



Ard-Reachtairé Cuntas agus Ciste
Comptroller and Auditor General

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Mr Ted McEnery
Clerk to the Committee
Committee of Public Accounts
Houses of the Oireachtas
Leinster House
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6 July 2011

Dear Mr McEnery

I thought it would be useful to outline to the Committee the status of accounting arrears at 30 June 2011. The attached schedule sets out details of organisations that have arrears for 2009 and earlier years as well as the causes of those arrears.

There are 15 bodies with embedded arrears. Many of those have been the subject of special reports (10) or will be dealt with in detail in forthcoming reports (4). This will give the Committee an opportunity to discuss the matters giving rise to delays.

For its part, the Office is committed to bringing forward the audit cycle, incrementally, so that combined with earlier account production there will be more timely reporting to Dáil Éireann.

A considerable backlog of VEC accounts has been presented to the Dáil this week. The position with the laying of accounts, in general, is that following audit the accounts are sent to the body in question which then submits them to the Minister together with annual reports. The Minister then lays both before the Oireachtas.

Exceptionally, in the case of VECs, while the accounts are sent to VECs following certification they are also required to be sent by my Office directly to the Minister. While all accounts were sent to VECs in these cases the Department did not receive a version from my Office and this has given rise to the delay in laying of those accounts.

Steps have been taken to ensure that the statutory provisions are strictly complied with in future.

None of the accounts in question had a report under Section 7 of the Act attached to them. The bulk of them were finalised in the year following the accounting date.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Buckley', with a long horizontal flourish extending to the right.

John Buckley
Comptroller and Auditor General

Status of financial audit arrears at 30 June 2011

Total clients in arrears: 15 Total audits in arrears: 24

Client	Reason for delay in completion
An Foras Teanga	<p>2008, 2009</p> <p>C&AG report (May 2008) dealt with difficulties An Foras Teanga has had in producing reliable and timely financial statements.</p> <p>An Foras Teanga is a cross border body, audited jointly with Northern Ireland Audit Office (NIAO), under provisions of the NI Agreement.</p> <p>Group financial statements for 2008 and 2009, incorporating those of Foras na Gaeilge and Ulster Scots Agency, have not been submitted yet.</p> <p>As joint auditor, we have put proposals to the Departments on how a revised format of account could expedite the preparation of the accounts.</p>
Board for the Employment of the Blind	<p>2007</p> <p>Board was dissolved in 2007.</p> <p>A report on the Board's borrowings and asset disposal was published in the C&AG's Report for 2007.</p> <p>The final 2007 accounting was delayed while information was awaited from Department of Health and Children regarding transactions and events after 2007. We are now in a position to finalise this audit.</p>
Fishery Harbour Accounts	<p>2007, 2008, 2009</p> <p>Responsibility for the Fishery Harbour accounts transferred from Dept of Marine to Department of Agriculture during 2007. Accounting fell into arrears during the handover process. We were unable to obtain satisfactory explanations for some of the balances in the 2007 accounts and eventually suspended work earlier this year so as to concentrate on current work.</p> <p>The 2007 account is likely to be qualified on the grounds that proper books of account were not maintained during the period. The other accounts are backlogged due to this.</p> <p>The matter will be reported upon in the forthcoming Report on the Accounts of Public Services 2010.</p>
Further Education and Training Awards Council (FETAC)	<p>2009</p> <p>C&AG special report (September 2010) dealt with an early retirement scheme implemented by FETAC. A capital development issue arising out of the 2009 audit is likely to be the subject of a further special report. The audit report will be finalised shortly.</p>
Health Service National Partnership Forum	<p>2009</p> <p>The Forum is being dissolved.</p> <p>The Forum has not adopted the accounts, pending the outcome of a due diligence exercise being conducted by an external firm of accountants. We understand this is nearing completion.</p>

Client	Reason for delay in completion
Irish Intervention Agency	<p>2009</p> <p>Draft 2009 account not yet received.</p> <p>Work expected to commence in August on 2009 and 2010 accounts.</p> <p>The matter will be reported upon in the forthcoming Report on the Accounts of Public Services 2010.</p>
Marine Institute	<p>2009</p> <p>Expected to be cleared in July 2011</p>
National College of Art and Design	<p>2009</p> <p>Audit initially scheduled for November 2010, but draft accounts were not provided until April 2011. The 2009 and 2010 audits will be completed together. Fieldwork is currently underway.</p>
VEC City of Cork	<p>2009</p> <p>Accounts have been cleared for adoption.</p> <p>Matters arising out of audit will result in issue by C&AG of a Section 7 report</p>
VEC County of Kildare	<p>2008, 2009</p> <p>Accounts have been cleared for adoption.</p> <p>Matters arising out of audit will result in issue by C&AG of a Section 7 report</p>
State Examinations Commission	<p>2008, 2009</p> <p>Since 2005, the Commission has been an independent statutory body, having previously been part of the Department of Education and Skills. A legacy of its origin is that its payments and accounting systems continue to be provided by the Department. As a result, the Commission depends on the Department to assist it in providing information for the audit, and certain required explanations have not been forthcoming.</p> <p>Recommendations for improvement in Commission's systems were made in management letters for a number of years, recognising the Commission was in a start up situation.</p> <p>Audit fieldwork has been completed for both years, and file is being prepared for review. Target completion end August 2011. May require a qualification in the audit report on the grounds that required information and explanations were not provided.</p> <p>The matter will be reported upon in the forthcoming Report on the Accounts of Public Bodies 2010.</p>

Client	Reason for delay in completion
University College Cork	<p>2009</p> <p>The background to delays in the adoption of accounts by universities is explained in C&AG Special Report No. 74 (September 2010)</p> <p>2006 to 2008 audit certificates signed together in December 2010.</p> <p>Upgrade in university accounting systems resulted in delay in producing 2009 accounts, which were adopted by Governing Body in April 2011.</p> <p>Target completion July 2011.</p>
Dublin City University	<p>2008, 2009</p> <p>The background to delays in the adoption of accounts by universities is explained in C&AG Special Report No. 74 (September 2010).</p> <p>2008 accounts adopted June 2010; 2009 accounts adopted April 2011.</p> <p>Target completion: 2008 in August 2011; 2009 in September 2011.</p>
University College Dublin	<p>2006, 2007, 2008, 2009</p> <p>The background to delays in the adoption of accounts by universities is explained in C&AG Special Report No. 74 (September 2010)</p> <p>All accounts adopted by Governing Body on 10 December 2010.</p> <p>All audits now completed, and scheduled for review in July.</p> <p>Target completion: September 2011.</p>
University of Limerick	<p>2009</p> <p>The background to delays in the adoption of accounts by universities is explained in C&AG Special Report No. 74 (September 2010)</p> <p>Accounts for 2006 to 2008 (inclusive) adopted by Governing Body January 2011. Audit certificate signed June 2011.</p> <p>Consolidated financial statements for 2009 not yet prepared by University. Audit fieldwork has been completed on an interim basis.</p>