their rates bills, and that the Office is very much conscious of the impact this can have on businesses. The Commissioner outlined the steps it takes to proactively engage with ratepayers. The issue arises because it has been 30 years since properties were last valued. Given the statutory requirement that revaluations are conducted every five to ten years, the Office does not expect to see similar spikes in subsequent revaluations.
- C.11.** The Committee queried the measures in place to assist those faced with significant increases in their rates. The Commissioner stated that the Office's role is limited to implementing the legislation in place. Mr. Paul Lemass, Assistant Secretary at the Department of Housing, Planning, and Local Government advised the Committee that, currently, half of a rates bill must be paid in January and half in July. While local authorities work with ratepayers, priority legislation being drafted will allow for businesses to spread the payments over the course of the year.

## VALUATION METHODOLOGY

- C.12.** The valuation methodology used is known as 'zoning'. It sees the first 6.1 metres – the frontage to the street or shopping centre - as twice as valuable as the next 6.1 metres. Committee members were concerned that this methodology can favour larger businesses, often based in retail parks outside town centres. Smaller businesses tend to be located on main streets, and the methodology contributes to higher property valuations, increasing exposure to commercial rates. The Commissioner stated that the Office works through a lot of the issues in the revaluation process, noting that about 60% of ratepayers' bills are reduced following revaluation.

## LOCAL AUTHORITIES AND COMMERCIAL RATES

**C.13.** The annual rate on valuation (ARV) - which is the multiplier local authorities apply to valuations - also impacts on rates bills. The Commissioner stated that it typically ranges from 20% to 25%. Due to the revaluation process, the Minister issued a rates limitation order for 2018, limiting ARV increases to increases in the consumer price index and additional rates from new or extended properties. Income from rates was €1.47 billion in 2016, 34% of local authorities' revenue. While most local authorities had not increased their ARV since 2008, some increases in 2017 were in the region of 5%. The following is an example of how a commercial rate is determined:

**Table 1: Example of the Application of the Annual Rate on Valuation**

Valuation Office's Valuation	ARV set by Local Authority	Commercial Rate Liability
€100,000	0.25	€25,000

**C.14.** In terms of the overall funding model for local government, the Assistant Secretary referred to the fact that 16% of those liable for commercial rates do not pay them. In 2016 collection rates were lowest in Donegal and Louth (68%), while only Fingal (96%), Kilkenny (94%), Roscommon (91%), and Dublin City (90%) had collection rates over 90%. It is envisaged that the Commercial Rates Bill 2017 will increase the power of local authorities to collect rates.

## THE STRUCTURE OF THE NATIONAL PROPERTY REVALUATION PROGRAMME

**C.15.** The Committee questioned the Commissioner regarding the approach to and structure of the national property revaluation programme. Having revalued the larger Dublin authorities, in which there had been significant growth, the Office then chose to move to Waterford and Limerick rather than Galway and Cork. The Commissioner said the decision was taken to move to Waterford and Limerick so the Office could perfect its technique of dealing with a mix of rural and urban properties. The Office then began to work through the midlands.

**C.16.** The Committee drew attention to the major discrepancies caused by the slow progress of the national property revaluation programme. Revaluations began in 2005. Businesses in counties that have been revalued are dealing with, in some cases, very

significant increases to their rates bill, while businesses in other counties will not be revalued until 2021. The Commissioner stated that this underlined the need to complete the first revaluation, as most of the extreme cases are identified during the first revaluation.

**C.17.** Committee members suggested that the structure of the revaluation programme does not reflect the fact that urban centres, perceived to be benefitting more from economic recovery than rural areas, are not all being revalued first.

## ALTERNATIVE APPROACHES TO REVALUATION

**C.18.** Facilitated by the Valuation (Amendment) Act 2015, new approaches to revaluation have been piloted to try to increase the speed of revaluations.

## EXTERNAL VALUATION SERVICES

**C.19.** The revaluations for Carlow and Kilkenny were carried out by private valuers CBRE on behalf of the Valuation Office, and were completed in September 2017. While the revaluation itself took 12 months, the Commissioner clarified that overall the project took about 24 months; six months to prepare the specification in-house and six months to complete the procurement process. The private valuers will also be required to deal with appeals arising from its revaluations in Carlow and Kilkenny. Overall costs for the external revaluation of 5,052 properties in Carlow and Kilkenny by CBRE are expected to be about €525 per property.

## OCCUPIER ASSISTED VALUATION

**C.20.** A pilot programme to allow occupiers to self-assess the value of their properties in accordance with guidelines and regulations is now underway in County Laois. As part of the process, the Office will contact every ratepayer in County Laois, engage with representative bodies and local authorities, operate walk-in clinics, and launch a new website including instructional videos. The new valuation list for County Laois is expected to be completed in October 2018.

## REVALUATION COSTS AND ICT SYSTEMS

**C.21.** In his 2016 report, the C&AG recommended that the Office review its approach to the recording of revaluation costs to ensure accurate costings are available for the different elements of and approaches to revaluation. While the Office's overall costs for revaluation are available, they cannot be broken down into their component parts because the Office's valuers work on more than one project at a time, and the Office does not currently have an ICT system capable of delineating the costs.

**C.22.** The Office is working to acquire and implement an ICT system with workflow and case management functionality. This functionality should allow the Office to accurately track in-house costs for each step of the revaluation process in each local authority. The Commissioner stated that the system was expected to be in place by end 2019. However, in follow-up correspondence to the Committee, the Office stated that it now intends to conclude the procurement process by end 2019. It did not clarify when it expects to implement the system.

## INDEPENDENT REVIEW

**C.23.** An independent review of the Office's in-house revaluations, and the external valuation service used in Carlow and Kilkenny was scheduled to be completed by the end of March 2018. The initial procurement process to commission the review did not result in the award of a contract, and a second procurement process commenced in April 2018. On 2 May 2018, the Office informed the Committee that two tenders had been received, and were in the process of being evaluated.

## THE APPEALS PROCESS

**C.24.** Committee members voiced concerns regarding the length of time taken to deal with appeals to valuations. The C&AG's 2016 report recommended that the process be reviewed to deal with the delays. The Commissioner stated that the Office operates a two stage appeals process. The 'representations' stage is part of its engagement with ratepayers. Following receipt of the initial proposed valuation, the ratepayer has 40 days to give the Office feedback on the proposed valuation, which is then considered by the Office. This process allows the Office to adjust and improve its valuations for the property that has made the representation, as well as for similar properties.

**C.25.** The second stage is the formal appeals process. The appeal is made to the Valuations Tribunal, which endeavours to deal with the appeal within six months. 4.37% of properties revalued in 2017 appealed their rates bill to the Valuations Tribunal. This amounts to 1,271 appeals. The Commissioner stated that 70% to 80% of those will not go a hearing before the Tribunal. In its submission to the Committee, the Office outlined a number of initiatives it has implemented to try to streamline the appeals process.

## CONCLUSIONS AND RECOMMENDATIONS

The Committee of Public Accounts is of the view that:

**C.26.** The Valuation Office's progress on the national property revaluation programme has been unacceptably slow. In some cases, there will be more than ten years between the first revaluations in different local authorities, which has led to significant discrepancies in the commercial rates charged by local authorities. The Committee is dissatisfied with the performance of the Office in relation to the national property revaluation programme, and recommends that the Office ensures the programme is completed by 2021.

**C.27.** The fact that properties have not been revalued since 1988 has led to spikes in some commercial rates bills, which can have a significant impact on businesses, particularly small and medium enterprises. The Committee recommends that the Office ensures it complies with its statutory duty to conduct revaluations every five to ten years to minimise the potential for further spikes in commercial rates.

**C.28.** In order to reduce the need for local authorities to increase commercial rates, the Department of Housing, Planning, and Local Government should ensure that forthcoming legislation – the Commercial Rates Bill 2017 - includes a variety of payment methods and supports to facilitate the effective collection of rates, which currently stands at 84%.

**C.29.** Coherent justification for the order in which local authorities have been revalued is lacking. The Committee recommends that future revaluations are structured to allow for greater transparency, and to ensure the approach is as fair as possible.

**C.30.** Given that the Office now has a number of options open to it to conduct revaluations, it is imperative that the Office has an ICT system capable of recording the time spent on each revaluation. The Committee recommends that the implementation of the system is expedited to allow the Office to identify the most cost-effective revaluation process, whether it is in-house, external, or occupier assisted revaluation.

**C.31.** It is not clear how the revaluations conducted by the Office compare with revaluations it outsourced to the private company CBRE. The external independent review of the Office's and CBRE's revaluations should remain a priority for the Office.



## 2. SHARED SERVICES – MANAGEMENT OF SALARY OVERPAYMENTS

**Meeting Date:** 1 February 2018

**Principal Purpose of the Meeting:** C&AG Report 2016 Chapter 10: Shared Services – Management of Salary Overpayments

### INTRODUCTION

**D.1.** ‘Shared services’ involve the provision of common services to a number of organisations by a service provider. It aims to reduce costs, standardise processes and provide a more efficient and effective service by assigning common administrative functions to one organisation, and allowing other organisations to focus on their core business.

**D.2.** The National Shared Services Office (NSSO) was established under the National Shared Services Office Act 2017. Originally set up in 2014 as a division of the Department of Public Expenditure and Reform, it became a separate civil service office on 1 January 2018.

**D.3.** The NSSO currently provides the following shared services:

- Human Resource (HR) Shared Services - a human resource and pensions administration service (PeoplePoint);
- Payroll Shared Services - a payroll and pension payment service (Payroll Shared Services Centre (PSSC)).

The NSSO will also provide Finance Shared Services from mid-2018. Over a three year period, it will replace 31 financial management and reporting systems currently in operation across 48 government bodies with a single finance technology platform.

**D.4.** In 2016, PeoplePoint responded to 77,466 calls and closed 215,268 cases, while PSSC made payroll payments to 102,401 employees to the value of €3.24 billion. Ms. Hilary Murphy-Fagan, Accounting Officer and Chief Executive Officer (CEO) of the NSSO, informed the Committee that 39 government bodies have now transferred their administrative HR functions to the NSSO, while 52 government bodies have transferred their payroll functions to the NSSO.

**D.5.** Public service bodies outside the NSSO's remit include the Health Service Executive, and the Local Government sector. In briefing material submitted to the Committee, the NSSO stated that, as of 1 February 2018, approximately 70,000 of the NSSO's 124,500 payees are pensioners. The remaining 54,500 employees paid by the NSSO account for approximately 15% of public service employees.

## SALARY OVERPAYMENTS

**D.6.** Salary overpayments totalling €4.6 million were outstanding at the end of 2016. This figure does not include salary overpayments in government bodies that had not transferred their payroll functions to the NSSO. Ms. Paula Lyons, Head of Employee Shared Services at the NSSO, informed the Committee that when those bodies are included, the total salary overpayments figure for 2016 (based on those bodies' appropriation accounts) was around €7.5 million.

**D.7.** In follow up correspondence to the Committee, the NSSO provided the following estimates for salary overpayments for 2017 and 2018:

**Table 2: Outstanding Overpayments, 2016 - 2018**

	2016	2017	2018
Payroll overpayments at year end	€4.6m	€8.9m*	€8m**

\* Provisional figure pending finalisation of 2017 appropriation accounts.

\*\*Estimated.

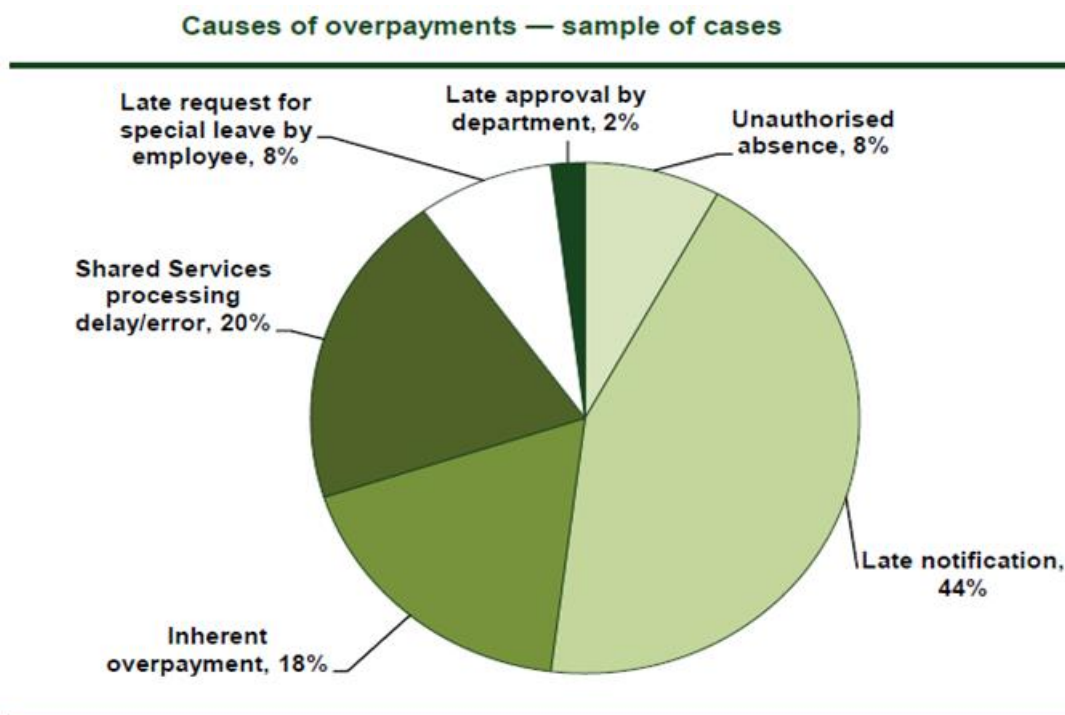
**D.8.** As the NSSO increased the number of bodies it serviced, it took on the overpayments associated with those bodies. The transfer of payrolls to PSSC was completed in November 2017, and a clearer picture of the effectiveness of the NSSO's work to reduce the level of overpayments will emerge from 2018 onwards.

**D.9.** The CEO of the NSSO stated that the value of overpayments in 2016 represents just 0.3% of the pay bill, asserting that 99.7% of the pay bill is being administered effectively.

**REASONS FOR SALARY OVERPAYMENTS**

**D.10.** The C&AG’s 2016 report states that, given the scale and complexity of the payments involved, some salary overpayments are inevitable. The C&AG conducted an analysis of 50 overpayment cases to identify the main reasons for overpayments. The results are set out in the following graphic:

**Graphic 2: Main Reasons for Overpayments Based On Sample Survey**



Source: Office of the Comptroller and Auditor General

- **Late notification, 44%**  
 Primarily due to failure of a government body’s HR unit to promptly notify PeoplePoint, and/or PeoplePoint to promptly notify PSSC, that an employee was on a reduced rate of pay due to sick leave.
- **Shared Services processing delay/error, 20%**  
 Ten of the 50 sample cases reviewed were due to delays/errors in the NSSO.
- **Inherent overpayments – 18%**  
 As instructions must be provided to PSSC a week before pay day, any issues that require an employee’s pay to be reduced within that week will result in an overpayment.

**D.11.** The C&AG found that nearly 20% of overpayments relate to a small number of staff with high absenteeism, and noted that a reform of sick leave arrangements in the public service has led to an increase in overpayments because staff are reaching sick leave thresholds earlier.

#### **DELAYS CALCULATING AND RECOUPING OVERPAYMENTS**

**D.12.** In his 2016 report, the C&AG recommended that the NSSO review the causes of delays in recording an overpayment value, and putting a recoupment plan in place. At end 2016, there were 388 salary overpayment cases (combined value €1.1 million) outstanding for more than a year that had no recoupment plan in place.

**D.13.** The CEO advised the Committee that, at the time, the NSSO was in the process of taking on responsibility for new payrolls and associated legacy overpayments. Upgraded reporting mechanisms have improved the situation, and the completion of the migration of payrolls to the NSSO will allow the organisation focus its efforts on addressing delays, and improving its service more generally. In follow-up correspondence to the Committee, the CEO advised that in 229 of the 388 cases, the overpayments are now in the process of being recouped.

**D.14.** At end 2016, there were 648 cases where a salary overpayment had been identified, but the amount of the overpayment had not been calculated. The Head of Employee Shared Services informed the Committee that this figure had been reduced to 66 cases. The calculation of overpayments is a crucial step in the process because a recoupment plan cannot be agreed until the value of the overpayment is determined. In follow-up correspondence to the Committee, the NSSO stated that the overpayments relating to 34 of the remaining 66 cases have been calculated, and that the remaining 32 cases are complex.

**D.15.** The CEO also noted that a revision of government policy in 2017 allows for automatic recoupment of a salary overpayment within a month when the overpayment is for a period of five days or less (the Head of Employee Shared Services stated that this applies to 36% of recoupments). This will reduce the time taken to process overpayments. Just over €2 million of salary overpayments was recouped in 2016 and the estimate for 2017 is higher. The CEO also stated that the NSSO does not write off any overpayments.

## CUSTOMER SERVICE

**D.16.** Committee members noted that union representatives have raised multiple issues with the level of service provided by the NSSO, including issues relating to overpayments; delays and mistakes with pension payments; delays in the payment of increments; delays with leave applications (particularly parental leave applications); delays issuing P60s; and mistakes and misunderstandings regarding starting pay when employees are promoted or reassigned. The Civil Service division of the Trade Union Fórsa conducted a survey which showed 83% of those surveyed had experienced problems with PeoplePoint.

**D.17.** The CEO stated that while the NSSO is a large scale organisation that is still relatively immature, customer service is “utterly important” to the NSSO. It continues to engage with unions and strives to improve its reputation. The CEO stated that the NSSO has put a robust service management system in place, and that it:

- operates a Customer Services Group with representatives from its client bodies, which is chaired by the Chief Human Resources Officer for the Civil Service;
- held 88 service management meetings with its client bodies in 2017;
- sets service targets and reports on its performance;
- checks 5% of all closed cases to ensure they were dealt with appropriately;
- encourages employees participation in its service improvement i.e. once a case is closed there is a link to a survey so that employees can provide feedback on the service they receive; and
- provides a complaints procedure for staff that are unhappy with their experience.

## REPORTING CAPABILITY

**D.18.** The C&AG’s 2016 report highlighted significant issues with the NSSO’s systems, which were incapable of providing basic information such as the overall amount of overpayments, the amount recovered, and the total amount outstanding. This impeded the effective management of salary overpayments, and accurate assessment of the efforts to address salary overpayments.

**D.19.** Since the last quarter of 2017, the NSSO has been generating a report for their clients that shows the balance of salary overpayments outstanding by employee, the amount

recouped in the current year by employee, and the period for the recoupment amount. Additional reporting features will be added in 2018.

**D.20.** The Head of Employee Shared Services stated that the NSSO can now generate reports on a weekly basis to see how cases are moving through the system; from the assessment of the overpayment value through to notification and a recoupment plan being put in place. This allows delays in the process to be targeted. The fact that all payrolls are now with the NSSO also helps reduce delays as it allows for an end to end view of the overpayment and recoupment process.

## SAVINGS

**D.21.** In its opening statement, the NSSO stated that, since 2012, the Government has invested more than €32 million in technology, facilities and consulting costs for HR and payroll shared services. The savings estimated to date are €21 million, with a further €13 million a year in savings expected once the centres are fully established.

**D.22.** Committee members sought further detail on the savings generated by the NSSO. The CEO stated that the NSSO intends to conduct a formal evaluation of savings and benefits. The NSSO has stated that HR savings of €6.4 million have been achieved for 2016 and 2017, with payroll savings estimated at €5.6 million for 2017.

**D.23.** The Committee also sought clarification as to whether staffing levels had reduced as a result of the centralisation of the administrative aspects of HR and payroll in the NSSO. The CEO stated that there were fewer employees working in the areas than when the services were carried out in each government body. Staff no longer working in these areas have been reassigned, and the grades of the staff carrying out the work have been aligned with the needs of the NSSO. At end 2017, there were 770 staff working in the NSSO. Staffing levels are expected to rise to 950 once the Finance Shared Service is fully operational.

