



An Roinn Airgeadais
Department of Finance

Ms. Sarah Cremin
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2
pac@oireachtas.ie

22 November 2021

Re: S0593 PAC33

Dear Ms. Cremin,

I refer to your letter of 09 November 2021, in relation to Circular 7 of 2015 to Accounting Officers, entitled:

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.

The correspondence sets out that, under this Circular, the Clerk to the Committee of Public Accounts should be informed by the responsible Department of exceptional or unusual circumstances which cause an unavoidable delay, 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 Committee noted that this requirement was not met in respect of the Home Building Finance Ireland Lending DAC (HBFIL) 2019 accounts and has requested an explanatory note.

In line with the obligations as set out in Section 15 of the Home Building Finance Ireland Act 2018 ("the Act"), Home Building Finance Ireland (HBFI) provides the Department of Finance with annual consolidated financial statements, which are to be laid before both Houses of the Oireachtas. These consolidated statements include the statements of HBFI and its 100% owned subsidiary, HBFIL. As HBFI is purely a holding company and all of the operations of the HBFI group occur through HBFIL, the accounts for HBFIL are largely a mirror image of the consolidated financial statements. For this reason, it was previously considered that laying the HBFI consolidated financial statements before the Houses satisfied the provisions of Section 15 of the Act and this matter was not previously raised by the C&AG.

The Annual Report for HBFI includes all of the detailed commentary on the operations and performance of the Group. I can also confirm that the Governance Statement included in the HBFI Annual Report includes all of the disclosures required under the Code covering both entities. Similarly, the Statement on Internal Control covering both entities is included only in the Consolidated Financial Statements (as agreed with the C&AG). However, separate accounts are also prepared for HBFIL, and audited by the C&AG, for statutory filing purposes.

Following a technical query from the C&AG this year, and a subsequent discussion between the Department of Finance and HBFI, the Department requested that, for the avoidance of any doubt in the interpretation of the legislation, the process be amended going forward. Therefore, it was agreed in July 2021 that both the financial statements of HBFI (being the consolidated financial statements for the group), and the standalone financial statements of its 100% owned subsidiary HBFIL, shall now be laid before the Houses.

I can confirm that as HBFIL is a 100% owned subsidiary of HBFI, and all of the operations of HBFI occur through HBFIL, the consolidated financial statements of HBFI which were previously laid before the Oireachtas provided all material financial information on both entities.

I can also confirm that the 2019 and 2020 accounts of HBFIL were subsequently laid before the Oireachtas on 21st July 2021, and this process will be continued going forward.

Yours sincerely,



John Hogan
Secretary General