



27<sup>th</sup> July 2018

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

Dear Kieran

I refer to correspondence from the Committee of Public Accounts requesting an information note on the Department of Public Expenditure and Reform *Circular 7/2015 Timely Production and Submission of Accounts of Bodies and Funds audited by the Comptroller and Auditor General and the Laying before the Houses of the Oireachtas Special Reports of the Comptroller and Auditor General*. **Ref No: PAC32-I-855**.

Please see the attached information note setting out the requirements of DPER Circular 7/2015 and the timelines within which public bodies are required to present their audited financial statements to the Oireachtas.

I fully agree that the timely preparation and publication of audited financial statements is a key element in public accountability and in providing effective oversight of public bodies. The audit of the financial statements plays an important role in providing assurance to the Oireachtas and citizens that public funds have been used in accordance with the law, managed to good effect and are properly accounted for. Audits identify issues to be addressed which can assist public bodies with improving business operations, financial management and governance arrangements.

I share the Committee's concerns regarding delays in presenting to the Oireachtas the audited financial statements. Until recently there was no system in place to verify that audited financial statements of bodies and funds under the aegis of Government Departments had been presented to the Oireachtas.

I am pleased to report that following on from a recommendation of the C&AG my Department has made it a requirement in Circular 25/2017: *Requirements for the Appropriation Accounts 2017* that all Government Departments will now be required to include an annex to the appropriation accounts providing a report on the presentation to the Oireachtas of the financial statements of bodies and funds under the aegis of their Departments.

As set out previously to the Committee I am confident that this increased transparency will enhance public accountability and ensure that public bodies will seek to meet their obligations in relation to the timely presentation to the Oireachtas the financial statements of bodies and funds under the aegis of their Departments.

However, it should be noted that the timeframe within which public bodies are required to present their financial statements to the Oireachtas can vary depending on whether or not the financial statements are required to be adopted at an AGM or presented to Government in the first instance. It should also be noted that where legislation concerning the laying of the accounts of a body or fund provides for other arrangements, these other arrangements should be complied with as the legislative provisions relating to the body prevail.

I hope this information is of assistance to the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robert Watt', written in a cursive style.

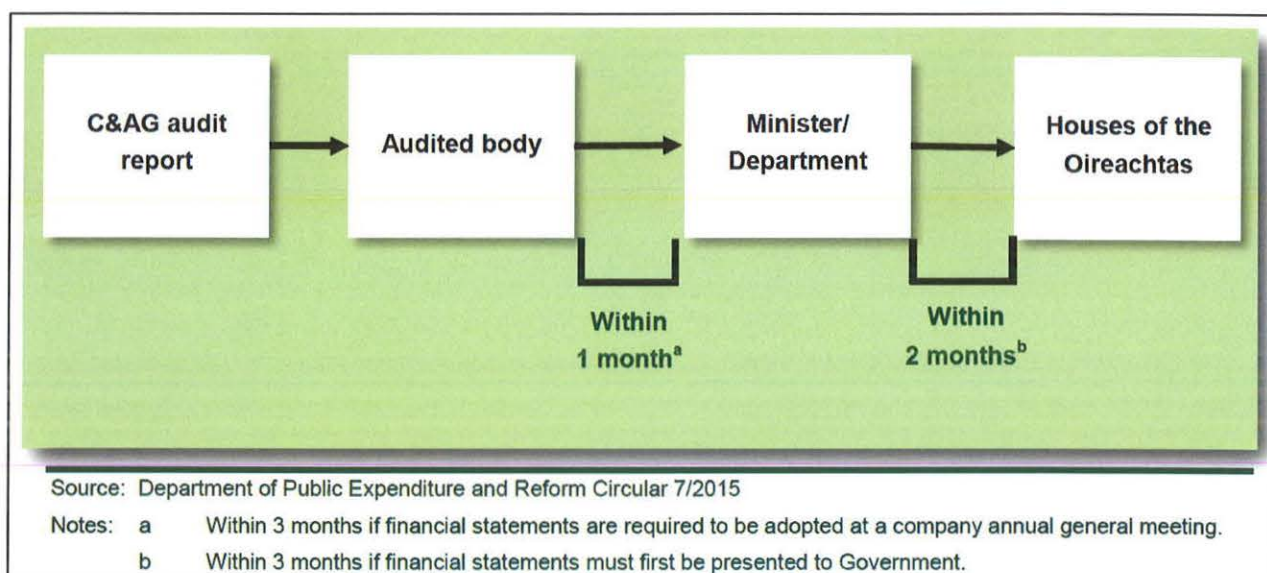
Robert Watt  
Secretary General

## INFORMATION NOTE FOR THE COMMITTEE OF PUBLIC ACCOUNTS DPER CIRCULAR 7/2015

This note was prepared in response to a request from the Committee of Public Accounts for an information note on the Department of Public Expenditure and Reform *Circular 7/2015 Timely Production and Submission of Accounts of Bodies and Funds audited by the Comptroller and Auditor General and the Laying before the Houses of the Oireachtas Special Reports of the Comptroller and Auditor General (Circular 7/2015)*.