**D.24.** The NSSO has also stated that an estimated €42.7 million of additional capital investment is required to establish the Finance Shared Service. Once fully established, it is expected to deliver a sustainable reduction in the annual cost of the financial management of approximately €15.4 million a year from 2021. This is expected to be

achieved through a reduction in the cost of support for finance technology, and a reduction in the resources required to provide financial management processing.

## CONCLUSIONS AND RECOMMENDATIONS

The Committee of Public Accounts is of the view that:

**D.25.** Given the complexity involved in the National Shared Services Office's administration of €3.24 billion in payments to over 100,000 payees, and the fact that payrolls are run in advance of payday, some salary overpayments are inevitable. This, however, does not account for the number of overpayments, or the extent of delays in their calculation and recoupment. The Committee recommends that the National Shared Services Office focuses on addressing the incidence of overpayments, and delays in their calculation and recoupment. Particular attention should be given to streamlining notification procedures and minimising internal errors.

**D.26.** While it appears that the National Shared Services Office has undertaken considerable work to address the shortcomings identified in the C&AG's 2016 report, the Committee recommends that the Office now ensures that its service improvement priorities are aligned with the issues identified by its service users.

**D.27.** The extent of savings derived from the implementation of the Shared Services model are not clear. The Committee recommends that an independent evaluation of savings generated is commissioned at the end of 2018, to assess whether it is providing value for money to the taxpayer.

### 3. THE DORMANT ACCOUNTS FUND

**Meeting Date:** 8 February 2018

**Principal Purpose of the Meeting:** C&AG Report 2016 Chapter 7: Dormant Accounts Fund

#### INTRODUCTION

- E.1.** Under the Dormant Accounts Act 2001, and the Unclaimed Life Assurance Policies Act 2003, dormant funds held in accounts in financial institutions, life assurance companies, and State savings schemes must be transferred to the State controlled Dormant Accounts Fund (the Fund).
- E.2.** An account is deemed to be dormant when 15 years have passed since the last customer-initiated transaction (or five years for a life assurance policy). Holders of an account that has been declared dormant, or the beneficiaries of their estate, have the right to reclaim their money at any time.
- E.3.** The Dormant Accounts Act 2001 states that the Fund should be used for:  
 “programmes or projects that are designed to assist the personal, educational and social development of persons who are economically, educationally or socially disadvantaged or persons with a disability (within the meaning of the Equal Status Act, 2000) and, in particular, programmes or projects that are designed to assist primary school students with learning difficulties”.
- E.4.** Over the period 2012 – 2016, €143 million was transferred to the Fund from dormant accounts, yet government departments spent just €29 million on Fund related projects and programmes. During the course of its hearing on 8 February 2018, the Committee set out to understand why the significant amount of funding, that is available to assist some of the most vulnerable people in society, is not being drawn down.

#### FINANCIAL SUMMARY, 2003 – 2016

- E.5.** The following table provides an overview of Dormant Accounts Fund transactions from 2003 – 2016. The first transfer of monies to the Fund was in 2003, and the first disbursements were made in 2004.



**Table 3: Dormant Accounts Fund Transactions, 2003 – 2016**

Net transfers to the Fund	€549m
Disbursements to Departments to fund projects and programmes	€275m
Net assets of the Fund at 31 December 2016	€259m

**E.6.** The level of disbursements has varied considerably. From 2006 - 2011, total disbursements amounted to €218 million, which was €77 million more than net transfers to the Fund during that period.

**E.7.** From 2012 - 2016, the level of disbursements fell significantly, totalling €29 million, which was €114 million less than net transfers to the Fund during that period.

## RESPONSIBILITY FOR DISBURSEMENT OF THE DORMANT ACCOUNTS FUND

**E.8.** From 2003 – 2005 the Dormant Accounts Disbursement Board was responsible for overseeing disbursements by departments. It became the responsibility of the Government in 2006, and the Dormant Accounts Board was established to advise on funding priorities, and to monitor effect. The Board was dissolved and its statutory functions transferred to:

- the Minister for the Environment, Community and Local Government in 2012;
- the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs in 2016; and
- the Minister for Rural and Community Development in 2017.

Table 4 sets out responsibility for the Fund since it was established in 2003, and the corresponding disbursements under the Dormant Accounts Fund.

**Table 4: Statutory Responsibility for the Dormant Accounts Fund and Corresponding Disbursements, 2003 – 2016**

Year	Statutory Responsibility for the Dormant Accounts Fund	Funds disbursed
2003 – 2005	Dormant Accounts Disbursement Board	€28m
2006 – 2011	Dormant Accounts Board	€218m
2012 – 2016	The Minister for the Environment, Community and Local Government	€29m
2016 – 2017	The Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs	
2017 –	The Minister for Rural and Community Development	

**E.9.** The National Treasury Management Agency (NTMA) invests the funds pending release to departments for disbursement, and repays any dormant funds reclaimed by financial institutions on behalf of account holders. The NTMA has no role in determining disbursements.

## DISBURSEMENT SCHEMES

**E.10.** The Dormant Accounts (Amendment) Act 2012 requires the Minister responsible for the disbursement process to prepare a disbursement scheme for a period not exceeding three years. It sets out the scheme's guiding principles and the priority areas for disbursement. The most recent disbursement schemes are the 2013 – 2016 scheme, and the 2017 – 2019 scheme. The 2017 – 2019 scheme was approved by Government in April 2017.

**E.11.** There is a corresponding statutory requirement to conduct a review of the disbursement scheme and to lay it before the Houses of the Oireachtas. The review of the 2013 – 2016 scheme, due by December 2016, has not been carried out.

**E.12.** The C&AG's Report on the Accounts of the Public Services 2016 recommended that the statutory review of the 2013 disbursement scheme should be carried out to identify how well the scheme was implemented, and to inform the development of future schemes. The Department of Rural and Community Development agreed with the recommendation and noted its intention to review all aspects of the Dormant Accounts Fund.

**E.13.** The Committee questioned the Accounting Officer and Secretary General of the Department of Rural and Community Development, Mr. Kevin McCarthy, as to why the statutory review had not been conducted since his Department assumed statutory responsibility for the Fund. The Secretary General advised the Committee that work was underway to complete the review, and that it was expected to be completed by the end of June 2018. Following a request from the Committee for a progress update, the Secretary General stated that he expects the review to be finalised in July 2018.

**E.14.** The Secretary General stated that having assumed responsibility for the Fund in July 2017, the Department was, to some extent, still in set-up mode. The Department has identified the Dormant Accounts Fund as a priority area for the first half of 2018, in

order to complete the statutory review, engage with other departments regarding previous commitments, and explore potential measures for 2018.

**E.15.** The Committee also queried why the review had not been conducted before the Department of Rural and Community Development assumed responsibility for the Fund. The Secretary General stated that before the 2017 – 2019 disbursement scheme was put in place, a “review of sorts” was conducted. This review took the form of consultation between the government departments involved in the preceding disbursement scheme.

## ACTION PLANS

**E.16.** The Minister is also required to prepare an action plan each year to implement the disbursement scheme. Action plans contain details of programmes and projects to be funded under the disbursement scheme. The 2015 action plan was not prepared.

**E.17.** In his evidence to the Committee, the Secretary General suggested that, as the 2014 action plan was produced late in the year, a view may have been taken that the 2014 plan was still relevant, and that it was too soon to produce another plan. The 2016 and 2017 action plans have been produced.

**E.18.** The Committee drew attention to the fact that €70.9 million was committed to projects and programmes under the Fund, and raised concerns that failure to disburse the monies was preventing it being spent on other projects and programmes. The Committee was particularly concerned that some of the funding has been committed for many years with no provision to decommit the funds.

**E.19.** In follow-up correspondence to the Committee, the Department of Rural and Community Development stated that €12.2 million of the €70.9 million in committed funds relates to commitments made prior to the Dormant Accounts (Amendment) Act 2012. The Department plans to review committed funds and de-commit funds allocated prior to the 2012 Act, unless the relevant Department provides a clear basis for the allocation to be maintained.

**E.20.** For the 2014, 2016 and 2017 action plans €58.7 million remains to be disbursed. The following table details the allocations and drawdowns to end 2017. The Department

also provided details of the specific programmes and projects with remaining allocations.

**Table 5: 2014, 2016 and 2017 Action Plans Allocation and Drawdown at the end of 2017**

Action Plan	Maximum Allocation in Action Plan	Drawdown	Remaining Allocations
2014	€26,152,166	€12,930,269	€13,221,897
2016	€28,529,142	€14,863,016	€13,666,126
2017	€40,419,992	€8,652,237	€31,767,755
<b>Totals</b>	<b>€95,101,300</b>	<b>€36,445,522</b>	<b>€58,655,778</b>

## APPLICATIONS FOR FUNDING

**E.21.** It is the responsibility of implementing departments to publish notices inviting applications and setting out the criteria by which applications are assessed. Members expressed the view that many groups that are in desperate need of funding are not aware of the Dormant Accounts Fund, and the Committee queried why proactive engagement with such groups has not taken place.

**E.22.** Committee members also noted that there is a lack of clarity regarding the appropriate body to apply to for funding, given that there are numerous government departments, and Pobal, involved in the administration of the Fund. Members also voiced concerns regarding the complexity of the application process, and questioned whether its rigid structure is suitable for engagement with community groups.

## POBAL

**E.23.** Pobal manages approved programmes and projects on behalf of some government departments. From 2012 – 2016, Pobal administered 29 Dormant Accounts Fund measures. This covered €10.2 million of €29 million in total disbursements during this period. In the same period, it received fees of €2.55 million, equivalent to 27% of the amount disbursed.

**E.24.** Pobal is paid by the government departments that engage its services. The Departments are reimbursed from the Fund. (Departments that administer projects and programmes directly meet their own costs, and the NTMA does not charge administration fees for the operation of the Dormant Accounts Fund.)

**E.25.** The Secretary General informed the Committee that Pobal is paid a service fee of €184,000 per year regardless of activity. The Committee requested a complete breakdown of payments to Pobal, which was provided in follow-up correspondence to the Committee.

**E.26.** The correspondence clarified that service level agreements with Pobal relate to specific measures under the 2014 and 2016 Dormant Accounts Fund action plans. Fees were negotiated in advance, and take account of the level and intensity of activity required to deliver the measures. The correspondence details the full range of services provided by Pobal, and clarified that the stated €184,000 fee was actually €168,000. It related to measures under the 2016 action plan, and was revised downwards to €153,000 as certain related activity did not take place as expected.

## DEPARTMENTAL STAFFING LEVELS

**E.27.** The Committee queried if the staffing levels in the Department of Rural and Community Development are sufficient to effectively administer the Fund, considering that the Department now has the lead role and is statutorily responsible for the administration of the Fund. The Secretary General informed the Committee that there are three staff working on the Dormant Accounts Fund, at least two of whom have other duties.

## CONCLUSIONS AND RECOMMENDATIONS

The Committee of Public Accounts is of the view that:

- E.28.** The Dormant Accounts Fund was designed to assist vulnerable sections of society, but due to administrative failures, it is not getting to them. On the basis of the evidence presented to the Committee, the dissolution of the Dormant Accounts Board, and the accompanying transfer of statutory responsibility for the Fund to government departments, has coincided with a serious decline in the effective administration of the Fund. The Committee recommends that the mechanisms employed by the dissolved Dormant Accounts Board, and other government models that effectively disburse funds, are examined by the Department of Public Expenditure and Reform in order to help address the failures of the current system.
- E.29.** Over €70 million is committed to projects and programmes under the Dormant Accounts Fund, €12 million of which was committed prior to 2012. The Committee recommends that the Department of Rural and Community Development prioritises its review of these commitments, and includes a provision to decommit funds in future arrangements.
- E.30.** There has been a distinct lack of continuity regarding responsibility for disbursement of the Dormant Accounts Fund. The Committee recommends that responsibility for the Fund is maintained by one body to provide a stable platform for the effective administration of the Fund.
- E.31.** The Dormant Accounts Fund is insufficiently publicised and there is a lack of proactive engagement with organisations eligible to avail of funding. The Committee recommends that greater effort should be put into publicising the Fund, and proactively engaging with organisations that are actively seeking funding, and are eligible to avail of Dormant Accounts Funds.
- E.32.** The Dormant Accounts Fund application process is too complex, and has the potential to discourage applications for funding. The Committee recommends that the Department reviews the Dormant Accounts Fund application process.

**E.33.** Between 2012 and 2016, €143 million was transferred to the Dormant Accounts Fund. The Committee finds it unacceptable that just €29 million was disbursed during this period, and that:

- i) the statutory requirement to conduct a review of the 2013 – 2016 disbursement scheme by end December 2016 was not met; and
- ii) the statutory requirement to produce an action plan for the implementation of the disbursement scheme was not met in 2015.

The Committee recommends that the statutory review of the 2013 – 2016 Dormant Accounts Fund disbursement scheme be completed by July 2018, as stated by the Secretary General, and that the Department of Rural and Community Development complies with its statutory responsibilities to produce an action plan in relation to the Dormant Accounts Fund every year.

## 4. DEPARTMENT OF HOUSING, PLANNING, AND LOCAL GOVERNMENT

**Meeting Date:** 8 March 2018

**Principal Purpose of the Meeting:**

- C&AG Report 2016 Chapter 8: Central Government Funding of Local Authorities;
- Local Government Fund Financial Statement 2016;
- 2016 Special Report No. 97 of the C&AG on the Administration and Collection of Motor Taxes;
- Vote 34 – Housing, Planning, and Local Government.

### INTRODUCTION

**F.1.** The C&AG's 2016 report returned a clear audit opinion of Vote 34 – Housing, Planning, and Local Government, and of the Local Government Fund Financial Statement 2016. The Committee explored certain related matters, as well as Chapter 8 of the C&AG's 2016 Report, and the Special Report of the C&AG on the Administration and Collection of Motor Taxes. Witnesses included officials from the Department of Housing, Planning, and Local Government, the Department of Transport, Tourism, and Sport, and Transport Infrastructure Ireland.

**F.2.** This report highlights issues concerning:

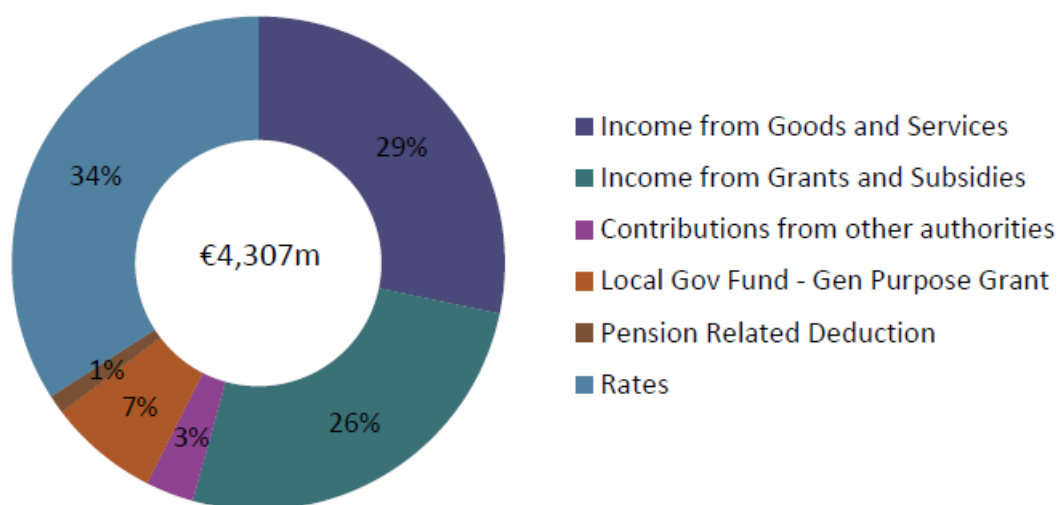
- the funding model for local authorities;
- road maintenance funding;
- motor tax payments; and
- certain housing matters.

### THE LOCAL GOVERNMENT FUNDING MODEL

**F.3.** Mr. John McCarthy, Accounting Officer and Secretary General of the Department of Housing, Planning, and Local Government, informed the Committee that total local government income for 2016 was approximately €6 billion. Capital income accounted for €1.7 billion and current or revenue income for €4.3 billion. Income from commercial rates was €1.47 billion in 2016, about 34% of local authorities' revenue. The following graphic provides a breakdown of local authorities' 2016 revenue.



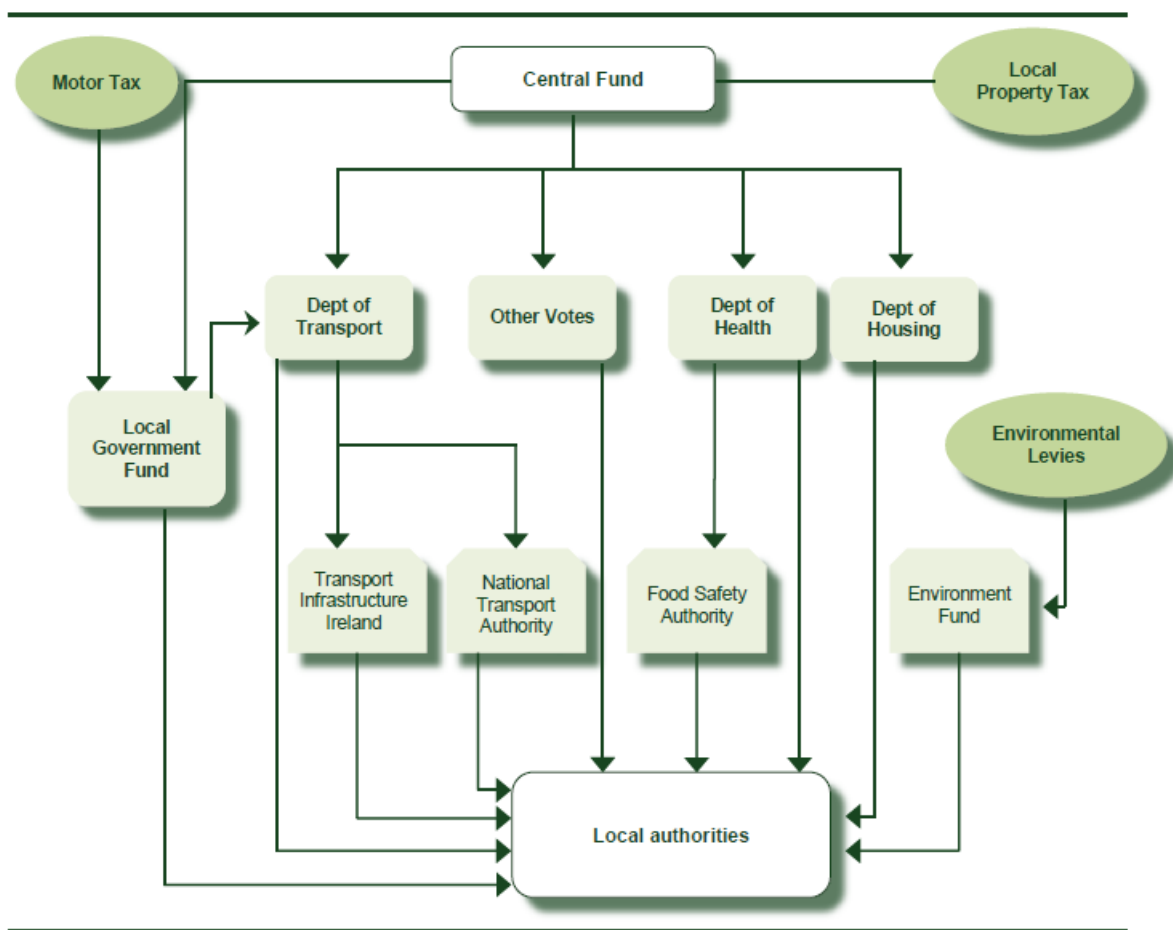
**Graphic 3: Local Authority Revenue Income in 2016**



Source: Local Government Audit Service

**F.4.** Chapter 8 of the C&AG’s 2016 report focuses on central government funding of local authorities. In 2016, €2.22 billion of local authority funding was derived from central government sources. The main sources of central government funding are the Local Government Fund (42.2%), the Department of Housing, Planning and Local Government (38.6%), and the Department of Transport, Tourism and Sport (12.4%). While there have been some changes to the following graphic since 2016, the flow of funding from central government to local authorities remains highly complex.

