

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Déardaoin, 29 Eanáir 2015

Thursday, 29 January 2015

The Committee met at 10 a.m.

MEMBERS PRESENT:

Deputy Paul J. Connaughton,	Deputy Derek Nolan,
Deputy Joe Costello,	Deputy Patrick O'Donovan,
Deputy John Deasy,	Deputy John Perry,
Deputy Robert Dowds,	Deputy Shane Ross.
Deputy Gabrielle McFadden,	

DEPUTY JOHN MCGUINNESS IN THE CHAIR.

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Mr. Seamus McCarthy (*An tArd Reachtaire Cuntas agus Ciste*) called and examined.

Business of Committee

Chairman: Are the minutes of the meeting of 22 January agreed to? Agreed.

We will now deal with correspondence. No. 3A.1 is correspondence, dated 21 January 2015, from the Department of Finance. It is a follow-up to our meeting on 11 December 2014. The correspondence is to be noted and published.

No. 3B.1 is correspondence, dated 16 January 2015, from the HSE regarding the upgrade of staff in HSE South East. The correspondence is to be noted and published.

No. 3B.2 is correspondence, dated 17 January 2015, from Mr. Ken Shortall regarding HSE home care packages. The correspondence is to be noted and forwarded to the HSE for a note on the matters raised.

No. 3B.3 is correspondence, dated 18 January 2015, from Mr. Rodney Gillen of Fleet Marine.

Deputy Shane Ross: I met Mr. Gillen last week and he has a point. We had representatives of the Department of Agriculture, Food and the Marine here and they talked about the current leases. Mr. Gillen said there were many vacant properties in Howth and that the Department was doing nothing about them because there was no incentive to lease them. He has been seeking to lease one of them but has been unable to do so for unspecified reasons. Much of the business is going to Kilkeel, County Down. I do not suggest we immediately accept his invitation to all pile out to Howth in a bus to see what is going on, for which I suspect there would not be much of an appetite. However, perhaps we might write to the Department to ask which properties are vacant, what is happening, why they are vacant and what approach is being made in order to receive an update and a full account of the issue. Having met Mr. Gillen and heard what he had to say, he is talking a lot of sense.

Deputy John Deasy: There are many vacant properties and much unused infrastructure in harbours and fishery ports around the country. Everybody involved in fisheries knows that many fish factories and buildings that were used in the fisheries industry have become vacant. What is the point of the exercise? What is Mr. Gillen asking? I agree with him, but it is an obvious issue that does not affect Howth only.

Chairman: Regarding leases, representatives of the Department came here and went through properties around the country. They had found a long list of issues with these properties that would not arise in the private sector. There are issues regarding properties that are leased. For example, in the case of John Shine, we were told the State was taking legal action against him. This legal action happened only a number of months after the meeting of the committee and Mr. Shine has a case. It is about property, leases and the management of buildings. In this case, the person was interested in a property which has not materialised, although it is vacant. We have to produce a report on the hearing we had with the Department, which included some of the worst cases. In the light of the hearing, this man has a point. I differ from Deputy Shane Ross. We should go and see the place because it would tell us a lot about what is happening.

Deputy Shane Ross: I would be happy to go and see it if somebody would come with me.

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Chairman: I am interested in taking up the invitation, as the visit would be informative in the context of the hearing we had.

Deputy John Deasy: I, too, would like to go. Would it not be better to try to get an inventory showing exactly what the Department owns around the country on the State books in order that we would know what we were dealing with?

Chairman: We can do that first.

Deputy John Deasy: If we find there is a large number, any meeting we might have in Howth would be far more relevant.

Deputy Shane Ross: We should write to the Department.

Chairman: Is it agreed to take up the invitation after we compile the information we need? Agreed.

Deputy Joe Costello: I, too, would be interested in seeing the facilities in Howth. Have we written to the Department asking it to respond to the serious allegations that any repair work would be undertaken in Kilkeel, County Down? Perhaps in advance we might request a response.

Chairman: We can ask for one.

No. 3B.4 is correspondence, dated 21 January 2015, from Mr. Seán Ó Foghlú, Secretary General of the Department of Education and Skills, regarding the transfer of properties under the 2002 indemnity agreement. The correspondence is to be noted.

Deputy Joe Costello: I understood the indemnification figure agreed to in 2002 when the redress issues arose and the legislation was introduced was well over €100 million. The figure for the 64 properties here worked out at €42 million. There are still 17 properties to be determined, but the figure is unlikely to reach another €42 million. Therefore, the total will be well short of the indemnification figure agreed to by the State with the Conference of Religious of Ireland, CORI, which was negotiating on behalf of the religious orders. There was a very considerable loss to the State on a matter which was the subject of agreement.

