

1 June 2018

Mr. Kieran Lenihan
Clerk, Public Accounts Committee
Dáil Éireann
Leinster House
Kildare Street
Dublin 2

Dear Kieran

I refer to follow up correspondence on behalf of the Committee of Public Accounts regarding guidelines on hospitality expenditure **Ref PAC32-1-850**.

As set out in my earlier response to the Committee I will consider whether it is appropriate to develop specific guidelines in terms of expenditure on staff hospitality. I note that the Committee consider that this is an appropriate action and have requested that this be commenced as soon as possible.

At the outset it is important to highlight that my Department promotes value for money and economy, efficiency and effectiveness in the use of public resources throughout its guidance material including in Public Financial Procedures, the Public Spending Code and the Code of Practice for the Governance of State Bodies, 2016.

As previously indicated Department of Finance Circular 25/2000 states that the Minister requests that the strictest economy continue to be observed in expenditure on entertainment by Ministers and Officials. It also states that entertainment of Irish public servants should be incidental to the entertainment of other persons.

The Code of Practice for the Governance of State Bodies, 2016 requires that commercial and non-commercial State bodies should be cognisant of the need to achieve economy and efficiency in relation to expenditure on travel and official entertainment and that non-commercial State bodies should adopt, and comply in all respects with, the Department of Public Expenditure and Reform Circulars and Office Notices, as amended from time to time, regarding travel and subsistence and official entertainment.

The Code of Practice for the Governance of State Bodies, 2016 requires that bodies subject to the provisions of the Code publish details of hospitality expenditure. The supplementary guidance to the Code sets out how hospitality expenditure should be presented in the Governance Statement and Board Members Report. The requirement to disclose such

information provides greater transparency and accountability in relation to public expenditure. It also acts as a deterrent to high levels of expenditure which is ancillary to carrying out the functions of the State body.

In relation to the review of Circular 25/200 my Department is undertaking a review of Department of Finance Circular 25/2000 on Official Entertainment. The aim is to have the review completed by end November 2018, in time for any adjustments to take effect on 1 January 2019.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robert Watt', with a stylized, cursive script.

Robert Watt
Secretary General