**Graphic 4: Flow of Central Government Funding to Local Authorities in 2016**



Source: Office of the Comptroller and Auditor General

**F.5.** While the highly complex structure of the funding model for local government makes it difficult to follow the flow of funds, Committee members also highlighted the fact that it creates uncertainty for local authorities in terms of the level of funding they will receive from year to year. This is compounded by inconsistent communication between funding bodies and local authorities regarding upcoming funding provision.

### THE LOCAL GOVERNMENT FUND

**F.6.** The Local Government Fund (LGF) is administered by the Department of Housing, Planning and Local Government (the Department). In 2016 it was funded by a contribution from the Exchequer via the Department, proceeds from motor tax, and the Local Property Tax (LPT). As well as payments to local authorities, the LGF makes payments to the Department of Transport, Tourism and Sport, Irish Water, and the Local Government Management Agency.

**F.7.** The Department acknowledged that circular flows of funds had built-up over the years. Changes to the LGF, which take effect in 2018, aim to return it more fully to its original purpose of funding local authorities. These include the following:

- Funding for Irish Water in respect of domestic water services will be met by the Department rather than the LGF;
- Motor tax receipts will go directly to the Exchequer rather than to the LGF;
- Payments in respect of road and public transport infrastructure, previously met from the LGF, will be met by the Department of Transport, Tourism and Sport.

**F.8.** The Department has stated that, from 2018, the LGF's estimated income will be made up of proceeds from the LPT (79%), and an Exchequer contribution (21%). Its 2018 expenditure is estimated to comprise LPT allocations to local authorities (81%), payments relating to local authority rates (8%), and miscellaneous expenses (11%).

## LOCAL PROPERTY TAX

**F.9.** From 2007 to 2014, operational funding from the LGF was provided to local authorities via 'general purpose grants'. From 2015, 'general purpose grants' were replaced by LPT allocations. 80% of LPT generated in a local authority is retained by the local authority. In order to ensure no local authority's funding is less than their previous allocation under the 'general purpose grant', 20% of LPT proceeds are redistributed to top-up funding in local authorities that generate low LPT yields. In 2016, 12 local authorities were in a surplus position in respect of their 2014 'general purpose grant' (mainly large urban centres and commuter belt counties). 19 local authorities required top-up funding.

**F.10.** The total 'general purpose grant' allocation in 2014 was €282 million (including pension related deductions retained by local authorities the figure is €355 million). Total LPT allocations for 2016 amounted to €453 million. The Government decided that local authorities in a surplus position (i.e. the retained 80% was greater than their allocation under the 'general purpose grant') could use a portion of the funding for discretionary purposes, with the remainder being put towards housing and roads services in the local authority area.

- F.11.** Local authorities have the ability to vary LPT rates in their area by up to 15%. In 2016, 11 local authorities opted to decrease their LPT rates at a cost of €36 million. No local authority increased their LPT rate in 2016. When questioned as to whether the LPT should be used to generate additional revenue, the Secretary General stated that proceeds from the tax are linked to “the level of service a local authority may need to provide.”
- F.12.** The Secretary General noted that a review of the LPT, which is being led by the Department of Finance and Public Expenditure and Reform, is expected to be completed by the end of August 2018. It aims to achieve “relative stability in the LPT payments”, and provide “clear direction” on likely payments for households in 2020.

## THE DISTRIBUTION OF LOCAL AUTHORITY FUNDING

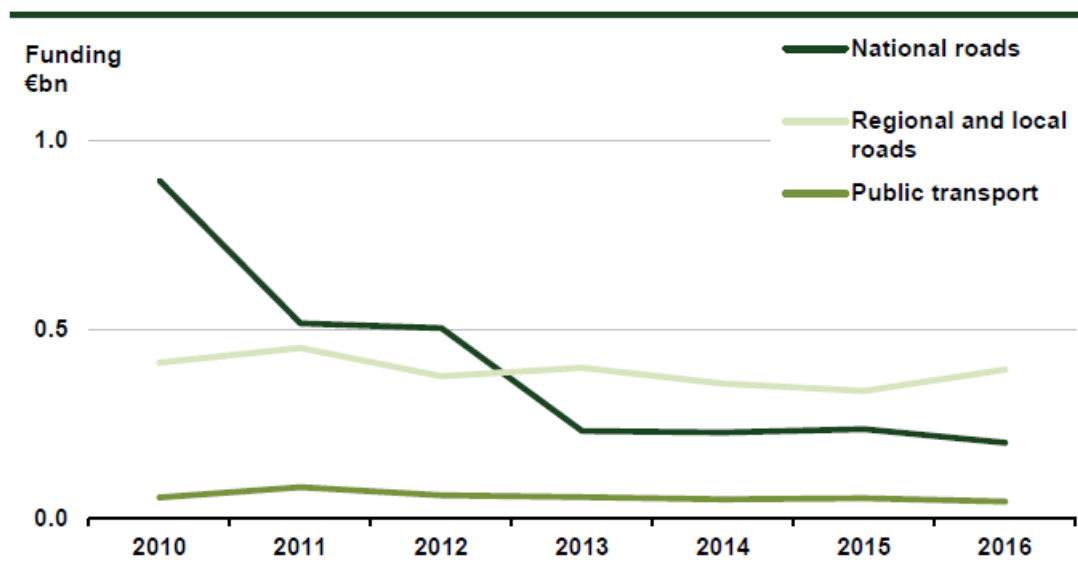
- F.13.** Committee members noted significant issues with the distribution of local authority funding. One issue is that it is not in sync with local authority populations. Galway County Council, for example, has a population of 179,390, with expenditure of €116 million. Tipperary County Council has a population of 159,553, yet its spend is €136 million. While there are other denominators that determine funding provision, Committee members suggested that local authorities with rapidly growing populations are particularly disadvantaged. In follow-up briefing to the Committee, the Department provided a breakdown of per capita expenditure by local authority. In 2016, Meath County Council (€522), and Fingal County Council (€599), had the lowest per capita expenditure by local authority. Dublin City Council (€1,388), and Cork City Council (€1,193), had the highest per capita expenditure.
- F.14.** The Secretary General stated that a review relating to the process for distributing funding to local authorities was planned. Further detail on the review was provided to the Committee by way of follow-up correspondence. It will focus on the methodology used to determine local authority funding baselines, excluding housing, roads, or other local authority infrastructure. A consultation process was open until 3 July 2018, and a review group will consider submissions. Possible indicators to inform baselines include population demographics, physical size, rural/urban divide, deprivation and unemployment rates, and the commercial rate base. The review seeks to ensure funding is allocated in a “fair, equitable and transparent manner.” The review group’s report is expected to be with the Minister in August 2018, and will be published.

## ROADS MAINTENANCE

**F.15.** The Department of Transport, Tourism and Sport makes grant allocations to local authorities for the upkeep of regional and local roads. To fund national roads maintenance, the Department allocates an annual sum of money to Transport Infrastructure Ireland (TII), which operates under the aegis of the Department. TII is then responsible for its allocation to local authorities.

**F.16.** Committee members expressed concern that the funding of road maintenance is inadequate. This can endanger motorists' safety, particularly at accident black spots. Rectifying defects arising from the failure to adequately maintain roads can also result in increased costs in the long run, as was acknowledged by Mr. Graham Doyle, Accounting Officer and Secretary General of the Department of Transport, Tourism and Sport. The Secretary General stated that, in the context of the economic downturn, funding has not been available to maintain the road network to a high standard. The reduction in funding to local authorities for road maintenance is illustrated by the following graphic.

**Graphic 5: Funding to Local Authorities for Transport Infrastructure, 2010 – 2016**



Source: Office of the Comptroller and Auditor General

**F.17.** Committee members also questioned the distribution of funding to local authorities for road maintenance, which is based on the length of roads in each local authority. There is an adjustment in Kildare and Meath; they carry a greater share of heavier traffic on

their local and regional roads given their proximity to Dublin. However, no consideration is given to the general state of the roads in a local authority.

**F.18.** The Secretary General stated that the Department takes the issue of road maintenance very seriously, and that its strategic framework for investment in land transport highlights this issue. In 2018, total roads funding will increase to approximately €880 million, an increase of approximately €120 million from 2017.

## MOTOR TAX

**F.19.** The Committee noted that, as of January 2018, motor tax proceeds are paid directly to the Exchequer. As such, there is no longer a direct link between motor tax payments and the maintenance of local roads. Responsibility for motor tax has also transferred from the Department of Housing, Planning, and Local Government, to the Department of Transport, Tourism and Sport.

**F.20.** The C&AG's 2016 report on the Administration and Collection of Motor taxes noted that €1.12 billion in motor tax was collected in 2015. The online facility for the payment of motor tax was used for 67% of transactions. The C&AG's report estimated that the administration cost of processing a motor tax renewal in the motor tax office is €10. When renewed online, the administration cost is estimated to be €5. The Department of Transport, Tourism and Sport, advised the Committee that the online facility is now used for 74% of transactions.

**F.21.** The Committee was particularly concerned at the additional cost when motor tax is paid quarterly, or for half a year, rather than for the full year. The Department stated that quarterly charges are 28% of the annual charge, rather than 25%. For example, if it costs €1,000 to tax a car for the year, it will cost €280 a quarter rather than €250 a quarter. This is an additional €30 a quarter, which results in an additional €120 in motor tax for the year. If the tax is paid online, the cost to the Department is €20 (4 transactions at €5), while the cost to the motorist is €120.

**F.22.** In follow-up correspondence to the Committee, the Department of Transport, Tourism and Sport clarified that quarterly cost is 28.25% of the annual charge, while the half-year cost is 55.5%. These rates have "remained generally consistent since the 1960s".

Based on 2017 figures, the Department estimates that the elimination of the additional charges for non-annual payments would cost just under €53 million.

**F.23.** Committee members noted that, due to changes in the motor tax regime to promote lower emission cars, without intervention, annual motor tax revenue will fall by around €260 million by 2024. Committee members questioned how this shortfall was going to be addressed. The Secretary General stated that it would have to be built into the budgetary process, and noted that there has not been an increase in motor tax rates in a number of years.

## MATTERS RELATED TO HOUSING

**F.24.** The Committee noted that the Department of Housing, Planning, and Local Government had an allocation of €154 million for voluntary and co-operative housing in 2016, but €53.3 million of its provision was not spent. The Secretary General referred to an element of over optimism, and difficulties scaling up capacity to expend the provision.

**F.25.** Under the Government's Rebuilding Ireland Action Plan for Housing and Homelessness, 50,000 social housing units are to be delivered by 2021. Committee members expressed concern at the pace of delivery. The Secretary General stated that 5,714 homes were built, refurbished, leased or acquired in 2016, exceeding the target of 4,240 homes. In follow-up correspondence to the Committee, the Department stated that, at the end of September 2017, there were 772 schemes in the programme, which are expected to deliver 12,300 social homes.

**F.26.** Committee members expressed frustration at the delay in the implementation of the Mahon tribunal recommendation to establish the Office of the Planning Regulator. Despite budget provision in 2016, the legislation has yet to be passed.

## HOUSING ASSISTANCE PAYMENT & HOUSING INSPECTIONS

**F.27.** Piloted in 2014, the Housing Assistance Payment (HAP) scheme has been in operation nationally since March 2017. It allows those on local authorities' housing lists to take up full time employment, while maintaining their housing support in the form of

direct payments from their local authority to their landlord. In 2017 the scheme cost just under €153 million, and the 2018 estimate is over €300 million.

- F.28.** The HAP scheme is underpinned by the Housing (Miscellaneous Provisions) Act 2014. Section 41 of the Act requires local authorities to inspect a property within eight months of the commencement of HAP support (if the property has not been inspected within the preceding 12 months). Committee members raised concerns relating to the level of inspections that are taking place, given that properties might be in breach of safety regulations or otherwise unfit for habitation. The Secretary General was unable to provide up to date figures relating to the inspection of HAP properties - a “datasets matching exercise” is underway to try and reconcile the information on two different systems.
- F.29.** The Secretary General stated that in 2016, approximately 19,000 of 300,000 private rented tenancies were inspected, which is just over 6%. Under the Department’s strategy for the rental sector, it intends to inspect 25% of private rental properties each year by 2021.
- F.30.** The Committee sought clarification regarding the number of properties that were withdrawn from the scheme following a failed inspection. In follow-up correspondence to the Committee, the Department stated that at the end of 2017, there had been 687 exits from the scheme for compliance reasons. 166 (24%) were due to the standard of the property, although it is not clear if this was based on inspection or whether the tenant exited as a result of the standard of the property. 378 (55%) of exits were for non-payment of rent by the tenant, and 143 (21%) of exits were classified as “other” (which includes non-compliance by a landlord with tax clearance requirements, and tenant anti-social behaviour).



## CONCLUSIONS AND RECOMMENDATIONS

The Committee of Public Accounts is of the view that:

- F.31.** Central government funding of local government is overly complicated and disjointed, making it difficult to follow, and difficult to determine if value for money is being achieved. The Committee recommends that the flows of funds from central government to local government are reviewed to simplify the process.
- F.32.** The fragmented nature of the funding of local authorities means that they do not have certainty regarding the overall levels of central government funding they will receive from year to year. This makes it difficult to effectively plan and administer the funding. The Committee recommends that central government bodies proactively engage with local authorities to ensure they are aware of planned funding provision.
- F.33.** The distribution of local government funding requires further examination. Funding baselines are outdated and there is significant overreliance on commercial rates. The Committee recommends that the review of the local government funding distribution model by the Department of Housing, Planning, and Local Government ensures a more equitable, holistic, and transparent method of distributing funding to local authorities is devised. The Committee will monitor the progress of the review process.
- F.34.** The collapse of funding for road maintenance from 2010 has led to a significant deterioration in the quality of local and national roads across the country. Failure to maintain roads results in unnecessary loss to the Exchequer as road repair is more expensive than road maintenance. In order to safeguard public funds, the Committee recommends that roads are maintained to a high standard. In the interests of road safety, there should be a particular focus on identified accident black spots.
- F.35.** The current system for motor taxation unduly penalises those who cannot afford to pay their motor tax in a single annual transaction. Motor tax is most expensive when paid on a quarterly or half-yearly basis, as the associated additional charges

are significantly in excess of the cost of the additional transactions (estimated to be €5 per online transaction). The Committee recommends that the Department of Transport, Tourism and Sport replaces these additional quarterly and half-yearly charges with a processing fee, which should be limited to a maximum of €5 per transaction.

**F.36.** The underspend of €53.3 million represents almost a third of the Department's 2016 provision for voluntary and cooperative housing. The Committee recommends that the Department ensures capacity is scaled up sufficiently to deliver on its housing targets. The Committee intends to return to the matter in the autumn.

**F.37.** €153 million was paid to private landlords under the Housing Assistance Payment scheme in 2017. This is set to rise to over €300 million in 2018. The Committee finds it unacceptable that no data is available regarding the level of inspection of HAP properties, and that significant sums of public money are being paid to landlords that might be providing substandard or dangerous accommodation to vulnerable tenants. The Committee recommends that local authorities carry out inspections of properties in line with their obligations under relevant legislation.

## 5. GALWAY ART HOUSE CINEMA AND VOTE 33 - ARTS, HERITAGE, REGIONAL, RURAL AND GAELTACHT AFFAIRS

**Meeting Date:** 29 March 2018

**Principal Purpose of the Meeting:** C&AG Report 2016 Chapter 15: Galway Art House Cinema, and Vote 33 – Arts, Heritage, Regional, Rural and Gaeltacht Affairs

### INTRODUCTION

**G.1.** The Committee’s engagement with representatives of the Department of Culture, Heritage and the Gaeltacht (formerly the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs) covered a range of issues. This chapter will focus on:

- Galway Art House Cinema;
- The relocation of Foras na Gaeilge.

### GALWAY ART HOUSE CINEMA

**G.2.** In 2006, Solas-Galway Picture Palace Teoranta (Solas) applied to the Department of Culture, Heritage and the Gaeltacht for funding to build an art house cinema in Galway city. Solas was a private company with charitable status, made up of representatives of arts and film organisations in Galway city. It sought the funding under the second Arts and Cultural Capital Enhancement Support Scheme (ACCESS II). An independent selection committee completed its evaluation of the application in 2007, and recommended the project to the Department.

**G.3.** The project was scheduled to begin in 2007, and to be completed within two years. The projected total cost for the project was €6 million - public funding was to account for €5.35 million. Public funding comprised the Department’s grant under ACCESS II, funding from Galway City Council, and funding from the Cultural Cinema Consortium. The balance was to be secured by way of private fundraising, and a commercial bank loan.

**G.4.** The cinema opened in February 2018, nine years later than planned. The public funding committed to the project increased by 64%, from €5.35 million to €8.4 million. A summary of the timeline of events from 2006 to 2018 is set out below.

**Table 6: Galway Art House – Project Timeline** (adapted from C&AG)

2006	<ul style="list-style-type: none"> <li>• Solas funding application in November 2006.</li> </ul>
2007	<ul style="list-style-type: none"> <li>• Following independent review, a grant offer was made by the Department.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• Solas received planning permission for the proposed development.</li> </ul>
2009	<ul style="list-style-type: none"> <li>• Construction began. A ground condition survey identified extensive challenges.</li> </ul>
2010	<ul style="list-style-type: none"> <li>• Excavation works led to an adjoining property having to be demolished and rebuilt.</li> </ul>
2011	<ul style="list-style-type: none"> <li>• The building contractor terminated the contract citing poor ground conditions, design inadequacies and suspension of works while on site.</li> </ul>
2012	<ul style="list-style-type: none"> <li>• A second tender to complete the project was undertaken and completed by Solas without the required knowledge or consent of the Department.</li> <li>• The Department was provided with legal advice that they had no liability to release any further funds to Solas to continue with the project.</li> </ul>
2013	<ul style="list-style-type: none"> <li>• Solas explored private funding options.</li> <li>• The Solas board presented their business plan to the Department, and subsequently approved the heads of agreement with a private investor.</li> </ul>
2014	<ul style="list-style-type: none"> <li>• Funding proved insufficient to finish the project.</li> </ul>
2015	<ul style="list-style-type: none"> <li>• Galway City Council wrote to the Department confirming the Council was prepared to take over the project management and to make a further investment. This was subject to additional financial support from the Department. Despite the offer of significant additional funding, construction did not restart during 2015, due to ongoing difficulties between Solas and the second builder.</li> </ul>
2016	<ul style="list-style-type: none"> <li>• The private investor took a more central role. Under this new agreement, all Solas rights and liabilities were assigned to the private investor. In parallel, the private investor engaged with the builder to complete the works</li> <li>• In October 2016, the auditor of Solas resigned due to concerns regarding corporate governance in the company.</li> </ul>
2017	<ul style="list-style-type: none"> <li>• In July 2017, Solas went into liquidation.</li> </ul>
2018	<ul style="list-style-type: none"> <li>• The cinema opened in February 2018.</li> </ul>

## PROJECT MANAGEMENT

- G.5.** Given that the Department was the primary funder of the project, the Committee was particularly concerned at its failure to effectively supervise the project from the commencement of construction in 2009 to completion of the project in 2018. The C&AG's 2016 report noted that there was no overall oversight arrangement for the project, and recommended that lead funders should ensure adequate oversight mechanisms are in place.
- G.6.** Poor project management was central to the disagreement that led to the termination of the first contract between Solas and the building contractor in 2011. Ms. Katherine Licken, Accounting Officer and Secretary General of the Department of Culture, Heritage and the Gaeltacht, stated that project management was an issue for Solas, and that the additional €735,000 funding provided by the Department in 2015 was conditional on Galway City Council assuming responsibility for the management of the project. However, there is no evidence that the Council's ability to manage the project was assessed by the Department. The deficiencies in the management of the project continued through to the second contract.
- G.7.** The C&AG's 2016 report also recommended that early action should be taken where grant funded projects do not progress as expected, including reviewing their viability in line with the requirements of the Department of Public Expenditure and Reform's Public Spending Code. The Committee questioned the Secretary General regarding the Department's decision to proceed with the project given the significant delays and cost overruns. The Secretary General stated that the Department did consider stopping the project, but did not recommend that option in its 2015 submission to the Minister. The submission assessed the available options in the context of the request for additional funding to complete the project.
- G.8.** Committee members queried the effectiveness of two site surveys that were conducted on behalf of Solas before construction began. The Department had retained the services of an architect, who did not raise any issues with the surveys. A third site survey was undertaken once construction began in 2009, but it was not until ground conditions were found to be different than suggested by the previous surveys that a fourth survey uncovered the extent of the issues with the site.