Chairman: There was also a cash commitment.

Deputy Joe Costello: There was, although I am not sure to what extent it was delivered on, but I do not believe it was.

Mr. Seamus McCarthy: I think it was.

Deputy Joe Costello: Could we seek further clarification? There is no approximate value for the 17 properties mentioned, for which there is full title but that have not been properly transferred to the State. The properties that were transferred to the State were transferred with a valuation at the high end of the market which they do not reflect now. It is unclear how the valuations were made. There is no valuation for the outstanding 17 properties for which there is no clear title or that are otherwise impaired in some way and have not been transferred to the State. The loss to the State is considerable. We must also remember that it is 12 years since the deal was agreed, which means that interest and other issues arise.

Mr. Seamus McCarthy: It appeared that it would be timely to produce a report on the

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residential institutions redress scheme. Most of the claims to the redress board have been completed and I believe the board expected to finalise them, either at the back end of 2014 or the beginning of 2015. I have commenced a piece of work to bring a report to the committee which would wrap-up on all of the issues the Deputy has mentioned. I anticipate having something in the annual report in September.

Deputy Joe Costello: Are there still substantial outstanding matters or is Mr. McCarthy not yet in a position to give a response?

Mr. Seamus McCarthy: I would prefer not to do so. Obviously, the main outstanding matter is the properties. On the issue the Deputy mentioned about the point in time at which the valuation was taken to count towards the commitment, normally, if a legally binding commitment to acquire a piece of property is entered into, the valuation is taken at the date of the legally binding commitment. It is certainly an issue we will seek to examine and report on.

Chairman: No. 3B.5 is correspondence on the upgrade of HSE staff in the south east. The correspondence is to be noted and published.

No. 3B.6 is correspondence, dated 22 January 2015, from Mr. Noel Waters, Secretary General, Department of Justice and Equality, regarding St. Paul's Medical Aid Society. The correspondence is to be noted and a copy forwarded to Mr. Michael Keane who raised the issue.

No. 3B.7 is correspondence, dated 22 January 2015, from the Office of the Commissioner for An Garda Síochána regarding policing at horse racing events, St. Paul's Medical Aid Society and the cost of the Ian Bailey investigation. The correspondence is to be noted and published. Are the matters arising addressed comprehensively in the correspondence?

Clerk to the Committee: On the cost of the investigation involving Mr. Bailey, the letter indicates that An Garda Síochána does not maintain costs for individual cases and cannot, therefore, provide a cost for the investigation. The matter arising in respect of St. Paul's Medical Aid Society is before the Garda Síochána Ombudsman Commission and the fraud squad. An internal audit is taking place of policing at horse racing events.

Chairman: On the cost of the investigation into Mr. Bailey, does this refer to the Garda investigation only or is it also part of what the Chief State Solicitor's office was doing?

Mr. Seamus McCarthy: The question referred to the Garda investigation. The Garda correspondence states its recording systems do not cost individual investigations and that it is not, therefore, in a position to provide the information requested.

Chairman: Is that acceptable in such large cases?

Mr. Seamus McCarthy: In a way, it is probably difficult to know what will become a large investigation until one is into it. Certainly, it would be difficult for the Garda to have a cost system that would record all of the resources engaged or used in the course of an individual investigation. It is certainly something the committee could discuss with the Garda Commissioner when she next appears before it.

Chairman: We should highlight that in a case such as the Ian Bailey investigation which is complex and has extended over a number of years some indicative costings should be available for everything that has happened. It is important in managing finances to have a graph or an information chart showing how much an investigation has cost. It is not especially difficult

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to do this and companies will do it for large clients. It should be done in the case in question. Perhaps the committee might reflect that view to the Garda Commissioner and inform her that we will discuss the issue with her when she next comes before us.

No. 3C is correspondence providing documentation related to today's meeting. Nos. 3C.1 to 3C.6, inclusive, are the opening statements and briefing notes from the Department, the National Library of Ireland and the National Gallery of Ireland, all of which are to be noted and published.

No. 4 is reports, statements and accounts received since the meeting of 22 January. The financial statements from the City of Dublin Vocational Education Committee are accompanied by a lengthy note which I ask Mr. McCarthy to explain.

Mr. Seamus McCarthy: What I was drawing attention to in the audit opinion was the disclosure by the City of Dublin Education and Training Board, CDET, as it is now known, that there had been an overpayment totalling about €4 million in student grants, including maintenance grants. There are a couple of elements making up this overpayment. Approximately €1.9 million was paid in maintenance grants to students already in receipt of the back to education allowance. Where a student receives the back to education allowance, he or she is not entitled to receive grant payments. In addition, €653,000 was paid in fee grants to postgraduate students to which they were not entitled, while €1.2 million was paid in fees and maintenance grants to students who did not have citizenship eligibility. There was a figure of €310,000 identified which was paid in respect of students who were initially eligible, but the money was an overpayment because they were not attending their course or withdrew from it.

