

2012 Annual Report of the Comptroller and Auditor General

**Appearance of Secretary General,
Department of Justice and Equality
before the Committee of Public Accounts, 13th March, 2014**

Opening Statement**CHECK AGAINST DELIVERY**

Mr. Chairman,

I propose keeping my opening remarks brief, in the interests of making the best use of the Members' time.

The Justice and Equality Vote covers a wide remit, encompassing both the administrative divisions of the Department and a broad range of offices and agencies across the Justice Sector. These areas include Immigration, Disability and Equality services, the Criminal Assets Bureau and newer organisations such as the Insolvency Service of Ireland. In line with the new programmatic approach, the various strands of the Justice and Equality Vote have now been grouped into six separate programmes and details of this breakdown have been provided in briefing to the Committee.

It is important, given the number of different offices and agencies and the range and breadth of functions carried out, that strong governance arrangements are in place across the Department. From my perspective, as Accounting Officer, strong oversight is vital to ensure that the highest standards of financial control apply and that value for money is obtained from all of the expenditure in the Justice and Equality Vote.

It is also important to acknowledge that a number of the Department's offices and agencies have been established on a statutory basis with independent functions, and with specific governance relationships with the Department.

A key feature of the governance structure within the Department is that each office and agency attached to the Justice and Equality vote, while operating according to its legislative status and its own business plan and objectives, is accountable to the central Department in terms of budgets and expenditure.

As far as the financial aspects, in particular, are concerned, most of these – including financial, payroll and accounting services - are dealt with by the Department's Financial Shared Services Centre in Killarney. The expertise in this Centre is supplemented by a Financial Management Unit in the Department in Dublin. Representatives from both of these areas sit on the Justice Sector Financial Management Committee, which meets on a monthly basis, chaired by the relevant Assistant Secretary, to oversee financial developments across the Justice Sector.

In my role as Accounting Officer for both the Justice and Equality Vote and the Prisons Vote, I am supported in my task of ensuring that there is a strong system of internal controls in place by the Department's Audit Committee. The Committee is comprised of four external members and one Departmental representative. The chairperson is external to and independent of the Department. The Committee is supported in its work by an Internal Audit Unit which is headed up by the Internal Auditor - a professional accountant at Principal Officer level. The Internal Auditor works closely with the Department's Risk Unit in identifying and managing risk.

The Internal Audit Unit comprises four persons, being a combination of both internal and external resources. The Unit, through its audit work programme, provides assurance that there are effective financial and other controls in place. In 2013 there were 29 audit reports completed and the corresponding figure in 2012 was 26.

Turning specifically to the Report of the Comptroller and Auditor General for 2012, Chapter 9 of which outlines the position in relation to the State Pathology Building Project, in Marino, Dublin.

This project was a joint venture with Dublin City Council, the aim of which was to develop new facilities at a site in Marino for the Office of the State Pathologist and the Dublin Coroner's Service. The objective was to relocate these two related operations in one building at a site owned by Dublin City Council. While it was agreed that the costs of the project would be shared between the Department of Justice and Equality and Dublin City Council – with the Department funding two thirds of the cost and the Council funding one third – the Council took the lead role in managing the project including the procurement of contractors etc.

While the project experienced delays in the early stages due to unforeseen planning and “form of contract” issues, the build began in July 2010. Unfortunately, the main contractor went into receivership in November 2010 which halted work on the building. The receivership gave rise to a number of legal and procurement difficulties, and culminated in legal advice to re-tender the project, with a view to completing the partially-built structure on the Marino site.

However, in 2011, and following a reduction of up to 30% in the capital budget for the Justice Vote Group, it became necessary to defer the project again, due to lack of funding to complete it. The Department then examined various other options to bring the project to completion, including use of the Public Private Partnership (PPP) funding model. However, following professional advice, it was concluded that this was not a viable option, given the specialised and complex nature of the building.

The Department then considered, with Dublin City Council and the Office of Public Works (OPW), whether the State Pathology Office and the Dublin Coroner's Service could be jointly relocated to the former Whitehall Garda Station. Initial examination indicated that this was a viable option, and the Department, the Council and the OPW agreed to progress the project.

The OPW, which is the owner of the Whitehall premises, has agreed to make the building available and to undertake the necessary refurbishment work.

A project oversight team, chaired by the Department, and comprising senior personnel from Dublin City Council and the OPW, is overseeing the project. The primary task for the team is to take matters forward to a successful conclusion as efficiently and cost effectively as possible. Plans have been developed to meet the relevant requirements and they are being taken forward by the OPW. The costs incurred will be shared by the Department and Dublin City Council.

Finally, I must inform the Committee that legal proceedings are ongoing by the Chief State Solicitors Office on behalf of the Department, in relation to the lease of accommodation for a Probation Service Project in Wolfe Tone Street, Dublin 1. Therefore, as was the case at my last appearance before the Committee, my legal advice remains that any further discussion of, or comment on, the facts of this matter could prejudice the State's case in the legal proceedings currently underway. I can confirm that I will, obviously, be happy to discuss this matter at a future date when the case has been concluded.

Aside from this matter, I will go into further detail as the Members require.