**G.9.** While the Secretary General acknowledged the manifest difficulties with the project, she also stated that the project was one of 42 managed by the Department under ACCESS II. The total value of funding under the scheme was €90 million, and the Secretary General asserted that all but two other projects were successfully delivered within budget.

## SOLAS

**G.10.** The members of Solas were representatives of arts and film organisations in Galway city. Significant issues with Solas's management of the project included the:

- increase in projected project costs prior to construction commencing;
- termination of the first construction contract by the building contractor;
- protracted legal dispute between Solas and its insurance company; and
- awarding of a second construction contract in March 2012 without the Department's knowledge, despite Departmental sign-off being a contractual requirement.

**G.11.** The audit of Solas's 2014 accounts reported accumulated losses of €540,000. In October 2016, the auditors of Solas resigned due to concerns with the company's corporate governance arrangements, and the company went into liquidation in July 2017. The Department has stated it was not notified of the auditors' concerns, but that no public funds were lost as a result of the liquidation.

**G.12.** Mr. Feargal O'Coighligh, Assistant Secretary at the Department of Culture, Heritage and the Gaeltacht, stated that the board governing the company "was not sufficient to deliver a project of that complexity".

## ELEMENT PICTURES

**G.13.** Element Pictures is an Irish film and television production and distribution company. It also operates an art house cinema in Dublin (the Light House Cinema). It assumed responsibility for all aspects of Galway Art House Cinema in 2016, including liability for the €650,000 loan Solas had secured from the Western Development Commission. While the Department does not yet have the final accounts for the project, the

Secretary General stated that Element Pictures has invested approximately €1 million in the project.

**G.14.** As part of the agreement to complete the project, Element Pictures was granted a 30 year leasehold interest in the property. It agreed to pay €1 per year for the first 25 years, with the remaining five years at a commercial rate. Committee members questioned whether this arrangement represents value for money for the taxpayer, given that if the State had provided an additional €1 million there would be no private commercial interest in the project.

**G.15.** The Secretary General stated that, at the time, the Department felt it had no other option, as it did not have the expertise to run the cinema itself. The Secretary General asserted that Element Pictures had a proven track record, having doubled attendance at its art house cinema in Dublin.

## POST-PROJECT REVIEW

**G.16.** Committee members sought to clarify whether the Department intended to conduct a review of the project in order to learn from it. The Secretary General stated that the Department will conduct a review of the project, which will examine the entire project from inception to completion, taking account of the C&AG's report, and the findings of the report of the Charities Regulator (Solas was a private company limited by guarantee with charitable status).

**G.17.** Further detail regarding the review was sought by the Committee, and in follow-up correspondence, the Secretary General stated that the review will be conducted in accordance with *Circular 6/2018 The Public Spending Code: Publication of Post Project Reviews*. The Secretary General stated that while the necessary operational data will not be available until early 2019, work has commenced regarding the proposed methodology for the review. Once it commences, the review will be completed within six months. As part of the review, the Department will seek to identify learnings to improve its “appraisal, management or delivery of capital projects in future.”

**G.18.** The Secretary General also informed the Committee that her Department is participating in an organisational capability review, which will be conducted by the

Department of Public Expenditure and Reform in 2018. The review will assess the capacity and capability of the Department to achieve its objectives. The findings of the C&AG and the findings of the Committee of Public Accounts will be taken into account in the review process.

## FORAS NA GAEILGE RELOCATION

**G.19.** Foras na Gaeilge is responsible for the promotion of the Irish language in Ireland and Northern Ireland. Its accounts are audited jointly by the C&AG and his Northern Irish counterpart.

**G.20.** Committee members questioned the Secretary General regarding Foras na Gaeilge's relocation to its new headquarters on Amiens Street in Dublin 1. Its rental costs increased from €472,500 per annum to €593,000 per annum, and relocation costs amounted to €412,365. Follow-up correspondence requested by the Committee clarified that the lease for the premises Foras na Gaeilge vacated on Merrion Row was signed in 1980, and amounted to roughly €17 per square foot. Current market rates range from €60 to €65 per square foot.

**G.21.** The Secretary General stated that Foras na Gaeilge prepared a comprehensive business case in 2016 in advance of its 2017 relocation. At current market rates, the premises on Merrion Row vacated by Foras na Gaeilge could now expect to achieve a rent of €700,000 to €800,000 per annum.

**G.22.** The Committee queried whether the cost of renting the property was compared to the cost of a mortgage to purchase a property. Mr. Aodhán Mac Cormaic, Director of Irish at the Department of Culture, Heritage and the Gaeltacht, stated that he did not believe the option of purchasing a building was considered.

**G.23.** However, in follow-up correspondence to the Committee, the Secretary General stated that the purchase of a building was considered, and was one of a number of options identified in the overall business case prepared by Foras na Gaeilge. The option was identified as "clearly more economically advantageous." However, it was stated that "there would be some reluctance on the part of sponsor departments to sanction the purchase of such as asset by Foras na Gaeilge."



## CONCLUSIONS AND RECOMMENDATIONS

The Committee of Public Accounts is of the view that:

- G.24.** The extent of the issues with the site on which Galway Art House Cinema was constructed were not identified until the fourth site survey, three years after the initial funding application. In order to safeguard public funds, the Committee recommends that approval of applications for funding that involve construction on brownfield sites requires the completion of comprehensive site examinations in advance of construction commencing.
- G.25.** While the extent of the issues with the site on which Galway Art House Cinema was constructed did not become apparent until the fourth site survey was completed, the difficulties might have been dealt with more effectively had effective project management structures been in place. The Committee recommends that public bodies ensure that applications for public funding are accompanied by evidence of sufficient project management expertise.
- G.26.** The Department of Culture, Heritage and the Gaeltacht did not provide sufficient oversight of the project, and did not effectively deal with the project management failures that characterised the project. The Committee recommends that the Department assumes a more proactive role in the oversight of projects which it funds, including regular reporting and site visits.
- G.27.** The Committee recommends that the Department of Culture, Heritage and the Gaeltacht conducts a post-project evaluation of the Galway Art House Cinema project to see what can be learned from the project, and to ensure public accountability. The report should be completed and published within the timeframe outlined to the Committee by the Secretary General.
- G.28.** The business case for the relocation of Foras na Gaeilge to its new headquarters on Amiens Street identified the purchase of a building as the better financial option, but this option was not pursued. Ongoing rental costs will result in significant financial loss to the State in the long term. The Committee recommends that the Department pursues such options fully in the future, and that capital support be made available where the purchase of a building is the most cost effective solution.

## 6. DEPARTMENT OF FINANCE

**Meeting Date:** 19 April 2018

**Principal Purpose of the Meeting:**

- C&AG Report 2016 Chapter 1: Exchequer Financial Outturn for 2016;
- C&AG Report 2016 Chapter 2: Government Debt;
- C&AG Report 2016 Chapter 5: Fiscal Transparency;
- C&AG Report 2016 Chapter 24: Irish Fiscal Advisory Council;
- Vote 7: Department of Finance Appropriation Account 2016.

### INTRODUCTION

**H.1.** The C&AG's 2016 report returned a clear audit opinion of Vote 7: Department of Finance Appropriation Account 2016. The Committee focused on the above chapters from the C&AG's 2016 Reports. This report highlights issues concerning:

- fiscal transparency;
- government debt; and
- Ireland's contribution to the EU budget.

### FISCAL TRANSPARENCY

**H.2.** In 2012, the Secretaries General of the Departments of Finance and Public Expenditure and Reform invited the International Monetary Fund (IMF) to evaluate Ireland's fiscal management and reporting against the IMF's Fiscal Transparency Code. The IMF published its report - *Ireland: Fiscal Transparency Assessment* - in July 2013. The aim of the report was to highlight international best practice and to identify potential areas for improvement.

**H.3.** The report contains 35 recommendations that can be grouped under three broad headings:

- i) Financial reporting;
- ii) Budget process;
- iii) Recognition of a wider range of assets and liabilities.

The report also contains a suggested action plan for implementing the recommendations between 2013 and 2017. It should be noted that there is no obligation on the Departments to implement the report's recommendations – it represents the views and non-binding advice of the IMF.

- H.4.** By mid-2017, 25 of the 35 (71%) of the recommendations had been implemented or partially implemented. According to the C&AG's analysis, good progress was made in implementing recommendations relating to the budget process. Progress was more mixed in implementing recommendations in relation to recognising a wider range of assets and liabilities, and financial reporting.

## CONSOLIDATION OF THE FINANCE AND APPROPRIATION ACCOUNTS

- H.5.** The IMF report recommended that the Finance and Appropriation Accounts be combined into a consolidated central government financial statement. This recommendation has not been implemented. Currently there is no comprehensive report of the State's income and expenditure. The Department of Public Expenditure and Reform believes legislation is required to facilitate this. However, the C&AG stated that statutory underpinning might not be necessary. The need for the consolidated statement is illustrated by the fact that the Secretary General of the Department of Finance, Mr. Derek Moran, stated that total expenditure for 2016 was €68.065 billion. The C&AG noted that this figure does not appear anywhere in the Government's finance accounts.
- H.6.** Following the IMF's recommendation, the Department of Finance conducted a manual exercise to generate a draft consolidated central government financial statement. The outcome was communicated to the Financial Management Shared Service (FMSS) project team, so that the consolidated model could be incorporated in the FMSS system. The FMSS project will integrate 31 financial systems in operation across 48 government bodies into a single financial management framework. The Secretary General stated that it will take approximately two years to fully implement the FMSS system.

## LACK OF UNIFORMITY IN ACCOUNTING RULES AND PROCEDURES

**H.7.** The IMF's report noted that there is no uniform set of accounting rules and procedures applying to government departments, local government, semi-state bodies, extra-budgetary funds, and public corporations. It made four recommendations in this regard, which have not been implemented. Mr. William Beausang, Assistant Secretary at the Department of Public Expenditure and Reform, stated that there are accounting rules and procedures in place, but acknowledged that they are not uniform or harmonised. However, he asserted that the level of diversity in the accounts could impede the application of a single set of rules and procedures, and that a one size fits all approach has the potential to lead to gaps in reporting.

**H.8.** The IMF recommended the establishment of a permanent government financial reporting unit headed by a Chief Financial Officer or Director of Government Accounting. Part of the unit's role would be to set down the accounting frameworks to be used by all public sector entities, and to prepare a consolidated central government financial statement for audit by the C&AG. The C&AG stated that, at present:

- the Department of Public Expenditure and Reform determines policy for the Appropriation Accounts;
- the Department of Finance determines how the finance accounts will be structured and presented;
- the Department of Education and Skills governs the rules and procedures for third level bodies, and education and training boards;
- the Minister for Health sets the financial reporting rules for health bodies; and
- public bodies that do not come under the above prepare their financial statements in accordance with Financial Reporting Standard (FRS) 102), which is accrual-based accounting.

In follow-up correspondence to the Committee, the Department provided further detail on the financial reporting frameworks utilised by bodies audited by the C&AG.

**H.9.** The Secretary General of the Department of Finance stated that a decision was taken to postpone further consideration of the recommendation until the FMSS project is delivered, as the financial management framework it delivers will also have the capacity to facilitate the implementation of the recommendation. The Accounting

Officers' response to the IMF's recommendation also stated that the establishment of a separate government financial reporting unit, headed by a Chief Financial Officer or Director of Government Accounting, would be examined as part of Action 14 of the Civil Service Renewal Plan. The action commits to strengthening professional expertise in key functions including Financial Management.

## GOVERNMENT DEBT

**H.10.** The general government debt (GGDebt) is the total gross debt owed by all government bodies to third parties outside government. At the end of 2016, it stood at €200.6 billion, which equates to over €40,000 of debt for every person in the State. It cost the State €6.8 billion to service the debt in 2016. The level of debt continues to rise – it is projected to reach €206 billion in 2018, and €211 billion by 2021. The continuing increase in debt is largely due to the ongoing Exchequer deficit in the region of €2 billion. The Department projects a return to surplus in 2020.

**H.11.** The standard measure of debt sustainability applied across the European Union (EU) is the ratio of GGDebt to gross domestic product (GDP). GDP is the standard international measure of economic activity i.e. the total value of goods and services produced in an economy during a particular period. Ireland's 2016 GDP was €275 billion. GGDebt as a proportion of GDP was 73%, having peaked at about 120% at the end of 2012. The Stability and Growth Pact - a set of rules designed to ensure that countries in the EU pursue sound public finances and coordinate their fiscal policies – requires countries to maintain or move towards a GGDebt to GDP ratio of no more than 60%.

**H.12.** Ireland appears to be in a strong position in terms of its debt sustainability vis-à-vis its GGDebt to GDP ratio. However, the State's GDP is seriously distorted due to the effects of globalisation, and the prominence of inward foreign direct investment in the Irish economy. A significant part of the income arising from the production of goods and services in Ireland does not accrue to Irish residents. Departmental officials agreed with the Committee's assertion that GDP misrepresents living standards in Ireland, and gives a misleading picture of Irish debt sustainability. The decline in the GGDebt to GDP ratio since 2013 has been influenced more by the factors that determine GDP than by any reduction in debt. Indeed, the recent Stability Programme

Update (April 2018) stated that “while debt remains manageable in Ireland, it is crucial that the burden of debt is reduced further.”

## ALTERNATIVE ECONOMIC INDICATORS

**H.13.** Gross National Product (GNP) provides a more accurate representation of Irish living standards by stripping out income from Irish based production that accrues to foreign residents, and adding income from foreign based production that accrues to Irish residents. Gross National Income (GNI) income goes a step further, stripping out taxes paid by domestic residents to the EU, and adding subsidies received by domestic residents from the EU.

**H.14.** However, recent developments have undermined the accuracy and relevance of GNP and GNI as indicators of domestic living standards in Ireland. These include:

- the relocating of multinational firms’ headquarters to Ireland. Also known as ‘inversion’, the firms’ profit inflows are treated as profit inflows to Ireland, raising the level of GNI without raising any additional revenue;
- the impact of the aircraft leasing sector. Firms resident in Ireland own aircraft, and the aircraft are treated as part of Ireland’s capital stock. This artificially inflates GNP and GNI because the depreciation bill associated with the aircraft suppresses profit outflows. Approximately 50% of the world’s leased commercial aircraft are managed in Ireland;
- the on-shoring of intellectual property (IP) assets. This also increases the State’s capital stock, and the particularly high rate of depreciation on IP assets reduces profitability, suppresses profit outflows, and artificially inflates GNP and GNI. The effect was most notable in 2015, when GNP/GNI rose by 16%.

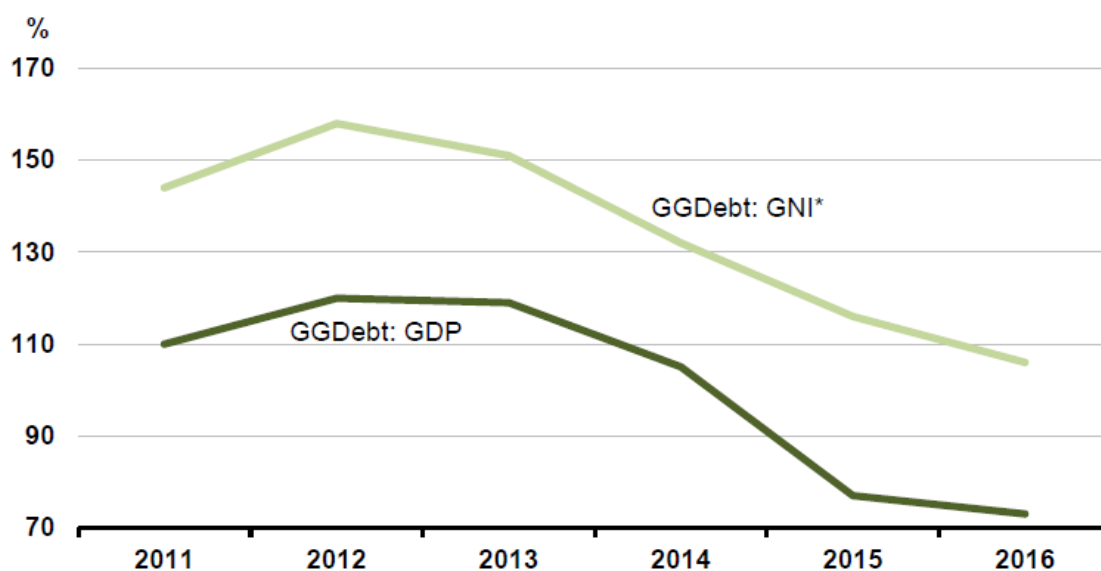
**H.15.** In order to address the divergence between traditional macroeconomic indicators and real income levels in Ireland, an Economic Statistics Review Group was established by the Central Statistics Office in 2016. Its work gave rise to an alternative measure of economic activity in Ireland, known as ‘modified gross national income’ or GNI star (GNI\*). It is GNI, excluding:

- the retained earnings of firms that have re -domiciled to Ireland;

- the depreciation of foreign-owned intellectual property assets located in Ireland; and,
- the depreciation of aircraft owned by aircraft-leasing companies.

**H.16.** GNI\* excludes the effect of globalisation and provides a more accurate and realistic representation of the Irish economy. GNI\* at the end of 2016 amounted to €189 billion, while GDP amounted to €275 billion. When GGDebt at the end of 2016 is taken as a proportion of GDP, it is 73%. It is 106% as a proportion of GNI\*. Only four EU member states had a GGDebt to GDP ratio greater than 106% in 2016. They were Cyprus (108%), Portugal (130%), Italy (133%), and Greece (179%). The following graphic demonstrates the difference between GGDebt as a ratio of GDP, and as a ratio of GNI\* from 2011 to 2016.

**Graphic 6: GGDebt as a proportion of GDP and of GNI\*, 2011 to 2016**



Source: Analysis by the Office of the Comptroller and Auditor General

**H.17.** The Department of Finance stated that it is fully cognisant of the deficiencies in the debt to GDP ratio as a measure of the State's debt sustainability. However, during the course of the debate, and in follow-up correspondence to the Committee, the Department stated that it is legally required to produce its macroeconomic statistics in compliance with international methodologies that do not recognise GNI\*. Committee members expressed serious concern that Ireland's economic position is being assessed on the basis of the State's artificially inflated GDP figures, specifically our

compliance with the Stability and Growth Pact (budget deficit below 3% of GDP, public debt below or declining towards 60% of GDP), and our EU budget contribution.

**H.18.** In light of the broadly held view across government that GDP presents an unrealistic picture of the Irish economy, Committee members questioned the extent of the engagement with the European Commission regarding the use of GNI\* instead of GDP in the State’s reporting. The Secretary General stated that that discussions are ongoing on the use of GNI\* as the primary methodology. He confirmed that it has been discussed by the Economic and Financial Affairs Council (ECOFIN) (the economics and finance Ministers from all EU member states). When Ireland’s metrics are presented the GNI\* indicator is included. The Secretary General expects some progress to be made on the reporting rules in the next two to three years.

**H.19.** Mr. John McCarthy, Chief Economist at the Department of Finance, stated that there is huge interest in GNI\* amongst academics and policy makers across Europe, and at the IMF; the issues that affect Ireland are beginning to affect other countries. The Irish Fiscal Advisory Council has also endorsed the use of GNI\*, stating that: “Well founded forecasts for the medium term are necessary to provide a sound basis for setting the economy and the public finances on a sustainable path”.