Chairman: Given the degree of scrutiny to which applicants are subject to obtain a grant from Student Universal Support Ireland, SUSI, and the hassle involved in terms of bureaucracy, it is staggering that this has occurred. It shows a complete lack of proper administration procedures.

Deputy John Deasy: Where do oversight and audit start and finish in City of Dublin VEC? What steps need to be taken in any regular audit or accounting of what a VEC does and where it dispenses money? Does it deal with these matters internally and does this subsequently work its way up to the Department of Education and Skills? How does the system work and how should it work?

Mr. Seamus McCarthy: Is the Deputy referring to payments to students?

Deputy John Deasy: Yes. How did this issue get so badly out of control?

Mr. Seamus McCarthy: To put it in context, the figure works out at approximately 2.6% of the total amount the VEC paid out. Obviously, it is a complex system of payment. The controls are exclusively within Student Universal Support Ireland and the City of Dublin Education and Training Board and subject to audit by us. The CDET would also have its own internal audit unit which would check these matters. The payment of €1.9 million to individuals in receipt of the back to education allowance would have come to light when the CDET received a set of data from the Department of Social Protection which threw up this anomaly when it was matched with its own data set.

Deputy John Deasy: That was after the fact.

Mr. Seamus McCarthy: Yes.

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Deputy John Deasy: The education and training board had its own internal auditors who waited for the Department of Social Protection to provide a data set. How did the disbursement of this money go so badly wrong when clear rules apply to students who are in receipt of the back to education allowance in receiving a maintenance grant?

Mr. Seamus McCarthy: Somebody who submitted an application may have overlooked to tell the VEC that he or she was already in receipt of the back to education allowance.

Deputy John Deasy: Overlooked is a-----

Mr. Seamus McCarthy: I have to be careful in the case of individuals.

Deputy John Deasy: We all deal with people who receive payments from the Department of Social Protection, including some who are liberal with the truth when it comes to payments. That is fine because we usually sort out these things with the Department and the individuals in question. However, the rate of overpayment is high.

Mr. Seamus McCarthy: A difficulty also arose because there was a change of policy in this area. Some people who were in receipt of the back to education allowance and already in receipt of grants and who were, for instance, entering their second or third year of a course would have been entitled to retain the allowance and receive grant assistance. This changed with effect, I believe, from the 2012-13 year of account. One of the issues when the SUSI system was put in place was the potential for it to get that information from the Department of Social Protection in advance of making the awards, but it did not have that system in place. It is in place now. It is unlikely that particular aspect of it would have been repeated.

I should say I have a special report coming out - it is due to be finished this week - in relation to the development of SUSI and the bedding down of it. That will be coming before the committee in due course.

Deputy John Deasy: It was €4 million altogether.

Mr. Seamus McCarthy: Some €4 million in total.

Deputy John Deasy: What happens now with regard to the moneys that were given out erroneously? In some cases incorrect information was supplied. What are the consequences?

Mr. Seamus McCarthy: I think discussions are still ongoing between the CDET and the Department in relation to whether or not moneys will have to be recovered from students who were overpaid or in respect of whom overpayments were made. In relation to the payments where students withdrew, I think they are seeking to recover that money.

Deputy John Deasy: In the normal course of what I do every day, I deal with many people on issues with the Department of Social Protection. It is par for the course that somebody who is overpaid will be asked to pay the money back. One would expect that to be the case in this situation also.

Mr. Seamus McCarthy: I would expect that in any situation where there is a payment made to which somebody is not entitled, the public body would seek to recover it.

Deputy Patrick O'Donovan: We are just discussing the City of Dublin Educational and Training Board. However, do we know if that practice is widespread with others? Has that been looked at?

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Mr. Seamus McCarthy: The point of SUSI was that it centralised the administration of all student grants. I think one of the advantages, perhaps, of SUSI was that by bringing the administration together, it created a database that could be more easily compared with the Department of Social Protection database. This may have happened in the past and the bringing into existence of SUSI may have created a capacity to control it better. That is a possibility, but because we do not have information from previous years we are not going to know that.

Deputy Patrick O'Donovan: So it is probably an established practice.

Deputy Joe Costello: We are dealing with the first operational year of SUSI, 2012 to 2013. We have nothing to compare before. There were huge operational problems with SUSI. There were major delays. Do we have any indication that they have been ironed out and that what occurred in 2012-13 did not occur in 2013-14?