### Requirements DPER Circular 7/2015

Figure 1 sets out the timelines that apply to bodies when submitting audited financial statements<sup>1</sup>.



**Figure 1 - Timelines for presentation of audited financial statements**

An explanation of the timeline requirements set out in Figure 1 as contained in DPER Circular 7/2015 is as follows:

- The financial statements of bodies under the aegis of Departments/Offices should be presented to the parent Department by each body within **one month** of the audit certificate on the financial statements being issued by the C&AG, together with any report of the C&AG on the financial statements.
- Where a body must first present their audited financial statements at the Annual General Meeting of the body for adoption, the financial statements should be sent to the parent Department within **one month** of the AGM at which the financial

<sup>1</sup> Source: Figure 2.5, C&AG Special Report 99: Public Sector Financial Reporting for 2015



statements are adopted, and if possible not later than **three months** after the C&AG has issued the audit certificate on the financial statements.

- Each Department should lay the audited financial statements of bodies and funds under its aegis before the Houses of the Oireachtas within **two months** of such financial statements being received by the Department, together with any report of the C&AG on the financial statements.
- Where a Department must first present these financial statements to the Government, this should be done at the earliest opportunity. In such cases Departments must in any event lay the financial statements of the body or fund before the Houses of the Oireachtas within **three months** of their being received by the Department.
- These dates should be regarded as the latest possible date of submission and every possible effort should be made to lay financial statements before the Oireachtas as quickly as possible.
- It should be noted that where legislation concerning the laying of the accounts of a body or fund provides for other arrangements, these other arrangements should be complied with by the relevant body as the legislative provisions prevail.

### Overview of Requirements of DPER Circular 7/2015

The timeline for the presentation of the financial statements to the Oireachtas will vary depending on whether the Financial Statements of the body have to be adopted at an AGM or must be presented to Government.

- Ordinarily the maximum amount of time that may pass between an audited body receiving an audit certificate on their financial statements and the audited financial statements being laid before the Houses of the Oireachtas is **three months**.
- If the financial statements are required to be adopted at an AGM and the financial statements must be presented to Government the maximum amount of time that may pass between a body receiving an audit certificate and the financial statements being laid before the Houses of the Oireachtas extends to **six months**.

### Committee of Public Accounts

If exceptional or unusual circumstances arise which cause an unavoidable delay beyond these time limits, either for a body or fund in submitting its accounts to the parent Department or for the Department in laying the accounts of the body or fund before the Houses of the

Oireachtas, the Clerk to the Committee of Public Accounts should be informed of this by the relevant Department.

### Special Reports of the Comptroller and Auditor General

Circular 7/2015 also stipulates timelines for the laying of Special Reports of the Comptroller and Auditor General. The Minister of the Government to whom a copy of a report of the Comptroller and Auditor General is submitted shall cause a copy of the report to be laid before Dáil Éireann not later than **3 months** after the date of the submission. Circular 7/2015 goes on to state that every effort should be made to ensure that the report is laid at the earliest possible opportunity.

### Departmental Appropriation Accounts

From 2017 onwards, Departments are required to include in an Annex to their appropriation account a report on the presentation to the Houses of the Oireachtas the audited financial statements of funds and bodies under their aegis

DPER Circular 25/2017: *Requirements for the Appropriation Accounts 2017* sets the details of the information required to be displayed in each appropriation account. An extract from the annex contained in Circular 25/2017 is given below. The information required is as follows:

- the name of the body/Department fund;
- period end of last audited financial statement;
- date of Audit Report;
- date sent to Minister/Department; and
- date presented to the Oireachtas.

Template Annex to Appropriation Account				
<p><b>Report on laying before the Houses of the Oireachtas the Financial Statements of Bodies and Funds under the aegis of Government Departments - DPER Circular 7/2015</b></p> <p><b>[NAME OF DEPARTMENT]</b>  <i>E.g. Department of Education and Skills</i></p>				
Body/ Departmental Fund	Period end of last Audited Financial Statements	Date of Audit Report	Date sent to Minister/Department	Date Presented to the Oireachtas
<i>E.g. Higher Education Authority</i>	<i>31 December 2016</i>	<i>28 June 2017</i>	<i>1 July 2017</i>	<i>3 August 2017</i>