## EU BUDGET CONTRIBUTION

**H.20.** When receipts of EU funds are compared to contributions to the EU budget on an annual basis, Ireland was a net recipient of funds until 2013. Since 2013, Ireland has been a net contributor. The total receipts, contributions, and net position from 2010 to 2016 are set out in the following table.

**Table 7: EU Budget Net Position 2010 – 2016 (€ million)**

	Receipts	Contributions	Net Position
<b>2010</b>	1,966	1,352	613
<b>2011</b>	2,030	1,350	681
<b>2012</b>	1,947	1,393	553
<b>2013</b>	1,786	1,726	60
<b>2014</b>	1,504	1,686	-182
<b>2015</b>	1,931	1,952	-21
<b>2016</b>	1,778	2,023	-245



**H.21.** Ireland’s contributions continue to exhibit an upward trend. Forecast contributions to 2021 are set out below.

**Table 8: EU Budget contribution forecast 2018 – 2021 (€ million)**

2018	2019	2020	2021
2,675	2,900	2,900	2,925

**H.22.** The EU Commission calculates member states’ contributions based on provisions ratified by all member states. The recent increase in Ireland’s contributions is driven by the fact that a significant part of a member state’s contribution is determined by a proportion of its GNI. It represents, on average, 70% of Ireland’s annual contribution.

**H.23.** The State’s increasing contributions are based on distorted figures. Recent developments (outlined above) have resulted in GNI becoming an unreliable metric for Ireland. In fact, it imposes a cost on the Exchequer in terms of Ireland’s EU budget contributions. The Secretary General stated that it is costing the State “in the ballpark of a couple of hundred million euro every year.” There is potential for Ireland’s contributions to increase further due to the EU budget shortfall resulting from Brexit.

## CONCLUSIONS AND RECOMMENDATIONS

The Committee of Public Accounts is of the view that:

**H.24.** Fiscal reporting is fragmented. There is no report that gives a complete picture of the public sector’s net worth. This lack of clarity makes it difficult to follow the flow of public funds, and impedes accountability. The Committee recommends that the Department prioritises the production of a consolidated central government financial statement.

**H.25.** Harmonising accounting practices across public bodies would allow for increased clarity, transparency, and coherence in government accounting. The Committee recommends that the Department brings forward proposals to improve co-ordination in government accounting.

**H.26.** Established macroeconomic indicators have become unreliable in the Irish context.

The distorted picture they provide overstates debt sustainability, and is costing the State hundreds of millions of euro each year in EU budget contributions. The Committee recommends that the Minister continues to pursue a legal basis for the adoption of alternative economic indicators in the State's reporting at EU level. The Minister should endeavour to make progress on the issue sooner than the two to three year timeframe indicated by the Secretary General of the Department of Finance. This issue should also be highlighted in the context of the potential increase in Ireland's EU budget contributions in the aftermath of Brexit.

## 7. DEPARTMENT OF JUSTICE AND EQUALITY

**Meeting Date:** 26 April 2018

**Principal Purpose of the Meeting:**

- Vote 24: Justice and Equality Appropriation Account 2016;
- C&AG Report 2016 Chapter 13: Development of ICT Systems by the Department of Justice and Equality.

### INTRODUCTION

**I.1.** Discussion focused on matters related to the Department of Justice and Equality's 2016 Appropriation Account, and Chapter 13 of the C&AG's 2016 report. While the C&AG returned a clear audit opinion of the Appropriation Account, issues addressed by the Committee included:

- the loss of €3.89 million of taxpayers' money arising from the lease of a building on Wolfe Tone street in Dublin city;
- matters relating to asylum and immigration programmes;
- external reports;
- tribunal expenditure; and
- the development of three ICT Systems by the Department of Justice and Equality.

### NON-EFFECTIVE EXPENDITURE OF €3.89 MILLION

**I.2.** The C&AG's audit of Vote 24 – Justice and Equality Appropriation Account 2016 – includes a paragraph entitled “Non-effective expenditure.” It concerns the lease of a building on Wolfe Tone Street in Dublin, its fit-out, and a subsequent settlement payment. The building was leased by the Probation Service (an agency of the Department of Justice and Equality) in 2008, but due to planning issues, it was never occupied. The Department could not find an alternative use for the premises. Total associated costs amounted to €3.89 million.

**I.3.** The issue first arose in Chapter 15 of the C&AG's 2011 report. Due to the fact that litigation was underway when Chapter 15 came before the Committee of Public

Accounts on 21 March 2013, the matter was not examined in detail. The central issue is the reliance by the Chief State Solicitor's Office (CSSO) on the opinion of the landlord's architect, which stated that the development of the property was in substantial compliance with planning permission. The Law Society of Ireland established the practice of relying on such opinions in the 1970s.

- I.4. Chapter 15 of the C&AG's 2011 report states that while the CSSO was entitled to rely on the opinion of the landlord's architect, "the statutory period to act on a change of use had expired and the basis on which a change of use would be recognised by the planning authorities was specifically adverted to in correspondence between the CSSO and the legal representative of the property owners during the lease negotiations." Mr. Andy Harkness of the C&AG's Office confirmed to the Committee that the CSSO either knew the planning permission had expired, or should have been aware that it had expired.
- I.5. The Office of Public Works (OPW) inspected the property, and in correspondence to the Department and the Probation Service, specifically cited confirmation of "suitable planning permission" as a condition for acceptance of the landlord's terms. As the Department relied at all times on the advice of the CSSO, it had no reason to believe planning permission was not in place.
- I.6. In March 2010, the Department was informed by Dublin City Council Planning Enforcement Office that planning permission was not, in fact, in place to develop the building. Rent to the value of €528,449 had already been paid over to the landlord, as well as VAT of €460,703 (as required by tax legislation at the time). The Department had also spent €1,083,201 fitting-out the building.
- I.7. The CSSO initiated legal proceedings against the landlord, but the Acting Secretary General stated that the Department received "strong legal advice" to settle in the landlord's favour. A settlement of €1,800,000 was paid to the landlord. Total loss to the taxpayer amounted to €3,889,976. The Committee found it inexplicable that the State did not have some form of recourse, given that established practice had been followed, and the error was on the landlord's part.
- I.8. The Committee wrote to the CSSO to seek clarification on the matter. The Chief State Solicitor replied, stating that the legal advice it provided when the Department took the lease, and the conduct of the subsequent litigation is subject to "legal professional

privilege”. The Chief State Solicitor also stated that the legal advice concerning planning matters was dealt with in Chapter 15 of the C&AG’s 2011 report, and that the legal proceedings were settled on the advice of counsel.

- I.9.** The CSSO did not agree with the recommendation contained in Chapter 15 of the C&AG’s 2011 report, which suggested reviewing its risk assessment in relation to planning compliance, and the practice of reliance of architects’ opinions with no additional assurance. The CSSO stated it was a matter for the Conveyancing Committee of the Law Society.
- I.10.** The Committee contacted the CSSO to query what action had been taken since the C&AG’s recommendation. The Chief State Solicitor stated that there has been no communication with the Law Society in relation to the recommendation. In terms of internal procedural changes to mitigate risk, the Chief State Solicitor stated that “an additional level of oversight was introduced in cases such as the one under discussion.” No further detail was provided.
- I.11.** The Committee also asked the Acting Secretary General of the Department of Justice and Equality what measures had been put in place to protect public monies and prevent reoccurrence. The Acting Secretary General stated that the Department now obtains its own opinion on planning.

## **MATTERS RELATING TO ASYLUM AND IMMIGRATION**

- I.12.** Established in September 2015, the Irish Refugee Protection Programme (IRPP) is a direct response to the humanitarian crisis that developed following mass migration from areas of conflict in the Middle East and Africa. Under the programme, the Government committed to accept 4,000 persons into the State under the following strands:
- Relocation Strand: 2,622 asylum seekers through the EU relocation mechanism (to be relocated from Greece and Italy);
  - Resettlement Strand: 1,040 refugees under the resettlement programme by the end of 2017 (currently focussed on resettling refugees from Lebanon);

- Other mechanisms: The balance through a variety of different mechanisms including the acceptance of unaccompanied minors previously resident in the unofficial camp in Calais, France.
- I.13.** Committee members questioned progress on the IRPP. Mr. Michael Kirrane, Director General of the Irish Naturalisation and Immigration Service, stated that 1,022 persons have been accepted under the relocation strand, with 792 persons accepted under the resettlement strand. An additional 41 unaccompanied minors from Calais in France have been accepted, which gives a total of 1,850 persons. As part of its 4,000 commitment, Ireland also intends to take 530 persons under the Family Unification and Humanitarian Programme. The Director General noted that, given the total number of persons to be relocated across Europe is lower than expected, Ireland is taking proportionately more than it is required to. This has been recognised by the European Commission.
- I.14.** Committee members sought detail on the State's direct provision centres. The Acting Secretary General stated that there are seven State-owned centres, and 28 commercially-owned centres. Related 2016 expenditure was €7.6 million, and €51.7 million respectively. Committee members questioned whether the State had considered purchasing additional centres. The Acting Secretary General stated that demand for the centres fluctuates, and the commercially-owned centres afford the Department a level of flexibility. In follow-up correspondence to the Committee dated 17 May 2018, the Department confirmed that there are a total of 5,351 persons in direct provision centres, with capacity for 5,654 persons.
- I.15.** Committee members also queried whether some of the significant funding provision for direct provision centres might be better spent reducing processing times to limit the need for accommodation in such centres. The Acting Secretary General referred to the enactment of the International Protection Act 2015, which consolidates a number of processes with a view to reducing processing time. However, a recent report of the Economic and Social Research Institute (ESRI) noted that this had not delivered the efficiencies expected. The average waiting time for the first stage in the asylum process is now 18 to 20 months. It was less than three months in 2015.

## EXTERNAL REPORTS CONCERNING THE DEPARTMENT

### THE TOLAND REPORT

- I.16.** Committee members raised the finding of the 2014 Toland report, which reviewed the functionality of the Department. It stated that the Department operated in “a closed, secretive and silo driven culture.” Significant leadership and management problems, as well as undue deference to An Garda Síochána were also cited. The Independent Review Group, which conducted the report, also recommended restructuring the Department into “clear Justice and Home Affairs portfolios.”
- I.17.** The Independent Review Group that produced the Toland report stated that it was prepared to meet twice yearly, “if required by the Minister”, over the next two years to review progress” made in implementing the recommendations. Committee members questioned why this offer - described as “very generous” by the Acting Secretary General - was not availed of.
- I.18.** In order to assess progress on the implementation of the Toland report’s recommendations, the Department commissioned Ernst & Young to produce a progress report. It cost €76,567, and was published in January 2018.
- I.19.** The report acknowledges that the Department has approached the implementation of the comprehensive suite of recommendations set out in the Toland report with focus and commitment, and that it has “initiated wide-ranging, unprecedented reform”. It notes a number of areas where there has been significant improvement, particularly in the area of corporate governance, both internally and in the Department’s relationship with its agencies. A “highly effective” approach to crime management was also noted.
- I.20.** However, a number of areas of concern are highlighted, including the relationship between An Garda Síochána, the Policing Authority and the Department. While governance arrangements are in place, attention is drawn to a lack of clarity surrounding roles and responsibilities. The report states that the issue will be reviewed by the recently established Commission on the Future of Policing in Ireland.
- I.21.** Other areas of concern highlighted by the report include external communications and transparency, and knowledge transfer and succession planning. The current structure

of the Department was highlighted, and the report noted the need to take action. The need for structural change was flagged by the Toland report, and the 2017 Mazars report outlined the methodology for structural change, which has been agreed by the Department.

- I.22.** An Effectiveness and Renewal Group has been established to oversee the ongoing change in the Department. Progress reports will be provided to the Government and the Oireachtas, the first of which is due at the end of June 2018, with quarterly reports thereafter.

## THE COLLINS REPORT

- I.23.** Committee members made reference to the Collins report, which concerns the failure by the Department to discover records relevant to the Disclosures Tribunal. It found that there were “systematic failures which resulted in the non-disclosure of relevant emails.” The Acting Secretary General stated that in order to ensure the issue does not reoccur, the Department is setting up a separate unit to interact with tribunals and commissions. The Department will also use specialist consultants as required, and is engaging with a new Civil Service electronic document management system. In its attempt to discover records relevant to the Disclosures Tribunal, the Department searched approximately 30 million emails and electronic files dating back to 2012.

## TRIBUNAL EXPENDITURE

- I.24.** Committee members noted the substantial sums of public monies that have been expended on Tribunals of Inquiry. The Morris Tribunal of Inquiry into complaints against some Gardaí in the Donegal Division, for example, has cost the State over €68 million to date. While the issues under consideration are significant, Committee members questioned whether they represent value for money for the taxpayer. The Acting Secretary General stated that the Commission of Investigation Act 2004 provided a mechanism to inquire into such matters in private and at a much lower cost. It is a Government decision whether to employ the Commission of Investigation Act 2004, or the Tribunals of Inquiry (Evidence) Act 1921.



## ICT SYSTEMS

**I.25.** From 2012 to 2016, the Department undertook three ICT projects on behalf of three of its agencies:

- i) the Insolvency Service of Ireland (ISI);
- ii) the Charities Regulatory Authority (CRA); and
- iii) the Private Security Authority (PSA).

Project costs to the end of March 2017 amounted to approximately €4.6 million, of which €3.6 million related to the ISI project. As all systems were developed within existing ICT infrastructures and exclude in-house staff costs, spend relates to external developers and systems analysts.

**I.26.** The planning and oversight deficiencies concerning the three ICT projects set out above are summarised in the following graphic:

**Graphic 7: ICT Project Planning and Oversight**

Project	Insolvency Service of Ireland	Charities Regulatory Authority	Private Security Authority
Was a comprehensive project budget prepared?	x	x	x
Was a business case prepared?	x	✓	✓
Was a project board or similar oversight arrangement put in place?	✓	✓	x
Did the project board meet regularly?	✓	✓	Not applicable

Source: Analysis by Office of the Comptroller and Auditor General

**I.27.** The C&AG made three recommendations concerning the importance of project budgets, the preparation of business cases, and the need for effective governance to ensure systems are fit for purposes and achieve value for money. The Accounting Officer's response to the C&AG outlined a number of steps the Department has taken to address these issues. The briefing material provided to the Committee contains updates on the implementation of the recommendations, which are outlined below:

- i) All projects now require a business case be submitted to the ICT Governance Group in advance of any significant projects commencing. The ICT Governance Group must approve any deviations from the business case.
- ii) Outside of exceptional circumstances, projects will not be initiated without a budget. Project sponsors are now required to provide cost updates at each ICT Governance Group meeting. Changes to the budget or delivery dates must be explained.
- iii) The Department has updated its approach to governance, including deploying project sponsors and project boards on larger projects. Monthly project status updates are a requirement, and the Department has also implemented a post implementation review process.

**I.28.** Committee members sought further detail on the post implementation review process. The Acting Secretary General stated that five such reviews have been completed. They involve an assessment of the original business case against what has been delivered. It allows the Department to determine if there are any lessons that can be learned from the projects.

**I.29.** The Acting Secretary General stated that in order to further strengthen governance arrangements; the Department is undertaking a comprehensive risk assessment across all aspects of ICT operations. An audit of the controls in place in a representative number of agencies under the aegis of the Department is also underway.

## CONCLUSIONS AND RECOMMENDATIONS

The Committee of Public Accounts is of the view that:

- I.30.** €3.89 million of public funds was lost on the lease of a building on Wolfe Tone Street in Dublin by the Probation Service. It was never occupied and provided no benefit whatsoever to the taxpayer. On the basis of the evidence presented to the Committee, the Chief State Solicitor's Office complete reliance on established practice, and failure to take action when it was made aware of the expiration of planning permission are the primary causes of the loss. The Committee recommends that the Chief State Solicitor's Office ensures its oversight mechanisms are sufficient to prevent reoccurrence of this unacceptable waste of taxpayers' money.
- I.31.** When asked to provide detail on its role in the loss of €3.89 million of public funds, the Chief State Solicitor's Office cited "legal professional privilege." This prevented the Committee fully scrutinising the matter. The Committee recommends that the Department of Public Expenditure and Reform examines barriers presented by claims of legal professional privilege that might prevent full accountability for the use of public funds.
- I.32.** The Toland Report's examination of the functionality of the Department of Justice and Equality was carried out by an Independent Review Group. The Group offered to review the implementation of the report's recommendations but this offer was not availed of. The Group was ideally placed to monitor the recommendations and provide advice and assistance in their implementation, and the offer should have been availed of.
- I.33.** There were significant governance failures relating to the three ICT projects undertaken by the Department of Justice and Equality on behalf of agencies under its remit. The Department has taken a number of steps to address these failures, and the Committee recommends that the Department monitors and follows through on the changes to ensure the mistakes are not repeated.

## 8. THE STRATEGIC COMMUNICATIONS UNIT AND THE DEPARTMENT OF THE TAOISEACH

**Meeting Date:** 3 May 2018

**Principal Purpose of the Meeting:**

- Matters relating to the Strategic Communications Unit;
- Appropriation Account 2016 Vote 2: Department of the Taoiseach.

### INTRODUCTION

**J.1.** The Strategic Communications Unit (SCU) was established by way of Government decision on 6 September 2017 to modernise and reform how government communications were handled. Following sustained controversy surrounding the operation of the unit, in March 2018, the Accounting Officer and Secretary General of the Department of the Taoiseach, Mr. Martin Fraser, recommend that the unit be wound down.

**J.2.** During the course of the meeting, the Committee questioned the business case for the establishment of the unit, whether there was sufficient separation between the SCU and the Government, and the reasons why the Secretary General recommended that the unit be wound down.

**J.3.** In relation to the Department's 2016 Appropriation Account, discussion focused on expenditure relating to Tribunals of Inquiry, and Commissions of Investigation.

### BUSINESS CASE FOR THE ESTABLISHMENT OF THE SCU

**J.4.** The Secretary General stated that a review of existing communications across central government departments and agencies found that €178 million is being spent each year, without a whole of government perspective. The expenditure comprises over 700 staff, 452 websites, and more than 388 external contracts. The Secretary General stated that the current situation was not delivering value for money for the State.

**J.5.** The Secretary General stated that a business case was included in the confidential memorandum for government concerning the SCU's establishment. A business case

was also submitted to the Department of Public Expenditure and Reform on 28 September 2017, to support the establishment of the SCU, and to request an allocation of €5 million to implement its work plan. The Secretary General of the Department of Public Expenditure and Reform, Mr. Robert Watt, provided the Committee with the business case, which envisaged the SCU being delivered on a cost-neutral basis.

**J.6.** The following specific actions were approved by Government with a view to delivering the SCU on a cost neutral basis:

- Cross-governmental collaboration on major campaigns;
- More efficient use of technology platforms;
- Consolidated media buying;
- Efficient third-party contract management;
- Rationalising design projects;
- Streamlining participation in national events;
- Increased communication capacity within Departments.

**J.7.** In terms of the SCU's work plan, the following specific actions were approved by Government decision on 9 December 2017:

- The rollout of a single unified Government of Ireland identity;
- The migration of government departments' websites to one portal for the Government, [www.gov.ie](http://www.gov.ie);
- The creation of a unified international communications programme for Ireland as part of the Doubling the Global Footprint initiative, in partnership with relevant agencies and Departments, for launch on St Patrick's Day;
- The commencement of a government-wide capacity building professional development programme for officials working in communications;
- The prioritisation of communications campaigns for 2018.

## NEWSPAPER ADVERTORIALS

**J.8.** Project 2040 comprises the National Development Plan 2018 – 2027, and the National Planning Framework to 2040. Committee members expressed concern that some

newspaper advertorials relating to the launch of Project 2040 were not clearly identified as paid for content, and were made to appear as normal news articles.