Mr. Seamus McCarthy: The audit for 2013-14 covers an 18-month period of account after the establishment of the ETB. The audit for that will only take place this year. That will be an opportunity for us to test whether steps taken and controls put in place are working better in the later accounting period, for 2013-14.

Deputy Derek Nolan: Were these discrepancies discovered by SUSI or by the Office of the Comptroller and Auditor General when it was analysing the accounts?

Mr. Seamus McCarthy: I cannot recall offhand, but I think they were mostly identified by SUSI itself.

Chairman: We will ask for a note from the Department and from the ETB on this matter and bring it to the attention of members when it comes in.

The second issue relates to the Law Reform Commission and the expenditure of €531,000 on rent and associated costs relating to unoccupied offices. Some €103,000 of this expenditure relates to 2013. We will ask the OPW for information on that.

Mr. Seamus McCarthy: It is the same type of problem. I should say in relation to that matter that the Law Reform Commission subsequently entered into a sublease with ReBo, the Credit Union Restructuring Board and that will cover the costs. That problem has been dealt with by the sublease.

Deputy John Deasy: Is there an explanation for that?

Chairman: For what?

Deputy John Deasy: The non-effective expenditure of €500,000.

Chairman: It is an unoccupied building.

Deputy John Deasy: Was any reason given?

Mr. Seamus McCarthy: It was partial occupation. It was underutilisation of a building. I cannot remember offhand why - there may have been a retrenchment of numbers that gave rise to the excess space.

Chairman: There is a letter dated 7 March 2013 that relates to this. We will circulate it to members again. We will note those accounts and take issue with the different bodies on the queries raised.

VOTE 33 - DEPARTMENT OF THE ARTS, HERITAGE AND THE GAELTACHT

On the work programme, we are setting a date for the hearing with the SIU. That is in train from the last meeting.

Next week's meeting relates to Vote 25, the Department of the Environment, Community and Local Government, regarding water services. Arising from previous meetings we should ask for all the information relating to the set-up costs of Irish Water because that was paid for by the Department. It is an issue that Mr. Robert Watt from the Department of Public Expenditure and Reform noted as this amount from the Department. We can take that up next week.

Deputy Paul J. Connaughton: Representatives from Bord na gCon appeared before the committee in December. We asked for some additional information. Have we received anything?

Clerk to the Committee: We have not yet received it, but I was in contact with the CEO of Bord na gCon last week. She explained that her chief financial officer was not available for a lot of December, but she is giving it priority now. It should be in with us in the next week.

Deputy Joe Costello: When representatives from Bord na gCon appeared before the committee, they had proposals to try to deal with the debt it had incurred. Some concern was expressed particularly over the sale of the Harold's Cross stadium. Perhaps we might get an update as to how it intends to deal with that outstanding debt.

Chairman: We should send it a letter reminding it of the issues outstanding.

Are we happy with the work programme? Are we agreed on next week's meeting? Agreed.

Is there any other business? There is no other business. We will ask the witnesses to take their seats.

Deputy Shane Ross: I have one more question. Where do we stand on the court case?

Chairman: Which one?

Deputy Shane Ross: Where do we stand on the court case being taken by Angela Kerins?

Chairman: I ask the clerk to respond.

Clerk to the Committee: I will have to correspond with the Deputy. My understanding is that Ms Kerins's solicitors had sought voluntary disclosure of a certain amount of documents. That has now been dealt with by the law team for the respondents. It will be going back to the court now, but I will get actual dates and come back to the Deputy.

Deputy Shane Ross: It seems to have disappeared into the ether. We are very relaxed about it, but it would be useful to know exactly.

Chairman: We will get an up-to-date note.

Clerk to the Committee: I will get a note and inform the members.

Vote 33 - Department of the Arts, Heritage and the Gaeltacht

Chapter 9 - Accounting for National Gallery of Ireland Expenditure

Financial Statements of the National Library 2012 and 2013

Mr. Joe Hamill (*Secretary General, Department of Arts, Heritage and the Gaeltacht*), **Mr. Sean Rainbird** (*Director, National Gallery of Ireland*) and **Ms Catherine Fahy** (*Acting Director, National Library of Ireland*) called and examined.

Chairman: We will now deal with Vote 33 - Department of Arts, Heritage and the Gaeltacht, chapter 9 - accounting for National Gallery of Ireland expenditure, and the 2012 and 2013 financial statements of the National Library of Ireland.

Before we begin our proceedings I remind members, witnesses and those in the Visitors Gallery to turn off their mobile phones as they interfere with the sound quality and transmission of the meeting.

I advise witnesses that they are protected by absolute privilege in respect of the evidence they are to give to this committee. If they are directed by the committee to cease giving evidence on a particular matter and continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given, and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against a Member of either House, a person outside the House, or an official by name or in such a way as to make him or her identifiable.

