



DÁIL ÉIREANN

COMMITTEE OF PUBLIC ACCOUNTS

SECOND INTERIM REPORT

ON THE

APPROPRIATION ACCOUNTS 2003

Members of the Committee

FIANNA FÁIL

Seán Ardagh T.D.	Dublin South-Central
John Curran T.D.	Dublin Mid-West
John Dennehy T.D.	Cork South-Central
Seán Fleming T.D.	Laois-Offaly
John McGuinness T.D. (<i>Vice-Chair</i>)	Carlow-Kilkenny
Batt O'Keeffe T.D.	Cork South-Central

FINE GAEL

Paul Connaughton T.D.	Galway East
Michael Noonan T.D. ¹	Limerick East
John Perry T.D. (<i>Chairman</i>)	Sligo-Leitrim

LABOUR

Pat Rabbitte T.D.	Dublin South-West
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GREEN PARTY

Dan Boyle T.D.	Cork South-Central
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SOCIALIST PARTY

Joe Higgins T.D.	Dublin West
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¹ Deputy Michael Noonan replaced Deputy Padraic McCormack by order of the House of 18 June, 2003

COMMITTEE OF PUBLIC ACCOUNTS ORDERS OF REFERENCE

- 156.** (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 83;
 - (b) power to take oral and written evidence as defined in Standing Order 81(1);
 - (c) power to appoint sub-Committees as defined in Standing Order 81(3);
 - (d) power to engage consultants as defined in Standing Order 81(8); and
 - (e) power to travel as defined in Standing Order 81(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.

COMMITTEE OF PUBLIC ACCOUNTS

SECOND INTERIM REPORT ON THE 2003 APPROPRIATION

ACCOUNTS

VOTE 17 – OFFICE OF THE OMBUDSMAN

The Committee made progress in the matters referred to it and has agreed to the following Interim Report:

The Committee reports that during the year ended 31 December 2003, expenditure in excess of the amount voted by the Oireachtas was incurred under the Vote hereinafter mentioned.

STATEMENT OF EXCESS

A statement of the sum required to be voted in order to make good an excess on the Vote for the Office of the Ombudsman.

Page of Appropriation Account	Number of Vote	Title	Excess of Expenditure over Gross Estimate	Available from Surplus Appropriations-in-Aid	Amount required from surplus Appropriations -in-Aid	Net amount to be Voted
(1)	(2)	(3)	(4)	(5)	(6)	(7)
107	17	Office of the Ombudsman	€25,103	nil	nil	€25,103

The sanction of the Oireachtas will be required in respect of the sum set out in column (7).

The excess arose due the way in which the deduction and subsequent timing of pay over of Professional Services Withholding Tax (PSWT)¹ was being handled by the Office's accounting system. PSWT is paid by the Department of Finance on behalf of the Office.

At its meeting of 7 October, 2004 the Committee examined the Accounting Officer for the Office of the Ombudsman. The Accounting Officer noted that the reasons the failure of the Department of Finance to pay PSWT to the Revenue Commissioners was not discovered

¹ Chapter III of Part I of the Finance Act, 1987 provides for the deduction of income tax from payments for professional services by Government Departments, local authorities, health boards and certain statutory bodies. These provisions are generally known as professional services withholding tax.

by his Office in good time were;

1. A new financial management system developed by the Department is both accrual and cash based and information which would have facilitated early identification of unpaid PSWT from the system itself was not readily available.
2. Secondly, because it was a new system, throughout the second half of 2003 the staff of the office were familiarising themselves with its capabilities and developing new modules. However, there was no reason to suspect that an error would occur.

In order to guard against a recurrence of the problem, the Office has signed a service level agreement with the Department which covers all of the accounting functions currently carried out by the Department on behalf of the Office, including the timely pay-over of PSWT to the Revenue Commissioners. In addition, following the Comptroller and Auditor General's intervention, arrangements have been made for the financial system to be modified to facilitate early identification of non-payment of PSWT.

In the light of these changes the Committee sees no objection to this sum being provided by excess vote.

John Perry T.D.
Chairman
14 October, 2004

5. Finnéithe a Ceistíodh:-

B. Mac Aindriú (Príomh-Fheidhmeannach, Coimisiún na Státseirbhíse), P. Ó Faoláin (Ard-Stiúrthóir, Oifig an Ombudsman), P. Ó hÁmaill (Stiúrthóir, An Roinn Airgeadais), D. Ó hUrthuile (Príomh-Oifigeach, An Roinn Airgeadais), Seán Puirseál (An tArd-Reachtair Cuntas agus Ciste).

6. Athlá.

Chuaigh an Coiste ar athló ar 2.00 p.m., go dtí 11.00 a.m. Déardaoin 14 Deireadh Fómhair 2004.

Office of the Ombudsman:
Chapter 6.1 – Accounting
Shortcomings

5. Witnesses Examined:-

Mr. Bryan Andrews (Chief Executive, Civil Service Commission), Mr. Patrick Whelan (Director General, Office of the Ombudsman), Mr. Philip Hamell (Director, Department of Finance), Mr. David Hurley (Principal Officer, Department of Finance), Mr. John Purcell (Comptroller and Auditor General).

6. Adjournment.

The Committee adjourned at 2.00 p.m., until 11.00 a.m. on Thursday 14 October 2004.

1Déardaoin 14 Deireadh Fómhair 2004
Thursday 14 October 2004

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| <p>1. Chruinnigh an Coiste ar 11.15 a.m.</p> <p>2. Comhaltaí i Láthair:- Seán Ó Poire (i gCeannas), Dónall Ó Baoill, Pól Ó Connachtáin, Seán Ó Curráin, Seán Ó Duinneacha, Seán Ó Pléamonn, Seosamh Ó hUiginn.</p> <p>3. Chuaigh an Coiste i suí príobháideach.</p> <p>Rinne an Coiste breithniú.</p> <p>4. An Dara Tuarascáil Eatramhach ar na Cuntais Leithreasa 2003.</p> <p>Chuir an Cathaoirleach an Dara Tuarascáil Eatramhach faoi bhráid an Choiste lena breithniú.</p> <p><i>Aontaíodh</i> an Tuarascáil.</p> <p><i>Ordaíodh:</i> Tuairisciú don Dáil dá réir sin</p> | <p>1. The Committee met at 11.15 a.m.</p> <p>2. Members Present:- John Perry (in the Chair), Dan Boyle, Paul Connaughton, John Curran, John Dennehy, Seán Fleming, Joe Higgins.</p> <p>3. The Committee went into private session.</p> <p>The Committee deliberated.</p> <p>4. Second Interim Report on the Appropriation Accounts 2003.</p> <p>The Chairman brought forward the Second Interim Report for consideration.</p> <p>Report <i>agreed</i> to.</p> <p><i>Ordered:</i> To report to the Dáil accordingly.</p> |
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