- J.9.** Committee members questioned the Secretary General as to whether he thought the SCU's central role in the Project 2040 communications campaign, and the use of taxpayers' money to pay for advertorials, blurred the lines between the administrative and political elements of Government. Committee members also sought to clarify whether newspaper editors had been instructed or advised by the SCU, or government politicians, to include photographs of, and quotes from government politicians and candidates standing for election.
- J.10.** The Secretary General stated that no such direction was given by anyone in the Civil Service. He confirmed that the SCU did not seek final 'sign-off' on the advertorials, and while he did not accept that the SCU had crossed a line, he acknowledged that the outcome was unsatisfactory. He referred to two reports on the issue.
- J.11.** The first is Mr. Fraser's *Review of the Operation of the Strategic Communications Unit*, wherein he states that although there was no attempt by the SCU to place certain government party candidates in advertorials, it did occur in a minority of newspapers as a result of independent editorial decisions.
- J.12.** The second report, entitled *Matters Relating to the Strategic Communications Unit & Project 2040*, was produced by Ms. Elizabeth Canavan, Assistant Secretary at the Department of the Taoiseach. The report states that "editors have confirmed to the Department that the choice of what to include was made in-house without any outside influence whatsoever."
- J.13.** Committee members also highlighted the SCU's request that advertorials include the phrase: "...in partnership with Project Ireland, an initiative of the Government of Ireland." It was suggested that using the term 'in partnership' was not appropriate for the communication of government policy. It was also suggested that representing Project 2040 as a Government of Ireland initiative conferred the impression of political ownership of the project. The Secretary General stated that he did not associate the Government with any political party.

## MEDIAFORCE LETTER

- J.14.** The principal contractor for the arrangement of media partnerships relating to the Project 2040 communications plan was PHD Media. PHD contracted Mediaforce and Independent News and Media to deliver media partnerships with regional newspapers. Media packs were compiled by the SCU for each media organisation and distributed through PHD.
- J.15.** Committee members drew attention to an email from Mediaforce to regional newspapers. It was provided to the Department by one of the regional newspapers that received the email. It states: “I understand that this is an unusual project. However, I really need us to do a good job on this as I believe if we do, there should be more to come on this project and indeed other issues, such as Brexit, in the coming weeks and months.”
- J.16.** Committee members questioned whether the approach the editors had taken might have been influenced by the Mediaforce email. The Secretary General stated that it was a possibility, noting the profound problems with the financial stability of the Irish media identified in his report.

## SCU'S EXPENDITURE

- J.17.** €1.5 million of the SCU's €5 million budget was allocated to the Project 2040 communications plan. Committee members sought a breakdown of Project 2040 expenditure, which was provided by the Department in follow-up correspondence to the Committee. It states that expenditure commitments total €756,119, which is broken down into €497,271 on media (national and regional press, digital and cinema advertising), and €258,848 on production.
- J.18.** Committee members asserted that the majority of expenditure was on the launch of Project 2040, with only a fraction of expenditure on the public consultation period that preceded the launch. The Secretary General accepted that that was the case. Members raised the points that the merits of Project 2040 were not given sufficient public consideration, and that the plan was not discussed in the Dáil.

**J.19.** While the Committee accepted the need to rationalise communication across Government, concerns were raised that the SCU did not have any clearly defined targets or metrics to assess its performance against, or to determine if the SCU's budget allocation of €5 million was delivering value for money. A review of existing communications across central government departments and agencies was conducted, and the Secretary General stated that the SCU's target was to implement the Government decision approving its streams of work. Senior Officials from all departments were also asked to work on ways of determining the savings and benefits derived from the work of the SCU.

## THE DECISION TO WIND DOWN THE SCU

**J.20.** Committee members asked the Secretary General why he had recommended that the SCU be wound down – a business case for the establishment of the unit, and its work plan, had both been approved by Government. The Secretary General stated that there were two main reasons why he recommended that the SCU be wound down.

**J.21.** The first reason was that the significant political and media interest in the SCU was taking up too much time in a department with far greater priorities. In his report, Mr. Fraser noted that the SCU had been the subject of 203 Parliamentary Questions, and 63 Freedom of Information requests.

**J.22.** The second reason was that it was beginning to endanger the trust that Members of the Oireachtas – potential members of future Governments - have in the Civil Service, and its political impartiality. While the Secretary General did not accept that the unit was political, or that it crossed a line, he felt “the concerns were genuine and sufficiently important” to recommend wind down. He stated that these concerns were raised in the Dáil, and a motion to disband the SCU, which reflected these concerns, was carried on 22 March 2018.

**J.23.** The Secretary General stated that, as outlined in his report, much of the work identified in the business case establishing the SCU will continue in a reformed Government Information Service (GIS), with 50% less budget than the SCU, less staff and a more limited role. No new national campaigns will be run, but work will continue in areas such as streamlining communications, and the single government identity project. Reversion to the GIS model is expected by July 2018.



## TRIBUNALS AND COMMISSIONS

- J.24.** The Committee noted that the Appropriation Account 2016 for Vote 2: Department of the Taoiseach, includes significant spend on Tribunals of Inquiry, and Commissions of Investigation. For example, the Moriarty Tribunal into payments to politicians and related matters, has incurred expenditure of €61.2 million to date. There is a further provision in the Department's 2018 Estimates of €4.5 million, and the Secretary General stated that he could not say whether this year will be the last year of payments related to the Moriarty Tribunal.
- J.25.** The Secretary General stated that it is very important to exercise caution when setting up Tribunals of Inquiry. Commissions of Investigation are conducted in private, are generally less expensive, and concluded more quickly. The Secretary General estimates that the State's combined spend on tribunals and commissions to date is in the region of €500 million.
- J.26.** Committee members queried what has been learned, and what changes have been made as a result of the State's tribunals and commissions. The Secretary General noted measures in the Planning Act arising from the Mahon Tribunal. Legislation concerning donations to political parties, and standards in public office were also cited. The Secretary General stated that it would make greater sense to invest funds associated with tribunals and commissions in prevention, and more robust frameworks to deal with the issues.
- J.27.** Committee members also noted that evidence given to tribunals and commissions cannot be used as evidence in criminal proceedings. While Gardaí and the Revenue Commissioners can obtain copies of the material submitted to tribunals and commissions, they must establish their own evidence trail as a basis for any subsequent criminal proceedings.

## CONCLUSIONS AND RECOMMENDATIONS

The Committee of Public Accounts is of the view that:

**J.28.** There is a legitimate need to rationalise and streamline government communications in order to avoid duplication, ensure a whole of government perspective, and safeguard public funds. The Committee recommends that this process should proceed in the manner outlined by the Secretary General of the Department of the Taoiseach in his review of the operation of the Strategic Communications Unit.

**J.29.** Had the Strategic Communications Unit retained final editorial control, or 'sign off', of the Project 2040 advertorials, much of the associated controversy might have been avoided. The Committee recommends that public bodies should always ensure that they retain the right to sign off on content paid for by the State, so that they can ensure that public funds are spent on content that is accurate and unbiased.

## 9. RAIDIÓ TEILIFÍS ÉIREANN (RTÉ)

**Meeting Date:** 3 May 2018

**Principal Purpose of the Meeting:**

- Matters relating to RTÉ;
- Appropriation Account 2016 Vote 29: Department of Communications, Climate Action and Environment.

### INTRODUCTION

**K.1.** In 2016, the Department of Communications, Climate Action and Environment (the Department) contributed €179.3 million to RTÉ, which accounts for more than 40% of the Department's gross expenditure. Members felt strongly that there was a need to engage with RTÉ on matters which were touched upon when the Department was before the Committee on 9 November 2017.

### FINANCIAL POSITION

**K.2.** RTÉ is a public service media organisation, funded by the Department and commercial revenue. In 2016, public funding accounted for €179.3 million, and commercial revenue amounted to €158.2 million. RTÉ's public funding is television license fee revenue that it receives from the Department. Its commercial revenue includes the sale of advertising and sponsorship, and the publication of the RTÉ Guide.

**K.3.** The Director-General of RTÉ, Ms. Dee Forbes, stated that RTÉ is facing "urgent and substantial financial challenges". Its 2016 income was 23% (€104 million) less than in 2008, and RTÉ posted net operating deficits in 2015, 2016, and will do so again in 2017. She highlighted the challenges RTÉ faces with the advent of digital media, a rapidly evolving media landscape, and the requirement to provide additional services, and meet its obligations as a public service broadcaster under the Broadcasting Act 2009. The advertising market has also changed, with digital advertising becoming more prominent, and increased competition for advertising revenue from over 40 non-indigenous channels.

## TELEVISION LICENSE FEE EVASION

**K.4.** The Department is responsible for collecting television license fees. It passes 79% of each €160 license fee to RTÉ as grant-in-aid. However, evasion rates currently stand at 15%, and RTÉ asserts that this results in an annual loss of approximately €37 million. The following table compares Ireland’s license fee evasion rates to that of its European counterparts.

**Table 9: License Fee Evasion Rates by Country**

Germany	2%
Austria	4%
United Kingdom	6.5%
Norway	6.8%
Switzerland	8.5%
Denmark	9.9%
Ireland	15%

**K.5.** There are also a significant number of homes availing of what RTÉ refer to as “outdated TV exemptions”. Associated losses are in the region of €24 million annually. The director-general stated that, when combined with the loss of approximately €37 million resulting from the 15% evasion rate, over €60 million is lost every year due to the inefficiency of the license fee system.

## INDIGENOUS INDUSTRY AND CONTENT COST

**K.6.** The Director-General stated that, as a national broadcaster, RTÉ has an obligation to nurture and develop creative talent in Ireland. However, its investment in the Irish independent sector has fallen from €79.5 million in 2007, to just under €40 million in 2016. The Director-General expressed concern that the sector is under-developing, and that Irish talent is emigrating to find employment.

**K.7.** RTÉ stated that a lack of investment in the sector also affects indigenous programming including the arts, culture, children’s, drama, and Irish language programming. Mr. Jim Jennings, RTÉ’s Director of Content, stated that he does not believe RTÉ is fulfilling its remit in terms of Irish language programming. He stated that this is one of the areas that RTÉ seeks to address in its five year strategy document entitled *RTÉ: Strategy 2018 – 2022 Renewing RTÉ for the next generation*. Following consideration by the

Broadcasting Authority of Ireland (RTÉ's regulator), the strategy will go to the Minister for Communications, Climate Action, and Environment for approval.

- K.8.** The Committee questioned the costs of the various programming content RTÉ airs. The Director-General stated that some of the most inexpensive content is content bought in from abroad, while the most expensive content is indigenous drama. Comparing acquired and indigenous soap operas for example, *Neighbours* can be acquired for €2,000 or €3,000 per hour, while *Fair City* costs in the region of €53,000 per hour. Committee members were surprised at the level of differential in content cost.
- K.9.** RTÉ's Director of Content noted that while indigenous content is expensive, there are a number of associated benefits. It can be sold internationally, and it creates employment for a range of professions including actors, directors, writers, camera crews, and production crews.

## CONTRACTS FOR SERVICE

- K.10.** As set out in its annual report, at 31 December 2016, RTÉ had a total of 1,984 full-time, part-time, and casual employees. Committee members sought clarification as to how many of those working for RTÉ are doing so on a contractual basis. The Director-General stated that there are 472 contracts for services in place – this is in addition to, and distinct from, the 1,984 employees. She stated that this suits the needs of the organisation, citing the Olympics as an example when specialist expertise is required once every four years.
- K.11.** Committee members expressed concern that this practice is not limited to special events, and that some of those on contracts for services are not being given the option to become employees of RTÉ. The Committee noted that, when working on a contract for service, a number of benefits afforded to employees may be lost, such as pension entitlements, sick pay, and holiday pay. Some members stated that some of those on contracts for services are fearful about coming forward in case their contracts are not renewed.

## TOP EARNERS

**K.12.** Of the 472 contracts for services, 81 are with incorporated limited companies. After deductions such as the Universal Social Charge (USC), and Pay Related Social Insurance (PRSI), all income earned by these companies is taxed at the Corporation Tax rate of 12.5%, rather than the higher rates of personal Income Tax (20% and 40%). This has given rise to the perception that these arrangements are used by RTÉ's top earners to maximise their income. In 2015, all five of RTÉ's five highest earners were paid through limited companies, with fees ranging between €295,000 and €495,000.

**K.13.** Committee members questioned whether the services provided by RTÉ's top earners justified the fees paid, and whether they represented value for money for the taxpayer. It was also suggested that the exorbitant fees give the impression that RTÉ has significant funds at its disposal. The Director-General stated that the payments to RTÉ's top ten earners represent 1% of its total cost base, that the market for the services of the top earners is competitive, and that her predecessor, Mr. Noel Curran, had overseen the reduction of the fees by 30% - 40%.

## EVERSHEDS SUTHERLAND REVIEW

**K.14.** In 2017, RTÉ agreed to undertake a review of services provided to the organisation through contracts for services. Eversheds Sutherland was engaged to produce the report, which has now been completed. The Committee understands that, of the 433 contract arrangements reviewed, 276 contractors were appropriately engaged, 106 contractors were found to have "attributes akin to employment", and 51 contractors were found to have "attributes akin to both employment and self-employment."

**K.15.** The report's recommendations include introducing a policy for engaging freelancers, and clear guidelines on how it determines employee or contract status. RTÉ has stated that once these are in place, individual contract reviews will commence (these will not be necessary in the case of the 276 contractors that were identified as being appropriately engaged). RTÉ's Director of Human Resources, Eimear Cusack, said RTÉ accepts the Eversheds Sutherlands recommendations in full. RTÉ hopes to have its policy and guidelines in place by September, and to complete the review of the individual contracts by the end of 2018.

## THE SALE OF LAND IN DONNYBROOK

**K.16.** A 2015 report by NewERA recommended that RTÉ consider selling some of its assets. This resulted in the sale of about nine acres of land on RTÉ's campus in Donnybrook. The land was sold to Cairn Homes for €107.5 million. Committee members questioned the witnesses as to how the proceeds of the sale would be used.

**K.17.** The Director-General stated that the proceeds of the sale of the land had to be set out as part of the process to obtain consent for the sale from the Department of Communications, Climate Action, and Environment, and the Department of Public Expenditure and Reform. The proceeds will be used to fund capital investment (€30 - €40 million), paying down €10 million of RTÉ's €53 million of debt, and to fund an ongoing voluntary severance scheme aimed at reducing the organisation's cost base. It was asserted that State aid rules prohibit the use of the funds for operational purposes.

**K.18.** Ms. Breda O'Keeffe, RTÉ's Chief Financial Officer noted that there is a significant tax bill of 25% to be paid on the sale of the land, and that there are a number of costs associated with the transaction.

## CONCLUSIONS AND RECOMMENDATIONS

The Committee of Public Accounts is of the view that:

**K.19.** The level of TV license evasion (15% in 2016) is contributing to RTÉ's difficulties in delivering on its obligations as a public service broadcaster. It is also endangering the development of creative Irish talent, and associated independent industries. The Committee recommends that the current television licensing system is reviewed as a matter of urgency with a view to decreasing evasion rates.

**K.20.** The Eversheds Sutherland report into the use of contracts for services by RTÉ has recommended that RTÉ introduce a clear policy and guidelines regarding the use of contracts for services, and that it reviews 157 of the 433 contracts examined by Eversheds Sutherland. The Committee welcomes the fact that RTÉ has accepted

the report's recommendations, and it is the intention of the Committee to seek updates on their implementation.



**APPENDIX 1 COMMITTEE MEMBERSHIP**



Bobby Aylward (FF)



Peter Burke (FG)



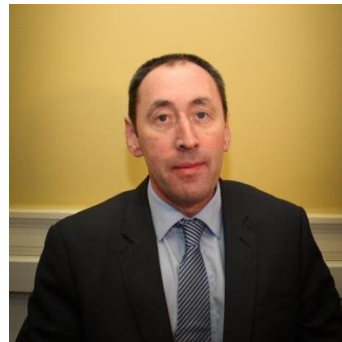
Shane Cassells (FF)



Catherine Connolly (I4C)



David Cullinane (SF)



Pat Deering (FG)



Alan Farrell (FG)



Seán Fleming (FF)



Alan Kelly (Lab)



Marc MacSharry (FF)



Catherine Murphy (SD/GPTG)



Jonathan O'Brien (SF)



Kate O'Connell (FG)

## APPENDIX 2 COMMITTEE TERMS OF REFERENCE

### Committee of Public Accounts

- 186. (1)** There shall stand established, following the reassembly of the Dáil subsequent to a General Election, a Standing Committee, to be known as the Committee of Public Accounts, to examine and report to the Dáil upon—
- a) the accounts showing the appropriation of the sums granted by the Dáil to meet the public expenditure and such other accounts as they see fit (not being accounts of persons included in the Second Schedule of the Comptroller and Auditor General (Amendment) Act 1993) which are audited by the Comptroller and Auditor General and presented to the Dáil, together with any reports by the Comptroller and Auditor General thereon: Provided that in relation to accounts other than Appropriation Accounts, only accounts for a financial year beginning not earlier than 1 January, 1994, shall be examined by the Committee;
  - b) the Comptroller and Auditor General's reports on his or her examinations of economy, efficiency, effectiveness evaluation systems, procedures and practices; and
  - c) other reports carried out by the Comptroller and Auditor General under the Act.
- (2) The Committee may suggest alterations and improvements in the form of the Estimates submitted to the Dáil.
  - (3) The Committee may proceed with its examination of an account or a report of the Comptroller and Auditor General at any time after that account or report is presented to Dáil Éireann.
  - (4) The Committee shall have the following powers:
    - a) power to send for persons, papers and records as defined in Standing Order 88;
    - b) power to take oral and written evidence as defined in Standing Order 85(1);
    - c) power to appoint sub-Committees as defined in Standing Order 85(3);
    - d) power to engage consultants as defined in Standing Order 85(8); and
    - e) power to travel as defined in Standing Order 85(9).
  - (5) Every report which the Committee proposes to make shall, on adoption by the Committee, be laid before the Dáil forthwith whereupon the Committee shall

be empowered to print and publish such report together with such related documents as it thinks fit.

- (6) The Committee shall present an annual progress report to Dáil Éireann on its activities and plans.
- (7) The Committee shall refrain from—
  - a) Enquiring into in public session, or publishing, confidential information regarding the activities and plans of a Government Department or office, or of a body which is subject to audit, examination or inspection by the Comptroller and Auditor General, if so requested either by a member of the Government, or the body concerned; and
  - b) Enquiring into the merits of a policy or policies of the Government or a member of the Government or the merits of the objectives of such policies.
- (8) The Committee may, without prejudice to the independence of the Comptroller and Auditor General in determining the work to be carried out by his or her Office or the manner in which it is carried out, in private communication, make such suggestions to the Comptroller and Auditor General regarding that work as it sees fit.
- (9) The Committee shall consist of twelve members, none of whom shall be a member of the Government or a Minister of State, and four of whom shall constitute a quorum. The Committee and any sub-Committee which it may appoint shall be constituted so as to be impartially representative of the Dáil.