Members are reminded of the provisions within Standing Order 163 that a committee should also refrain from inquiring into the merits of a policy or policies of the Government, or a Minister of the Government, or the merits of the objectives of such policies.

I welcome Mr. Joe Hamill, Secretary General of the Department of Arts, Heritage and the Gaeltacht. I now ask him to introduce his officials.

Mr. Joe Hamill: With me are Mr. Fergal O'Coigligh, assistant secretary, our finance officer, Mr. Conor Falvey, Mr. Niall Ó Donnchú, assistant secretary, and Ms Máire Killoran, director of Irish. Also with us are my departmental accountant and another officer.

Chairman: We are also joined by Mr. Sean Rainbird, director of the National Gallery of Ireland, and the acting director of the National Library of Ireland, Ms Catherine Fahy.

Ms Catherine Fahy: I have with me Ms Mary Neville, our head of finance, and Ms Colette O'Flaherty, who is our head of archival collections.

Chairman: Also present is Mr. Dermot Quigley from the Department of Public Expenditure and Reform. I ask the Comptroller and Auditor General to make his opening statement.

Mr. Seamus McCarthy: The appropriation account for the Vote for Arts, Heritage and the Gaeltacht recorded gross expenditure of just under €256 million in 2013. The expenditure was incurred under four programme headings, as indicated in the figure on screen. As members of the committee can see, the arts, culture and film programme accounted for almost 50% of the total expenditure of €125 million. The other programmes are heritage, which had a total of €8.1

million; Irish language, Gaeltacht and islands, €41.8 million; and North-South co-operation, €40.2 million.

Much of the programme expenditure in the Vote is in the form of grant payments to a wide variety of statutory bodies and agencies in the culture, heritage and language sectors. The Department's functions in relation to those bodies include policy development, legislation, expenditure sanction and general oversight. The range of bodies includes intermediate grant allocation bodies, such as the Arts Council, the Irish Film Board, An Foras Teanga and Údarás na Gaeltachta, and bodies and agencies carrying out specific statutory functions, such as the National Library, National Museum, Irish Museum of Modern Art and Waterways Ireland. The Department also pays some grants directly to certain other public bodies not under its direct aegis, including local authorities, and to community and voluntary and some private sector bodies in the cultural, heritage and Irish language sectors.

Figure 2 presents an overview of the main bodies within the Department's funding remit and an indication of the Department's relationship with those bodies. The level of grant funding the bodies received from the Vote in 2013 is also shown. A variety of accounting and governance arrangements are in place in respect of the bodies. As members of the committee can see, the National Parks and Wildlife Service and the National Archives are both part of the Department of Arts, Heritage and the Gaeltacht. The range of bodies includes the Arts Council, Heritage Council, An Foras Teanga, and Údarás na Gaeltachta. All of those are grant-paying public bodies. The other bodies include the Irish Museum of Modern Art, the Crawford Gallery, the National Museum and the National Library. The National Concert Hall and the Chester Beatty Library are bodies which receive substantial funding but they are not audited by me. The rest of those bodies indicated are audited by me. As I have mentioned, the National Archives and the National Parks and Wildlife Service are divisions of the Department itself, and expenditure by those bodies is accounted for in the Vote appropriation account, rather than in separate annual financial statements.

As I have also mentioned, most of the bodies directly grant funded by the Department are audited by me, and their financial statements are therefore subject to review by this committee. I should also point out that An Foras Teanga and Waterways Ireland are North-South bodies. Under the 1998 British-Irish Agreement, they are audited jointly by me and by my counterpart in Northern Ireland. As a consequence, those bodies are accountable both to this committee and to the Public Accounts Committee in the Northern Ireland Assembly.

The committee is also considering chapter 9 of the report on the accounts of the public services for 2013, which concerns accounting for National Gallery of Ireland expenditure. While the gallery is formally under the aegis of the Department of Arts, Heritage and the Gaeltacht, in the past it was not grant funded by the Department. Instead, it had its own Vote Estimate up to and including 2014. Financial accounting provisions in respect of the gallery are also set out in the National Cultural Institutions Act 1997. As a result, the gallery is required each year to produce both a cash-based appropriation account and accrual-based financial statements. Both have to be audited and presented separately to Dáil Éireann. Considering the scale of operation of the gallery, which had a turnover of the order of €8 million in 2013, this seems a disproportionate reporting requirement.

