



**Ms Margaret Falsey**  
**PAC Secretariat**  
**Leinster House**  
**Dublin 2**

21st October 2014

Dear Ms Falsey,

I refer to your correspondence of 14<sup>th</sup> July 2014 requesting an update on the analysis of the impact on the level of General Government Debt arising from the transfer of debts and liabilities from local authorities to Irish Water.

The Department of Finance has received the following update, from the Department of the Environment, Community and Local Government.

*The identification and quantification of the relevant financial liabilities transferring from Local Authorities to Irish Water is one of the key tasks being undertaken as part of the overall financial exercise currently being conducted between Irish Water and Local Authorities. A due diligence exercise is underway which, when completed, will clarify the position on the non-domestic debtors, along with any unfunded capital balances and any other miscellaneous debtors that are to transfer to Irish Water. When the due diligence exercise is completed the opening balance sheet take-on from Local Authorities will be known.*

We further understand that the Due Diligence will be largely completed by the end of this month.

I apologise for the delay in providing this information. I will revert to the Public Accounts Committee with any further information that my Department receives in this regard.

Yours sincerely,

Derek Moran  
Secretary General