## APPENDIX 3 WITNESSES WHO PROVIDED ORAL EVIDENCE AND LINKS TO TRANSCRIPTS

### 1. THE NATIONAL PROPERTY REVALUATION PROGRAMME

[Link to Transcript](#)

**Meeting Date:** 25 January 2018

**Principal Purpose of the Meetings:** C&AG Report 2016 Chapter 11: The National Property Revaluation Programme

**Witnesses:**

Witness Name	Title
Mr. John O'Sullivan	Commissioner of Valuation, Valuation Office
Mr. Declan Lavelle	Head of Valuation Services, Valuation Office
Ms. Mary Smyth	Personnel and Finance Officer, Valuation Office
Mr. Paul Lemass	Assistant Secretary, Local Government Division, Department of Housing, Planning and Local Government

### 2. SHARED SERVICES – MANAGEMENT OF SALARY OVERPAYMENTS

[Link to Transcript](#)

**Meeting Date:** 1 February 2018

**Principal Purpose of the Meeting:** C&AG Report 2016 Chapter 10: Shared Services – Management of Salary Overpayments

**Witnesses:**

Witness Name	Title
Ms Joan Curry	Head of Corporate Services, National Shared Services Office
Ms Lisa Hennessy	Corporate Governance, National Shared Services Office
Ms Hilary Murphy-Fagan	CEO, National Shared Services Office
Ms Paula Lyons	Head of Employee Shared Services, Assistant Secretary, National Shared Services Office
Mr. Matt O'Neill	Head of Payroll Shared Services Operations, National Shared Services Office
Mr. Rob O'Toole	Head of HR Shared Services Operations, National Shared Services Office

### 3. THE DORMANT ACCOUNTS FUND

[Link to Transcript](#)

**Meeting Date:** 8 February 2018

**Principal Purpose of the Meeting:** C&AG Report 2016 Chapter 7: Dormant Accounts Fund

**Witnesses:**

Witness Name	Title
Mr. Kevin McCarthy	Secretary General, Department of Rural and Community Development
Mr. Fergal Costello	Finance Unit, Department of Rural and Community Development
Mr. Kenneth Jordan	Department of Rural and Community Development
Mr. Eddie Forsyth	Rural Strategy, Department of Rural and Community Development
Mr. Conor Rowley	Policy Innovation Department of Children and Youth Affairs
Mr. Deaglan O Briain	Youth Crime Policy and Programmes Division Department of Justice and Equality
Mr. Colm Desmond	Assistant Secretary, Finance and Evaluation, Department of Health
Mr. Dave McEvoy	Deputy Director Funding and Debt Management, NTMA
Mr. Stephen Judge	Head of Treasury Operations and Reporting, NTMA

### 4. DEPARTMENT OF HOUSING, PLANNING, AND LOCAL GOVERNMENT

[Link to Transcript](#)

**Meeting Date:** 8 March 2018

**Principal Purpose of the Meeting:**

- C&AG Report 2016 Chapter 8: Central Government Funding of Local Authorities
- Local Government Fund Financial Statement 2016
- 2016 Special Report No. 97 of the C&AG on the Administration and Collection of Motor Taxes
- Vote 34 – Housing, Planning, and Local Government

Witness Name	Title
Mr. John McCarthy	Secretary General, Department of Housing, Planning and Local Government
Ms Maria Graham	Assistant Secretary, Water Division Department of Housing, Planning and Local Government
Mr. Paul Lemass	Assistant Secretary, Local Government Division, Department of Housing, Planning and Local Government
Mr. Maurice Coughlan	Finance Officer, Department of Housing, Planning and Local Government
Ms Lorraine O'Donoghue	Local Government Finance, Department of Housing, Planning and Local Government

Witness Name	Title
Mr. Rory O’Leary	Local Government Finance, Department of Housing, Planning and Local Government
Ms Theresa Donohue	Housing Finance, Department of Housing, Planning and Local Government
Ms Janet Jacobs	Departmental Finance Department of Housing, Planning and Local Government
Ms Mary Hurley	Housing Division Department of Housing, Planning and Local Government
Mr. David Walsh	Assistant Secretary, Planning Division Department of Housing, Planning and Local Government
Ms Nina Murray	Housing Division, Department of Housing, Planning and Local Government
Mr Graham Doyle	Secretary General Department of Transport, Tourism and Sport
Mr Ray O’Leary	Assistant Secretary with responsibility for Roads, Road Safety, Driver and Vehicle Computer Services and Motor Tax Policy divisions Department of Transport, Tourism and Sport
Mr Dominic Mullaney	Principal Adviser, Roads Division Department of Transport, Tourism and Sport
Mr Tim Scully	Principal Officer, Driver and Vehicle Computer Services division Department of Transport, Tourism and Sport
Ms Marie Gleeson	Assistant Principal, Motor Tax Policy Division Department of Transport, Tourism and Sport
Mr. Michael Nolan	Chief Executive Transport Infrastructure Ireland
Mr. Peter Walsh	Director of Capital Programme Transport Infrastructure Ireland
Mr. Pat Maher	Director of Network Management Transport Infrastructure Ireland
Ms Patricia Coleman	Department of Public Expenditure and Reform

## 5. GALWAY ART HOUSE CINEMA AND VOTE 33 - ARTS, HERITAGE, REGIONAL, RURAL AND GAELTACHT AFFAIRS

[Link to Transcript](#)

**Meeting Date:** 29 March 2018

**Principal Purpose of the Meeting:** C&AG Report 2016 Chapter 15: Galway Art House Cinema, and Vote 33 – Arts, Heritage, Regional, Rural and Gaeltacht Affairs

Witness Name	Title
Ms Katherine Licken	Secretary General, Department of Culture, Heritage and the Gaeltacht
Mr. Feargal O’Coigligh	Assistant Secretary, Department of Culture, Heritage and the Gaeltacht
Mr. Aodhán Mac Cormaic	Director of Irish, Department of Culture, Heritage and the Gaeltacht
Mr. Joe Healy	Department of Culture, Heritage and the Gaeltacht
Mr. Terry Allen	Department of Culture, Heritage and the Gaeltacht
Mr. Brian Lucas	Department of Culture, Heritage and the Gaeltacht
Ms Sharon Barry	Department of Culture, Heritage and the Gaeltacht
Ms Mary Nash	Principal, Officer, Arts Film and Investment, Department of Culture,

Witness Name	Title
	Heritage and the Gaeltacht
Mr. Brian O'Malley	Department of Public Expenditure and Reform
Mr. Patricia Ballantine	Department of Public Expenditure and Reform

## 6. DEPARTMENT OF FINANCE

[Link to Transcript](#)

**Meeting Date:** 19 April 2018

### Principal Purpose of the Meeting:

- C&AG Report 2016 Chapter 1: Exchequer Financial Outturn for 2016
- C&AG Report 2016 Chapter 2: Government Debt
- C&AG Report 2016 Chapter 5: Fiscal Transparency
- C&AG Report 2016 Chapter 24: Irish Fiscal Advisory Council
- Vote 7: Department of Finance Appropriation Account 2016

Witness Name	Title
Mr. William Beausang	Assistant Secretary, Head of Central Expenditure Policy and Reporting Division, Department of Public Expenditure and Reform
Mr. Brian O'Malley	Central Vote Group, Department of Public Expenditure and Reform
Ms Vicki Cahill	Expenditure Policy, Department of Public Expenditure and Reform
Mr Derek Moran	Secretary General, Department of Finance
Mr. John McCarthy	Chief Economist, Economics Division, Department of Finance
Mr. Gary Tobin	Assistant Secretary, Banking Division, Department of Finance
Ms Mary McSharry	Corporate Affairs, Department of Finance
Mr. Fiachra Quinlan	Finance Officer, Department of Finance



## 7. DEPARTMENT OF JUSTICE AND EQUALITY

[Link to Transcript](#)

**Meeting Date:** 26 April 2018

**Principal Purpose of the Meeting:**

- Vote 24: Justice and Equality Appropriation Account 2016
- C&AG Report 2016 Chapter 13: Development of ICT Systems by the Department of Justice and Equality

Witness Name	Title
Ms Oonagh McPhillips	Secretary General (Acting), Department of Justice and Equality
Mr. Doncha O' Sullivan	Assistant Secretary, Corporate Affairs, Department of Justice and Equality
Ms Anne Barry	Policing Division, Department of Justice and Equality
Mr. Michael Kirrane	Director General, INIS Department of Justice and Equality
Mr. Seamus Clifford	Financial Shared Services, Department of Justice and Equality
Mr. John Kennedy	ICT Division, Department of Justice and Equality
Mr. Noel Dowling	Prisons and Probation Division, Department of Justice and Equality
Ms Anne Marie Treacy	Corporate Secretariat Office, Department of Justice and Equality
Mr. Eoin Dormer	Department of Public Expenditure and Reform

## 8. THE STRATEGIC COMMUNICATIONS UNIT AND THE DEPARTMENT OF THE TAOISEACH

[Link to Transcript](#)

**Meeting Date:** 3 May 2018

**Principal Purpose of the Meeting:**

- Matters relating to the Strategic Communications Unit
- Appropriation Account 2016 Vote 2: Department of the Taoiseach

Witness Name	Title
Mr. Martin Fraser	Secretary General, Department of the Taoiseach
Ms Mary Keenan	Head of Corporate Affairs, Department of the Taoiseach
Ms Geraldine Butler	Finance Officer, Department of the Taoiseach
Mr. Brian O Malley	Government Accounting Unit, Department of Public Expenditure and Reform

## 9. RAIDÍÓ TEILIFÍS ÉIREANN (RTÉ)

[Link to Transcript](#)

**Meeting Date:** 3 May 2018

**Principal Purpose of the Meeting:**

- Matters relating to RTÉ
- Appropriation Account 2016 Vote 29: Department of Communications, Climate Action and Environment

Witness Name	Title
Ms Dee Forbes	Director-General, RTE
Mr. Jim Jennings	Director of Content, RTE
Ms Breda O'Keeffe	Chief Financial Officer, RTE
Ms Eimear Cusack	Director of Human Resources, RTE
Ms Patricia Cronin	Assistant Secretary, Department of Communications, Climate Action and Environment
Ms Barbara Leeson	Department of Communications, Climate Action and Environment

## APPENDIX 4 REFERENCES

Paragraph/ Table/ Graphic Number	Reference
<b>1. The National Property Revaluation Programme</b>	
C.1.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 155</li> <li>• <a href="#">Transcript 25.01.18</a>, p.21</li> </ul>
C.2.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1030</a> - Valuation Office briefing material, p.3</li> </ul>
Graphic 1	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1030</a> - Valuation Office briefing material, p.3</li> </ul>
C.3.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, pp. 155-156</li> </ul>
C.4.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a> p.32</li> </ul>
C.5.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1030</a> - Valuation Office briefing material</li> </ul>
C.6.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p. 26</li> </ul>
C.7.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.158</li> <li>• <a href="#">Transcript 25.01.18</a>, p. 27</li> </ul>
C.8.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.159</li> <li>• <a href="#">Transcript 25.01.18</a>, p. 27</li> </ul>
C.9.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.161</li> <li>• <a href="#">Transcript 25.01.18</a>, p. 31</li> </ul>
C.10.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp. 30, 32, 58</li> </ul>
C.11.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p. 32</li> </ul>
C.12.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp. 43, 44</li> </ul>
C.13.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp. 31,32, 65</li> <li>• Section 56 of the <a href="#">Valuation Act 2001</a></li> <li>• <a href="http://www.housing.gov.ie/sites/default/files/publications/files/lgas_overview_report_march_2018.pdf">http://www.housing.gov.ie/sites/default/files/publications/files/lgas_overview_report_march_2018.pdf</a></li> </ul>
Table 1	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1030</a> - Valuation Office briefing material</li> </ul>
C.14.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p.32</li> <li>• Local Government Annual Financial Statements 2016</li> </ul>
C.15.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp.45, 54</li> </ul>
C.16.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p.49</li> </ul>
C.17.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p. 54</li> </ul>
C.19.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp.27, 41</li> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.164</li> </ul>
C.20.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p.68</li> </ul>
C.21.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.165</li> </ul>
C.22.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p.35</li> </ul>
C.23.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1268 B</a> - email from Commissioner of Valuations</li> </ul>
C.24.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p.56</li> </ul>
C.25.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp.57, 60</li> </ul>
<b>2. Shared Services – Management of Salary Overpayments</b>	
D.2.	<ul style="list-style-type: none"> <li>• <a href="http://www.irishstatutebook.ie/eli/2017/act/26/enacted/en/html">http://www.irishstatutebook.ie/eli/2017/act/26/enacted/en/html</a></li> <li>• <a href="#">PAC32-R-1049 A</a> - NSSO briefing material</li> </ul>
D.3.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 01.02.18</a>, p. 15</li> </ul>

Paragraph/ Table/ Graphic Number	Reference
D.4.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.139</li> <li>• <a href="#">Transcript 01.02.18</a>, p. 15, 45</li> </ul>
D.5.	<ul style="list-style-type: none"> <li>• <a href="#">www.cso.ie</a> – Q1 2018 figures</li> <li>• <a href="#">PAC32-R-1049 A</a> - NSSO briefing material</li> </ul>
D.6.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 01.02.18</a>, p. 54</li> </ul>
D.7.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1091 B</a> - NSSO Follow Up to PAC Meeting</li> </ul>
Table 2	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1091 B</a> - NSSO Follow Up to PAC Meeting</li> </ul>
D.8.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 01.02.18</a>, p. 20</li> </ul>
D.9.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 01.02.18</a>, p. 16</li> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.149</li> </ul>
D.10.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.141</li> </ul>
Graphic 2	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.141</li> </ul>
D.11.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.149</li> </ul>
D.12.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.151</li> </ul>
D.13.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 01.02.18</a>, pp. 26 &amp; 27</li> <li>• <a href="#">PAC32-R-1091 B</a> NSSO – Follow-up to PAC Meeting</li> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.149</li> </ul>
D.14.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp. 48 &amp; 51</li> <li>• <a href="#">PAC32-R-1049 A</a> - NSSO briefing material</li> <li>• <a href="#">PAC32-R-1091 B</a> - NSSO Follow Up to PAC Meeting</li> </ul>
D.15.	<ul style="list-style-type: none"> <li>• <a href="http://circulars.gov.ie/pdf/circular/per/2017/10.pdf">http://circulars.gov.ie/pdf/circular/per/2017/10.pdf</a></li> <li>• <a href="#">Transcript 25.01.18</a>, pp. 16, 28, 49</li> <li>• <a href="#">PAC32-R-1050 A</a> - NSSO opening statement</li> </ul>
D.16.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p. 23</li> <li>• <a href="https://www.forsa.ie/over-80-of-civil-servants-experience-problems-with-centralised-pay-and-leave-system/">https://www.forsa.ie/over-80-of-civil-servants-experience-problems-with-centralised-pay-and-leave-system/</a></li> </ul>
D.17.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp. 19, 23, 50, 57</li> </ul>
D.18.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.150</li> </ul>
D.19.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp. 26, 27</li> </ul>
D.20.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, pp. 28-30</li> </ul>
D.21.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1050 A</a> - NSSO opening statement</li> </ul>
D.22.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a>, p. 47</li> <li>• <a href="#">PAC32-R-1050 A</a> - NSSO opening statement</li> </ul>
D.23.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 25.01.18</a> pp. 35, 42, 43</li> </ul>
D.24.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1050 A</a> - NSSO opening statement</li> </ul>
<b>3. Dormant Accounts Fund</b>	
E.1.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.101</li> </ul>
E.2.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.101</li> </ul>
E.3.	<ul style="list-style-type: none"> <li>• <a href="http://www.irishstatutebook.ie/eli/2001/act/32/enacted/en/html">http://www.irishstatutebook.ie/eli/2001/act/32/enacted/en/html</a></li> </ul>
E.4.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.102</li> </ul>
E.5.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.102</li> </ul>
Table 3	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.101</li> </ul>
E.6.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.102</li> </ul>
E.7.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p.102</li> </ul>

Paragraph/ Table/ Graphic Number	Reference
E.8.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p.103
Table 4	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p.103
E.9.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p.101
E.10.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p.103
E.11.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p.103
E.12.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p.113
E.13.	• <a href="#">Transcript 08.02.18</a> , p.44 • <a href="#">PAC32-R-1422 B</a>
E.14.	• <a href="#">Transcript 08.02.18</a> , p.30
E.15.	• <a href="#">Transcript 08.02.18</a> , p.26
E.16.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p.104
E.17.	• <a href="#">Transcript 08.02.18</a> , p.32
E.18.	• <a href="#">Transcript 08.02.18</a> , p.52
E.19.	• <a href="#">PAC32-R-1422 B</a>
E.20.	• <a href="#">PAC32-R-1422 B</a>
Table 5	• <a href="#">PAC32-R-1422 B</a>
E.21.	• <a href="#">Transcript 08.02.18</a> , p.45
E.22.	• <a href="#">Transcript 08.02.18</a> , p.52
E.23.	• <a href="#">Transcript 08.02.18</a> , p.24
E.24.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p.104
E.25.	• <a href="#">Transcript 08.02.18</a> , pp. 38, 56
E.26.	• <a href="#">PAC32-R-1131 B</a> • <a href="#">PAC32-R-1422 B</a>
E.27.	• <a href="#">Transcript 08.02.18</a> , pp. 30 & 33
<b>4. Department of Housing, Planning, and Local Government</b>	
F.3.	• <a href="#">Transcript 08.03.18</a> , pp.38, 39
Graphic 3	• <a href="http://www.housing.gov.ie/sites/default/files/publications/files/lgas_overview_report_march_2018.pdf">http://www.housing.gov.ie/sites/default/files/publications/files/lgas_overview_report_march_2018.pdf</a>
F.4.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , pp. 121, 122
Graphic 4	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p. 121
F.5.	• <a href="#">Transcript 08.03.18</a> , pp. 50, 73
F.6.	• <a href="#">PAC32-R-1132 A</a> - Briefing material
F.7.	• <a href="#">PAC32-R-1132 A</a> - Briefing material
F.8.	• <a href="#">PAC32-R-1132 A</a> - Briefing material
F.9.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , pp. 122, 123
F.10.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p. 123 • <a href="#">PAC32-R-1209(ii) B</a> p. 7
F.11.	• <a href="#">Transcript 08.03.18</a> , p. 42
F.12.	• <a href="#">Transcript 08.03.18</a> , p. 40
F.13.	• <a href="#">PAC32-R-1209(ii) B</a> pp.8-9 • <a href="#">Transcript 08.03.18</a> , p. 48
F.14.	• <a href="#">Transcript 08.03.18</a> , p. 48 • <a href="#">PAC32-R-1388 B</a>

Paragraph/ Table/ Graphic Number	Reference
F.15.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, p. 36</li> </ul>
F.16.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 125</li> <li>• <a href="#">Transcript 08.03.18</a>, p. 50</li> </ul>
Graphic 5	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 125</li> </ul>
F.17.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, pp. 68, 69</li> </ul>
F.18.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, p. 51</li> </ul>
F.19.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, p. 74</li> <li>• <a href="#">PAC32-R-1132 A</a></li> </ul>
F.20.	<ul style="list-style-type: none"> <li>• <a href="http://audgen.gov.ie/reports/Administration_and_Collection_of_Motor_Tax.pdf">http://audgen.gov.ie/reports/Administration_and_Collection_of_Motor_Tax.pdf</a> pp.9, 15</li> <li>• <a href="#">Transcript 08.03.18</a>, p. 76</li> </ul>
F.21.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, p. 78</li> </ul>
F.22.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1199 B</a> 29.03.18</li> </ul>
F.23.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, p. 44</li> </ul>
F.24.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, p. 83</li> <li>• <a href="http://www.audgen.gov.ie/documents/annualreports/2016/AppAcc/En/AR%202016%20AA%20Full%20Volume.pdf%20">http://www.audgen.gov.ie/documents/annualreports/2016/AppAcc/En/AR%202016%20AA%20Full%20Volume.pdf%20</a> p.712</li> </ul>
F.25.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, p. 91</li> <li>• <a href="#">PAC32-R-1147 A</a> 08.03.18</li> <li>• <a href="#">PAC32-R-1209(ii) B</a> 19.04.18</li> <li>• <a href="http://rebuildingireland.ie/news/quarter-3-social-housing-construction-status-report/">http://rebuildingireland.ie/news/quarter-3-social-housing-construction-status-report/</a></li> </ul>
F.26.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, p. 81</li> </ul>
F.27.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, pp. 92, 94</li> </ul>
F.28.	<ul style="list-style-type: none"> <li>• <a href="http://www.irishstatutebook.ie/eli/2014/act/21/section/41/enacted/en/html">http://www.irishstatutebook.ie/eli/2014/act/21/section/41/enacted/en/html</a></li> <li>• <a href="#">Transcript 08.03.18</a>, p. 92</li> </ul>
F.29.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, pp. 92, 93</li> </ul>
F.30.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 08.03.18</a>, p. 95</li> <li>• <a href="#">PAC32-R-1209(ii) B</a> 19.04.18</li> </ul>
<b>5. Galway Art House Cinema, and Vote 33 – Arts, Heritage, Regional, Rural and Gaeltacht Affairs</b>	
G.2.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, pp. 215, 216</li> <li>• <a href="#">Transcript 29.03.18</a>, p.44</li> </ul>
G.3.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 215</li> </ul>
G.4.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 215</li> </ul>
Table 6	<ul style="list-style-type: none"> <li>• Adapted from <a href="#">Annex 15A of the C&amp;AG's 2016 report</a>, p. 222</li> </ul>
G.5.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 215</li> </ul>
G.6.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, pp.34, 51, 67</li> </ul>
G.7.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, p. 66</li> </ul>
G.8.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, pp. 47 &amp; 48</li> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 217</li> </ul>
G.9.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, pp. 42 &amp; 43</li> </ul>
G.10.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, pp. 215, 217, 218</li> <li>• <a href="#">Transcript 29.03.18</a>, p. 49</li> </ul>
G.11.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 219</li> </ul>
G.12.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, p. 58</li> </ul>