The gallery has sources of non-voted expenditure from activities such as retail shops, a restaurant, donations and benefactions, fund-raising, exhibitions and sponsorship. Over the three years 2011 to 2013, this funding amounted to an average of 17% of the annual net Exchequer grant. These receipts are not recognised in the gallery's appropriation account but are included

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in the accrual financial statements. As a result, the latter give a more complete view of the operations of the gallery and of its financial position. In addition, the gallery has been using some of its non-voted income, with the approval of the board, for the purposes of charging some operating costs that would normally be funded from the appropriation account. The total of costs charged to own resources was €298,000 in 2013 and €156,500 in 2012.

I concluded that this use of, and accounting for, non-voted income effectively bypasses the spending limit control which is a core objective of the annual Estimates process, and the gross accounting principle required under public financial procedures. I recommended that consideration should be given to including all resources of the gallery within the appropriations process. Alternatively, consideration should be given to treating the gallery, like other national cultural institutions, as a grant subhead within the Estimate for the Department of Arts, Heritage and the Gaeltacht, with timely financial reporting on a comprehensive basis. The Department of Arts, Heritage and the Gaeltacht agreed that in the interest of transparency, Exchequer funding for the National Gallery should in future be provided through a subhead of the Vote for Arts, Heritage and the Gaeltacht. As a result, the National Gallery Vote ceased to operate on 31 December 2014, and the dual financial reporting requirement will cease once the 2014 accounts are presented.

The National Library of Ireland is another autonomous national cultural institution under the provisions of the National Cultural Institutions Act 1997. Certification of the library's financial statements in respect of 2012 was delayed due to the discovery by the library in August 2013 of the theft of a significant quantity of material from its collections. The board of the library has made a disclosure in the statement of internal financial control in relation to the investigation of the theft and the action taken by the library to prevent a similar occurrence in the future. Given the significance of the loss and the circumstances involved, I drew attention to the disclosure in my audit certificate. The financial statements of the library in relation to 2013 were certified by me on 23 December 2014. Those financial statements have not yet been presented to Dáil Éireann and therefore my observations are limited to the 2012 financial statements.

The National Library receives almost all of its funding by way of an Oireachtas grant. The amount received by way of Oireachtas grants has decreased each year and the amount received in 2012, which totalled €7.1 million, represented a decrease of about one third when compared with 2009. The library cut its costs over the period 2009 to 2012 but had not succeeded in reaching a break-even or a surplus position by 2012, when it recorded an overall deficit of €484,000. The library has significantly reduced expenditure on acquiring collections, the digital library and education and outreach services.

The audit certificate attached to 2012 financial statements also drew attention to the appointment by the library of interns and students on short-term contracts during 2011 and 2012. A general recruitment moratorium was in place and staff appointments required the sanction of the Department of Arts, Heritage and the Gaeltacht and the Department of Public Expenditure and Reform. We were unable to establish whether the library had obtained the required sanction. The total amount paid to the interns and students in 2012 was €183,000. This matter was further examined as part of the 2013 audit of the National Library and all appointments, including interns and students, had been approved by the parent Department with effect from 1 January 2013.

Chairman: You said you were unable to establish whether the library had obtained the required sanction.

Mr. Seamus McCarthy: In the course of the audit.

Chairman: Why?

Mr. Seamus McCarthy: It was not forthcoming from the library.

Chairman: It would not tell you.

Mr. Seamus McCarthy: We did not get any evidence of that. We sought evidence that it had a sanction but it did not produce it.

Chairman: I invite Mr. Hamill to make his opening statement.

Mr. Joe Hamill: Ba mhaith liom buíochas a ghabháil leis an gCathaoirleach agus le comhaltáí an choiste as deis a thabhairt dom an ráiteas seo a dhéanamh. Gabhaim buíochas freisin le hOifig an Ard Reachtair Cuntas agus Ciste as an mbealach proifisiúnta a rinne a cuid oifigeach an obair a bhí riachtanach i ndáil leis an gcuntas sin.

The committee will be aware that as part of the restructuring of Departments in March 2011, a new Department of Arts, Heritage and the Gaeltacht was established. It essentially brought together the arts functions of the then Department of Arts, Sport and Tourism and the heritage functions of then Department of the Environment, Heritage and Local Government and the Irish language, Gaeltacht and islands functions of the former Department of Community, Equality and Gaeltacht Affairs.

In establishing this new Department, a strong focus was maintained on ensuring an effective system of internal financial control with an appropriate framework of administrative procedures, management reporting and internal audit. At present, the Department has 560 staff located in its main offices in Dublin, Killarney, Wexford and Na Forbacha in Galway as well as at a number of smaller regional locations around the country.

It oversees and has policy responsibility for the conservation, preservation, protection, development and presentation of Ireland's rich heritage and culture. It also supports a promotion of the Irish language, the development of the Gaeltacht and the sustainable development of island communities.

