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Ms. Éilis Fallon
Committee Secretariat
Committee of Public Accounts
Leinster House
Kildare Street
Dublin 2

7th November 2019

Ref: PAC32-I-16396

Dear Ms. Fallon,

Many thanks for your letter, please find the response to the queries raised by the Committee members.

1. The Board of Caranua appointed Ms Rachel Downes to the position of Acting Chief Executive Officer (Principal Officer, Pt 1) on 17th October 2017. Rachel Downes had been employed as the Director of Services (Assistant Principal, Pt 3). The Chief Executive Officer was in receipt of a salary until 24th January 2018.

Between 17th October – 24th January, Ms Downes received an acting up allowance of €3,745.91.

2. In order to protect the confidentiality of Survivors, the majority of funding support payments are made via third-party cheque. The Survivor can choose to receive the cheques for personal distribution to the supplier or for the cheque to be sent directly to the supplier.

The supplier of the third-party cheques reissued €904,269 to Caranua for cheques which expired between 2014 – 2018.

In addition, each year Caranua processes, cancels and reissues a number of cheques. The majority of these cheques are reissued to the Survivor. The most common reasons are as follows.

- Change of supplier
- Application withdrawn
- Change in amount due to discount
- Cheque expired (notified by Survivor)
- Cheques not accepted by supplier

Caranua is the name of the
Residential Institutions Statutory Fund

Board: David O'Callaghan (Chair)
Patricia Carey, Damian Casey,
Thomas Daly, Katherine Finn,
Frances Harrington, Richard Heeney
Phyllis Morgan Fann, Francis W. Treanor BL

- Incorrect amount/ currency
- Incorrect payee name
- Incorrect payment method
- Original cheque lost/missing/destroyed (notified by Survivor)

Year	Number of cancelled & reissued funding support cheques	Total Amount
2018	661	€1,714,085
2017	502	€756,964
2016	389	€749,431
2015	491	€1,142,417
2014	141	€330,227

- The 2018 draft Financial Statements were presented to the Board of Caranua on 26th February 2019 and were then submitted to the Department of Education and Skills and the Office of the Comptroller & Auditor General on 28th February 2019.
- Caranua submitted a business case to the Department of Education and Skills for approval for additional staffing in order to improve the service offer and waiting times for Survivors. Sanction was received in April 2016 for 14 additional staff members. An external agency was sourced to support the recruitment company process, which included advertising the roles, shortlisting the 527 applications received, plan and organise rounds of interviews, participate on the interview panel and then reference check the successful candidates. There was a cost of €65,550 plus VAT of €15,076.50.
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Consultancy 2017			
Date	Company	Details	Amount
01/01/2017	Prepayment @ 01.01.17		€ 14,022.00
01/01/2017	Reversal of Accruals @01.01.17		-€ 8,312.00
16/01/2017	Latitude	Strategy development and consultancy on quality and compliance	€ 3,322.50
25/04/2017	Tania Maitra	Review of Salesforce statistics	€ 150.00
28/08/2017	Resource Employee Relations	HR investigation & final report	€ 5,904.00
01/09/2017	Homeless Link Consultancy	Configuration of case management system (Salesforce) for enhanced statistical reporting. Business analysis, re-build of system, data migration & implementation. Training and after support.	€ 17,491.26

21/09/2017	Q4 Public Relations*	Training	€ 7,798.20*
18/04/2017	TO GRAPHITE HRM LTD*	Employee Assistant Programme	€ 1,353.00*
15/06/2017	TO GRAPHITE HRM LTD*	Employee Assistant Programme	€ 1,353.00*
			€ 43,081.96

*These costs should not have appeared under Consultancy as they relate to training and staff supports.

6. Caranua are working with 317 Survivors who applied prior to 1st August 2018. 98.5% of these Survivors are working with Caranua on their initial application. At this time, these Survivors each have received an average of five funding support payments and an average of €6,955 in funding supports. These averages will increase as applications continue to progress. The highest funding supports provided are €42,020. The longest an application has been open is since June 2014. As was explained at the committee meeting there are a number of reasons why an application could be open for this length of time, such as ill health, homelessness or incarceration.
7. Section 29 of the RISF Act 2012 provides for Caranua's funding. That section includes for four elements:
 - 1(a) total moneys received from congregations and placed in a Central Bank account – these covered contributions made in the period from 2010 to the establishment of Caranua in March 2013. €40m received.
 - 1(b) the aggregate of interest earned on the funds during the period referred to in 1(a) was €282,904.45
 - 2(a) moneys received as a contribution from charitable trusts (i.e. congregations) towards Caranua (and made following enactment of the legislation). €61,591,273.06 received.
 - 2(b) the aggregate of interest earned by congregations on the funds referred to in 2(a) prior to enactment of the legislation was €1,099,106.76

In summary, there was €1.382m interest earned on funds deposited prior to transfer to the NTMA for use by Caranua, which is in addition to the €110m.

Separate to the above, €321,479 in accumulated interest was earned by the fund since Caranua commenced operations until 31st December 2017.