Paragraph/ Table/ Graphic Number	Reference
G.13.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 220</li> <li>• <a href="#">Transcript 29.03.18</a>, p. 52</li> </ul>
G.14.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 218</li> <li>• <a href="#">Transcript 29.03.18</a>, pp. 45, 52</li> </ul>
G.15.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, p. 52</li> </ul>
G.16.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, p. 65</li> </ul>
G.17.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, pp. 32, 62, 65, 71</li> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 215</li> <li>• <a href="http://govacc.per.gov.ie/wp-content/uploads/DPER-Circular-06-2018.pdf">http://govacc.per.gov.ie/wp-content/uploads/DPER-Circular-06-2018.pdf</a></li> <li>• <a href="#">32R001245-PAC</a></li> </ul>
G.18.	<ul style="list-style-type: none"> <li>• <a href="#">32R001128</a> Opening statement</li> <li>• <a href="#">Transcript 29.03.18</a>, p. 30</li> </ul>
G.19.	<ul style="list-style-type: none"> <li>• <a href="http://www.forasnagaeilge.ie/about/about-foras-na-gaeilge/?lang=en">http://www.forasnagaeilge.ie/about/about-foras-na-gaeilge/?lang=en</a></li> <li>• <a href="#">Transcript 29.03.18</a>, p. 35</li> </ul>
G.20.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, pp. 35, 37</li> <li>• <a href="#">32R001245-PAC</a></li> </ul>
G.21.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, pp. 35, 38</li> <li>• <a href="#">32R001245-PAC</a></li> </ul>
G.22.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 29.03.18</a>, pp. 53, 54</li> </ul>
G.23.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1419 B</a> (iii)</li> </ul>
<b>6. Department of Finance</b>	
H.2.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, pp. 69, 70</li> <li>• <a href="https://www.imf.org/external/pubs/ft/scr/2013/cr13209.pdf">https://www.imf.org/external/pubs/ft/scr/2013/cr13209.pdf</a></li> </ul>
H.3.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, pp. 69, 70</li> </ul>
H.4.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, pp. 70, 71</li> </ul>
H.5.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 19.04.18</a>, pp. 37, 44, 47</li> </ul>
H.6.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 19.04.18</a>, p. 35</li> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 74</li> </ul>
H.7.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 72</li> <li>• <a href="#">Transcript 19.04.18</a>, p. 38</li> </ul>
H.8.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 19.04.18</a>, p. 39</li> <li>• <a href="#">PAC32-R-1365 B</a> 14/06/2018</li> </ul>
H.9.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 19.04.18</a>, p. 39</li> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 83</li> </ul>
H.10.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, pp. 19, 26</li> <li>• <a href="#">Transcript 19.04.18</a>, pp. 50, 82</li> <li>• <a href="http://www.cso.ie/en/csolatestnews/presspages/2017/census2016summaryresults-part1/">http://www.cso.ie/en/csolatestnews/presspages/2017/census2016summaryresults-part1/</a></li> <li>• <a href="http://www.finance.gov.ie/wp-content/uploads/2018/04/spu-final-final.pdf">http://www.finance.gov.ie/wp-content/uploads/2018/04/spu-final-final.pdf</a></li> <li>• <a href="https://www.imf.org/en/News/Articles/2018/05/14/ms051418-ireland-staff-concluding-statement-of-the-2018-article-iv-mission">https://www.imf.org/en/News/Articles/2018/05/14/ms051418-ireland-staff-concluding-statement-of-the-2018-article-iv-mission</a></li> </ul>
H.11.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 20</li> <li>• <a href="http://www.cso.ie/en/releasesandpublications/er/nie/niear2016/">http://www.cso.ie/en/releasesandpublications/er/nie/niear2016/</a></li> <li>• <a href="#">PAC32-R-1272 B</a> p.2</li> </ul>
H.12.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1272 B</a> p.2, 3</li> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 20</li> <li>• <a href="http://www.finance.gov.ie/wp-content/uploads/2018/04/spu-final-final.pdf">http://www.finance.gov.ie/wp-content/uploads/2018/04/spu-final-final.pdf</a></li> </ul>

Paragraph/ Table/ Graphic Number	Reference
H.13.	• <a href="#">PAC32-R-1272 B</a>
H.14.	• <a href="#">PAC32-R-1272 B</a> pp. 4,5
H.15.	• <a href="#">PAC32-R-1272 B</a>
H.16.	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , pp. 20, 29
Graphic 4	• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a> , p. 20
H.17.	• <a href="#">PAC32-R-1272 B</a> p. 9 • <a href="#">Transcript 19.04.18</a> , p. 56
H.18.	• <a href="#">Transcript 19.04.18</a> , pp. 57, 60
H.19.	• <a href="#">Transcript 19.04.18</a> , pp. 55, 58 • <a href="http://www.finance.gov.ie/wp-content/uploads/2018/04/IFAC-Endorsement-Letter-10.04.18.pdf">http://www.finance.gov.ie/wp-content/uploads/2018/04/IFAC-Endorsement-Letter-10.04.18.pdf</a>
H.20.	• <a href="#">PAC32-R-1272 B</a> p. 5
Table 7	• <a href="#">PAC32-R-1272 B</a> p. 5
H.21.	• <a href="#">PAC32-R-1272 B</a> p. 5
Table 8	• <a href="#">PAC32-R-1272 B</a> p. 5
H.22.	• <a href="#">PAC32-R-1272 B</a> p. 4
H.23.	• <a href="#">Transcript 19.04.18</a> , p. 91
<b>7. Department of Justice and Equality</b>	
I.2.	• <a href="http://www.audgen.gov.ie/documents/annualreports/2016/AppAcc/En/AR%202016%20AA%20Full%20Volume.pdf">http://www.audgen.gov.ie/documents/annualreports/2016/AppAcc/En/AR%202016%20AA%20Full%20Volume.pdf</a> p.415
I.3.	• <a href="http://audgen.gov.ie/documents/annualreports/2011/report/en/Chapter15.pdf">http://audgen.gov.ie/documents/annualreports/2011/report/en/Chapter15.pdf</a> • <a href="#">Transcript 26.04.18</a> , p. 87
I.4.	• <a href="http://audgen.gov.ie/documents/annualreports/2011/report/en/Chapter15.pdf">http://audgen.gov.ie/documents/annualreports/2011/report/en/Chapter15.pdf</a> p.200 • <a href="#">Transcript 26.04.18</a> , p. 89
I.5.	• <a href="#">PAC32-R-1302 C</a> - OPW
I.6.	• <a href="http://audgen.gov.ie/documents/annualreports/2011/report/en/Chapter15.pdf">http://audgen.gov.ie/documents/annualreports/2011/report/en/Chapter15.pdf</a> p.199 • <a href="#">PAC32-R-1309 B</a>
I.7.	• <a href="#">Transcript 26.04.18</a> , pp. 28, 56, 90
I.8.	• <a href="#">PAC32-R-1310 C</a> - CSSO
I.9.	• <a href="http://audgen.gov.ie/documents/annualreports/2011/report/en/Chapter15.pdf">http://audgen.gov.ie/documents/annualreports/2011/report/en/Chapter15.pdf</a> p.201;
I.10.	• <a href="#">PAC32-R-1423 B</a>
I.11.	• <a href="#">Transcript 26.04.18</a> , p. 99
I.12.	• <a href="http://www.justice.ie/en/JELR/Pages/Irish_Refugee_Protection_Programme_(IRPP)">http://www.justice.ie/en/JELR/Pages/Irish_Refugee_Protection_Programme_(IRPP)</a>
I.13.	• <a href="#">Transcript 26.04.18</a> , p. 99
I.14.	• <a href="#">Transcript 26.04.18</a> , pp. 51, 52 • <a href="#">PAC32-R-1309 B</a>
I.15.	• <a href="#">Transcript 26.04.18</a> , p. 69; <a href="http://www.irishstatutebook.ie/eli/2015/act/66/enacted/en/html">http://www.irishstatutebook.ie/eli/2015/act/66/enacted/en/html</a> • <a href="https://www.esri.ie/pubs/RS72.pdf">https://www.esri.ie/pubs/RS72.pdf</a> ( <i>Ireland's Response to Recent Trends in International Protection Applications</i> )
I.16.	• <a href="#">Transcript 26.04.18</a> , pp. 63, 64 • <a href="http://www.justice.ie/en/JELR/Independent%20Review%20Accessible.pdf/Files/Independent%20Review%20Accessible.pdf">http://www.justice.ie/en/JELR/Independent%20Review%20Accessible.pdf/Files/Independent%20Review%20Accessible.pdf</a>
I.17.	• <a href="#">Transcript 26.04.18</a> , pp. 73, 74



Paragraph/ Table/ Graphic Number	Reference
I.18.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 26.04.18</a>, p. 76</li> </ul>
I.19.	<ul style="list-style-type: none"> <li>• <a href="http://www.justice.ie/en/JELR/DJE_Review_of_change_programme_2018.pdf/Files/DJ_E_Review_of_change_programme_2018.pdf">http://www.justice.ie/en/JELR/DJE_Review_of_change_programme_2018.pdf/Files/DJ_E_Review_of_change_programme_2018.pdf</a></li> </ul>
I.20.	<ul style="list-style-type: none"> <li>• <a href="http://www.justice.ie/en/JELR/DJE_Review_of_change_programme_2018.pdf/Files/DJ_E_Review_of_change_programme_2018.pdf">http://www.justice.ie/en/JELR/DJE_Review_of_change_programme_2018.pdf/Files/DJ_E_Review_of_change_programme_2018.pdf</a></li> </ul>
I.21.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 26.04.18</a>, pp. 31, 75, 76</li> <li>• <a href="http://www.justice.ie/en/JELR/DJE_Review_of_change_programme_2018.pdf/Files/DJ_E_Review_of_change_programme_2018.pdf">http://www.justice.ie/en/JELR/DJE_Review_of_change_programme_2018.pdf/Files/DJ_E_Review_of_change_programme_2018.pdf</a></li> </ul>
I.22.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 26.04.18</a>, p. 31</li> </ul>
I.23.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 26.04.18</a>, pp. 29, 66, 67</li> </ul>
I.24.	<ul style="list-style-type: none"> <li>• <a href="http://www.audgen.gov.ie/documents/annualreports/2016/AppAcc/En/AR%202016%20AA%20Full%20Volume.pdf">http://www.audgen.gov.ie/documents/annualreports/2016/AppAcc/En/AR%202016%20AA%20Full%20Volume.pdf</a> p.439</li> <li>• <a href="#">Transcript 26.04.18</a>, pp. 78, 86</li> <li>• <a href="http://www.irishstatutebook.ie/eli/2004/act/23/enacted/en/html">http://www.irishstatutebook.ie/eli/2004/act/23/enacted/en/html</a></li> <li>• <a href="http://www.irishstatutebook.ie/eli/1921/act/7/enacted/en/print.html">http://www.irishstatutebook.ie/eli/1921/act/7/enacted/en/print.html</a></li> </ul>
I.25.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, pp. 187, 188</li> </ul>
Graphic 5	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, p. 191</li> </ul>
I.27.	<ul style="list-style-type: none"> <li>• <a href="#">C&amp;AG (2016) 'Report on the Accounts of the Public Services 2016'</a>, pp. 191 – 193</li> <li>• <a href="#">PAC32-R-1241 A</a> - Department of Justice Briefing Document</li> </ul>
I.28.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 26.04.18</a>, p. 49</li> </ul>
I.29.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1248 A</a> - Department of Justice Opening Statement</li> </ul>
<b>8. The Strategic Communications Unit and The Department of the Taoiseach</b>	
J.1.	<ul style="list-style-type: none"> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf">https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf</a></li> </ul>
J.4.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 9, 54</li> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf">https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf</a></li> </ul>
J.5.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 45, 46</li> <li>• <a href="#">PAC32-R-1200 C</a></li> </ul>
J.6.	<ul style="list-style-type: none"> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf">https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf</a></li> </ul>
J.7.	<ul style="list-style-type: none"> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf">https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf</a></li> </ul>
J.8.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 7;</li> </ul>
J.9.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 8</li> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Report_on_Matters_relating_to_the_Strategic_Communications_Unit_and_Project_Ireland_2040.pdf">https://merrionstreet.ie/en/News-Room/News/Report_on_Matters_relating_to_the_Strategic_Communications_Unit_and_Project_Ireland_2040.pdf</a></li> </ul>
J.10.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 22, 23, 24, 28</li> </ul>
J.11.	<ul style="list-style-type: none"> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf">https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf</a></li> </ul>
J.12.	<ul style="list-style-type: none"> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Report_on_Matters_relating_to_the_Strategic_Communications_Unit_and_Project_Ireland_2040.pdf">https://merrionstreet.ie/en/News-Room/News/Report_on_Matters_relating_to_the_Strategic_Communications_Unit_and_Project_Ireland_2040.pdf</a>;</li> </ul>

Paragraph/ Table/ Graphic Number	Reference
J.13.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 21, 63, 64</li> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Report_on_Matters_relating_to_the_Strategic_Communications_Unit_and_Project_Ireland_2040.pdf">https://merrionstreet.ie/en/News-Room/News/Report_on_Matters_relating_to_the_Strategic_Communications_Unit_and_Project_Ireland_2040.pdf</a></li> </ul>
J.14.	<ul style="list-style-type: none"> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Report_on_Matters_relating_to_the_Strategic_Communications_Unit_and_Project_Ireland_2040.pdf">https://merrionstreet.ie/en/News-Room/News/Report_on_Matters_relating_to_the_Strategic_Communications_Unit_and_Project_Ireland_2040.pdf</a>;</li> </ul>
J.15.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 47, 48, 56</li> </ul>
J.16.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 56</li> </ul>
J.17.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 32</li> <li>• <a href="#">PAC32-R-1353 B</a></li> </ul>
J.18.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 35, 36, 48</li> </ul>
J.19.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 26, 27</li> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf">https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf</a></li> </ul>
J.20.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 46</li> </ul>
J.21.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 27, 46</li> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf">https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf</a></li> </ul>
J.22.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 27, 28</li> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf">https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf</a></li> <li>• <a href="https://www.oireachtas.ie/en/debates/debate/dail/2018-03-22/19/">https://www.oireachtas.ie/en/debates/debate/dail/2018-03-22/19/</a></li> </ul>
J.23.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 19</li> <li>• <a href="https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf">https://merrionstreet.ie/en/News-Room/News/Review_of_the_Operation_of_the_Strategic_Communications_Unit.pdf</a></li> </ul>
J.24.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 11, 12</li> </ul>
J.25.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 13, 14, 38</li> </ul>
J.26.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 13, 14, 38</li> </ul>
J.27.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 38</li> </ul>
<b>9. Raidió Teilifís Éireann (RTÉ)</b>	
K.1.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 83</li> <li>• <a href="http://www.audgen.gov.ie/documents/annualreports/2016/AppAcc/En/AR%202016%20AA%20Full%20Volume.pdf">http://www.audgen.gov.ie/documents/annualreports/2016/AppAcc/En/AR%202016%20AA%20Full%20Volume.pdf</a> p.559</li> <li>• <a href="https://www.oireachtas.ie/en/debates/debate/committee_of_public_accounts/2017-11-09/4/">https://www.oireachtas.ie/en/debates/debate/committee_of_public_accounts/2017-11-09/4/</a></li> </ul>
K.2.	<ul style="list-style-type: none"> <li>• <a href="https://www.rte.ie/annualreport/pdf/RTE_Annual_Report_2016.pdf">https://www.rte.ie/annualreport/pdf/RTE_Annual_Report_2016.pdf</a></li> <li>• <a href="#">PAC32-R-1260 A</a> - RTÉ briefing p.4</li> </ul>
K.3.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 84, 85, 87, 98</li> <li>• <a href="#">PAC32-R-1260 A</a> - RTÉ briefing p.5</li> <li>• <a href="http://www.irishstatutebook.ie/eli/2009/act/18/enacted/en/html">http://www.irishstatutebook.ie/eli/2009/act/18/enacted/en/html</a></li> </ul>
K.4.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1260 A</a> - RTÉ briefing pp. 5, 6</li> </ul>
<b>Table 8</b>	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1260 A</a> - RTÉ briefing p. 4</li> </ul>
K.5.	<ul style="list-style-type: none"> <li>• <a href="#">PAC32-R-1260 A</a> - RTÉ briefing p.5</li> <li>• <a href="#">Transcript 03.05.18</a>, p. 86</li> </ul>
K.6.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 85, 99</li> </ul>

Paragraph/ Table/ Graphic Number	Reference
K.7.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 85</li> <li>• <a href="https://www.rte.ie/strategy/pdf/RTE-Strategy-2018-2022.pdf">https://www.rte.ie/strategy/pdf/RTE-Strategy-2018-2022.pdf</a></li> </ul>
K.8.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 110, 111</li> <li>• <a href="#">PAC-R-1358(ii) B</a> p. 8</li> </ul>
K.9.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 112</li> </ul>
K.10.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 90</li> <li>• <a href="https://static.rasset.ie/documents/about/rte-annual-report-2016.pdf">https://static.rasset.ie/documents/about/rte-annual-report-2016.pdf</a> p. 135</li> </ul>
K.11.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 92</li> </ul>
K.12.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 94, 95</li> <li>• <a href="#">PAC32-R-1260 A</a> – RTÉ briefing document p.19</li> </ul>
K.13.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 100, 101</li> </ul>
K.14.	<ul style="list-style-type: none"> <li>• <a href="https://static.rasset.ie/documents/about/2017/11/review-of-role-and-gender-equality-in-rte-2017.pdf">https://static.rasset.ie/documents/about/2017/11/review-of-role-and-gender-equality-in-rte-2017.pdf</a> p.35</li> <li>• <a href="https://www.rte.ie/news/ireland/2018/0621/972225-rte-contractors/">https://www.rte.ie/news/ireland/2018/0621/972225-rte-contractors/</a></li> <li>• <a href="https://www.irishtimes.com/business/media-and-marketing/rt%C3%A9-agrees-to-review-status-of-106-contractors-1.3539236">https://www.irishtimes.com/business/media-and-marketing/rt%C3%A9-agrees-to-review-status-of-106-contractors-1.3539236</a></li> </ul>
K.15.	<ul style="list-style-type: none"> <li>• <a href="https://www.rte.ie/news/ireland/2018/0621/972225-rte-contractors/">https://www.rte.ie/news/ireland/2018/0621/972225-rte-contractors/</a></li> <li>• <a href="https://www.irishtimes.com/business/media-and-marketing/rt%C3%A9-agrees-to-review-status-of-106-contractors-1.3539236">https://www.irishtimes.com/business/media-and-marketing/rt%C3%A9-agrees-to-review-status-of-106-contractors-1.3539236</a></li> </ul>
K.16.	<ul style="list-style-type: none"> <li>• <a href="https://www.dccae.gov.ie/en-ie/communications/publications/Documents/71/NewERA%20Review%20of%20RT%C3%A9.pdf">https://www.dccae.gov.ie/en-ie/communications/publications/Documents/71/NewERA%20Review%20of%20RT%C3%A9.pdf</a></li> <li>• <a href="#">Transcript 03.05.18</a>, pp. 114, 115</li> <li>• <a href="https://www.rte.ie/news/2017/0613/882451-rte-land-sale/">https://www.rte.ie/news/2017/0613/882451-rte-land-sale/</a></li> </ul>
K.17.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, pp. 115, 117, 118</li> </ul>
K.18.	<ul style="list-style-type: none"> <li>• <a href="#">Transcript 03.05.18</a>, p. 115</li> </ul>