In addition to promoting the inherent importance of our language, culture and heritage, the Department is also conscious of their value as a resource for business and tourism as well as a means for supporting economic renewal and presenting Ireland as an attractive destination for sustainable inward investment.

The briefing note provided to the committee outlines the financial allocations across the four programme areas of the Department - arts and culture; natural and built heritage; the Irish language, Gaeltacht and the islands; and North-South co-operation. The note also sets out some key aspects of the Department's achievements in 2013, priorities of our work programme for 2015 and some of the main challenges facing the Department at this time.

Much of the Department's work is delivered through a range of intermediary bodies, including statutory bodies and agencies funded from the Vote. The briefing note outlines arrangements in place to oversee and monitor the delivery by those bodies of their services and business targets.

A key challenge facing the Department, common with most other public bodies, has been

the pressure on resources, both human and financial, in recent years. In overall terms, the Department has seen funding across its programme areas reduced by 50% since 2008. That said, 2015 is the first year since then in which reductions were not imposed on current funding and, indeed, there has been some increase in the allocations to the Arts Council, the national cultural institutions and for commemorations. Clearly, this is a welcome development.

In regard to legislation, the Department's A list has two Bills - the National Concert Hall Bill and the Official Languages (Amendment) Bill, both of which have been the subject of pre-legislative scrutiny and are expected to be published in the coming weeks. Proposals in the Government's public service reform programme have resulted in the heads for two national cultural institutions Bills also being submitted for pre-legislative scrutiny. One relates to the National Gallery, the Irish Museum of Modern Art and the Crawford Gallery, Cork, while the other relates to the National Museum, the National Library and the National Archives. Work is being advanced on a new national monuments Bill and heads have been approved for a Heritage Council (amendment) Bill. Further proposals to amend the National Archives legislation are also under consideration at this time.

Before concluding, I might briefly refer to chapter 9 of the 2013 report of the Comptroller and Auditor General regarding accounting for certain National Gallery of Ireland expenditure. In line with the recommendation in that chapter, the National Gallery has now been brought within the ambit of the Vote of the Department of Arts, Heritage and the Gaeltacht on the same basis as the other national cultural institutions. I can confirm that I assumed the role of Accounting Officer in relation to the gallery with effect from 1 January 2015. I will, of course, be happy to expand on these areas as the committee wishes. Go raibh maith agat, a Chathaoirleach.

Chairman: Thank you. Can we publish your statement?

Mr. Joe Hamill: Yes.

Chairman: I invite Mr. Rainbird to make his opening statement.

Mr. Sean Rainbird: I thank the Chairman for his invitation to attend. As well as its Exchequer Vote, the National Gallery of Ireland generates income from a variety of activities, including retail, donations, benefactions and sponsorships. Under its enabling legislation, the board of governors and guardians may allocate its own resources at its discretion in the gallery's best interests. The situation has obtained for many years. In recent years, the gallery's Exchequer Vote has been severely cut. Calls on the gallery's own resources have, therefore, increased in order to enable the gallery to offer the public service the board and the executive believe essential to fulfilling the mission of the gallery.

As a result, the board of governors and guardians believe it was in the best interests of the gallery and its visitors to utilise the gallery's own resources to make up some of the shortfall in its Exchequer Vote allocation. They did this in order to maintain the high standard of public service commensurate with the gallery's reputation and strategic objectives. The case for maintaining the excellence of the gallery's service to the public during a period of partial closure was made all the more compelling because of the disruption to normal operations caused by the extensive phased refurbishment works.

Operating costs previously funded in full or in part from the gallery's Exchequer Vote were defrayed by own resources in the amount of €298,000 in 2013. This financing from own resources continued in 2014 and is expected to amount to €499,000 in 2015.

The Comptroller and Auditor General raised concerns about this. As a consequence, the gallery's separate Vote allocation was terminated from 2015 onwards and was replaced by an Exchequer grant allocated as a subhead of our parent Department's Vote, as we have heard.

This change represents a dramatic loss of profile for the gallery. However, after careful consideration, the board and its executive believe that as long as the gallery continues to generate and utilise its own resources at the board's discretion and the perception of independence from central government is maintained, this change will not adversely affect its ambitious plans.

The National Gallery is in the middle of a period of major capital investment in gallery infrastructure, funded by a combination of Exchequer sources and a substantial contribution from the gallery's own resources. The gallery has welcomed a commitment from its public funding partners that its expectation to continue to generate and for the board to allocate its own resources in support of services to the public will be fulfilled.

Chairman: Thank you, Mr. Rainbird. Can we publish your statement, please?

Mr. Sean Rainbird: Yes.

Chairman: I invite Ms Fahy to make her opening statement.