8. Caranua currently employs 19 staff, 17 are on fixed term or specified purpose contracts, two are temporary agency staff. At the time of closure staff who have worked in Caranua for a period of two years or longer will be entitled to statutory redundancy under the Redundancy Payments Acts 1967–2014. An estimated €38,000 will be required for redundancy payments.

9. Caranua operates a freephone service for callers from Ireland and the UK. In May 2018, a new telephone system was installed. The following are statistics of incoming and outgoing calls for that period. Our telephone system does not differentiate between open and closed callers.

	Incoming Calls	Average talk time	Outgoing calls	Average talk time
1 st Jan until 30th Sept 2019	26724	5:01	28,544	3:07
May – December 2018	21742	4:04	20,969	3:18

10. As per the Residential Institutions Statutory Fund Act, all administration costs must be met from the fund. The Board of Caranua and management have worked determinedly to minimise operational costs and continue to do so during the wind down phase. As there is no additional funding available to Caranua, we have to operate within the funding available across all areas of our work. The next section sets out the breakdown of administration costs to 2017. As of 1st October 2019, it is projected that €1,306,500 will be required to continue the operations of Caranua until 30th June 2020.

11. Administration costs 2013 – 2017

	2017	2016	2015	2014	2013
	€	€	€	€	€
Salaries and Wages	1,346,900	1,493,025	1,301,672	790,503	187,980
Telephone, postage, stationery	118,288	97,252	105,517	83,564	13,821
Transport and couriers	175	1,179	3,358	2,977	-
Travel and Subsistence – Staff (National)	4,129	17,319	10,270	12,296	6,377
Travel and Subsistence – Staff (UK travel)	10,528	6,805	12,867		
Travel and Subsistence – Board (National)	8,077	6,831	13,903	11,774	10,337
Travel and Subsistence – Board (UK)	4,940	11,395	12,155		
Rent & Service Charge	114,020	61,833			
Information Technology	81,550	81,809	43,481	40,320	18,452
Maintenance	0	14,027	18,192	16,111	13,754
Relocation Costs	7,414	-	923	4,257	
Insurance	10,125	9,565	9,290	2,596	

Meeting and Conference Costs	13,421	3,941	9,684	9,081	2,675
Legal Costs	76,359	80,719	76,152	58,806	
Accounting Services	18,557	12,226	36,503	19,570	12,170
Audit Fee	14,000	19,400	33,266	7,000	8,834
Internal Audit	5,500	31,102	-	-	-
Housing Assessments	-	-	45,072	-	-
Organisational Review	-	14,354	-	-	-
Other Consultancy	43,082	11,152	-	-	47,843
General Expenses	8,738	8,711	3,880	1,036	1,497
Communications and Promotions	48,960	45,090	27,091	42,641	45,974
Subscriptions & Memberships	8,400	8,661	8,793	740	670
Printing and Publications	27,912	13,055	12,243	46,735	248
Bank Charges	379	400	439	464	134
Staff Training and Development	33,958	21,582	14,572	22,824	13,668
Recruitment Costs	-5,107	82,354	0	180	180
Appeals Officer*	36,000	22,400	15,200	-	-
Prompt Payment Interest	-	-	109	-	437
Depreciation	24,750	23,786	16,599	15,019	3,081
Staff Benefit	983	-	-	-	-
	2,062,038	2,199,973	1,831,231	1,188,494	388,132

*Included in Administration Costs is an amount of €73,600 representing amounts that the Minister has requested to be drawn down from the Investment Account to make payments to the Appeals Officer under Section 31(3) of the Act.

12. Caranua has received feedback from a very small number of Survivors who are dissatisfied with works carried out in their homes by a particular company. Caranua met with the company involved to discuss the concerns raised, the company has requested time to review the complaints and revert back to the Survivors and Caranua in relation to next steps. Caranua remain in contact with the company at this time.

During the course of the Committee meeting, a discussion took place in relation to legal cases. To clarify some points made, a High Court case was taken against the independent Appeals Officer in relation to a decision made on an appeal regarding the implementation of the limit of €15,000. Due to the subject matter of this case, Caranua sought to be joined as a notice party. On 28th May 2019, a High Court judgment was made which dismissed the appeal in relation to the limit of €15,000 and affirmed the decision of the Appeals Officer to uphold the decision of Caranua in relation to the implementation of a limit to enable a greater number of Survivors to avail of services.

The full judgement can be accessed at the following link
<http://courts.ie/Judgments.nsf/09859e7a3f34669680256ef3004a27de/a7564f44392aba428025842a0031da47?OpenDocument>


As discussed at the Committee meeting, Caranua has received applications from 6,543 individuals, of these 5,987 were Survivors who were eligible to apply for funding supports. By the end of September 2019, Caranua has provided over 54,000 individual funding supports payments to 5,695 Survivors to the value of €91.3M.

Caranua works with Survivors who require long-term supports and we also know that there are eligible Survivors who have not availed of funding supports. Caranua would fully support the implementation of additional legislation to provide future funding support to Survivors.

Please do not hesitate to contact me if you require any clarification or additional information with regard to any of these or other issues of interest to the Committee.

I would like to take this opportunity to thank the Committee for its interest in the work of Caranua and for your assistance.

Yours sincerely



Rachel Downes
Chief Executive Officer