



Ard-Reachtairé Cuntas agus Ciste
Comptroller and Auditor General

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7 September 2018

Deputy Seán Fleming
Chairman
Committee of Public Accounts
Houses of the Oireachtas
Leinster House
Kildare Street Dublin 2
D02 XR20



Dear Chairman

Please find enclosed a copy of a letter I sent to the Chair of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach, Deputy John McGuinness, for your information.

Yours sincerely

Seamus McCarthy
Comptroller and Auditor General



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6 September 2018

Deputy John McGuinness TD
Chairman
Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach
Leinster House

Re: Collapse of Carillion Group / Public Private Partnerships (PPPs) / School Bundle 5

Dear Chairman

I refer to the letters of 18 July 2018 and 13 August 2018 sent to me by the Clerk to the Joint Committee at your direction.

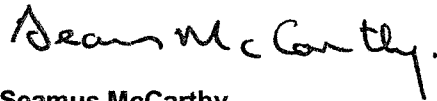
I am aware of the many significant concerns that have arisen from the collapse of the Carillion group, and the impact this has had on the Schools Bundle 5 public private partnership (PPP) project and on all the project stakeholders. My Office is keeping the ongoing developments in regard to the project under review. We have also reviewed the evidence presented to the Joint Committee, and the concerns expressed by the Joint Committee members. Concerns about the project, and about the suitability of PPP structures generally have also been raised at meetings of the Committee of Public Accounts. We will take all those concerns and developments in relation to Schools Bundle 5 into account in the planning of our future work on PPPs.

As you are aware, the use of PPPs in implementing public investment projects is a matter upon which I, and my predecessors, have previously reported. The reports are all in the public domain, including in the Oireachtas Library.

My most recent report on the issue — *An overview of PPPs* — was published in September 2017, as part of the *Report on the Accounts of the Public Services 2016*. The Committee of Public Accounts has examined this report, but did not close its consideration of the matter. I understand the Committee may return to this subject in due course, and is likely to report on the matter. The outcome of the deliberations of the Committee on this issue will also inform the focus of future work I undertake on PPPs.

I have noted your request that I revert generally to the Joint Committee regarding the issues raised in evidence to the Committee, and that I set out my views and recommendations on the design and construct of PPP contracts. You will recall that I am required under section 33 (4) of Bunreacht na hÉireann to report to Dáil Éireann as determined by law. The Comptroller and Auditor General (Amendment) Act 1993 provides for me to report on my audits and examinations either through my annual report or through special reports. I do not consider it would be appropriate for me to present general views and recommendations on the design and structure of PPP contracts outside of that examination and reporting framework.

Yours sincerely

A handwritten signature in black ink that reads "Seamus McCarthy". The signature is written in a cursive style with a prominent initial 'S'.

Seamus McCarthy
Comptroller and Auditor General

cc

Chairman, Committee of Public Accounts

Secretary General, Department of Education and Skills