Ms Catherine Fahy: I thank the Chairman and committee for inviting us today in regard to the 2012 and 2013 accounts of the National Library. Most people are familiar with their local libraries and libraries in the higher education sector. The National Library differs from these in that its statutory remit is to collect and preserve Ireland's documentary heritage for the benefit of the public. For that reason, it does not lend items and it seeks to keep whatever it acquires in perpetuity.

It was founded in 1877 and collects and makes available the shared memory of the Irish nation at home and abroad, caring for more than 10 million items, including books, newspapers, manuscripts, prints, drawings, ephemera, photographs and, increasingly, digital media. Its holdings range from 14th century Gaelic manuscripts to 21st century websites, from the papers of Yeats and Joyce to the writings of historic and contemporary political figures. It is also the guardian of personal histories in the form of archives of letters, photographs and diaries and family and local history sources, such as estate papers and parish registers. The office of the Chief Herald and the National Photographic Archive in Temple Bar are also part of the National Library.

The library today is faced with the challenge of collecting and preserving not only traditional print and manuscript media but also digital media. It must fulfil its duty to the public, which owns and pays for it, and contribute to the cultural and economic life of the nation by making its collections as accessible as possible in its reading rooms and exhibitions and also online. It must fulfil its duty to the public which owns and pays for it and contribute to the cultural and economic life of the nation by making its collections as accessible as possible in its reading rooms and exhibitions, and also online. In this time of transition between paper and digital, it must continue to collect and evolve to meet the needs of new generations.

I will now turn to the issues of concern highlighted in the reports of the Comptroller and Auditor General in our 2012 and 2013 accounts. In August 2013, library staff discovered the loss of certain items from the collections and reported the matter immediately to the Garda Síochána, the library board, and the Department of Arts, Heritage and the Gaeltacht. Detectives from the National Bureau of Criminal Investigation subsequently recovered a significant num-

ber of items believed to have been stolen. In November 2013, the media reported the arrest of a library employee in connection with the theft of material. The matter is still under investigation by the Garda Síochána. We are not in a position, therefore, to provide any further information lest it prejudice the investigation.

Following the discovery, the library took immediate steps to enhance security. For obvious security reasons, it would be ill-advised for us to disclose publicly specific details of these steps. However, I am happy to provide any members of the Committee of Public Accounts with a tour and overview of the library's storage areas. The library requested both the Garda crime prevention unit and two internationally recognised library security experts to conduct security reviews. The library's board and management have reviewed the resulting reports, and submitted these to the Department of Arts, Heritage and the Gaeltacht and the Office of Public Works.

In regard to the studentships, in 2010 it was decided to run a special studentship programme to be paid from the annual grant. This built on the success of an existing studentship programme dating from 1998 and financed from own resources. The library did not believe that discrete sanction was required from the Department of Public Expenditure and Reform for the studentships awarded under the programme in 2011-12. The Department of Arts, Heritage and the Gaeltacht advised the library in September 2010 that as the studentship programme did not constitute recruitment, promotion or an acting appointment to a management or administrative grade or to any other grade within the public sector, and as the programme for Government included a commitment to promote internships, the programme could not be opposed.

The studentships ran through 2011 to 2012 and provided professional developmental opportunities in catalogue and software development, digital collections, reference services, manuscripts, outreach and marketing. Seven studentships, at €17,100 per annum, were advertised in each of 2010 and 2011 and one in 2012. Some 310 applications were received in all, and 15 studentships awarded, with periods of service varying from three to 17 months. The aim of the studentship programme was to resource additional library projects that did not fall within normal job descriptions and to provide excellent career enhancement experience for the studentship holders, all of whom, we understand, went on to secure employment. The cost of the special studentships programme in 2012 was €113,662, which represents excellent value for the public funding allocated to it by the library. All studentships and internships have had approval by the Department of Arts, Heritage and the Gaeltacht since 1 January 2013.

Chairman: I thank Ms Fahy. May we publish her opening statement?

Ms Catherine Fahy: Yes.

Chairman: With regard to Ms Fahy's comment on the studentships awarded, was this explanation offered to the Comptroller and Auditor General?

Ms Catherine Fahy: The e-mail saying that the studentships did not contravene procedures was not included in the file when it should have been. It was not provided to the Comptroller and Auditor General. There was a significant turnover of staff in the interim and our HR unit was running with one person and our finance staff resources were also reduced. Corporate memory was lost and the e-mail had not been put on file. For that reason, the Comptroller and Auditor General was not informed when he was carrying out the audit. We regret that very much and when we went back to look over-----

Chairman: How long did it take the library to discover the e-mail?

Ms Catherine Fahy: There was an extensive search of files in our archive and it took us a week of investigating and trawling through e-mails.

Chairman: And then the e-mail was made available?

Ms Catherine Fahy: Yes.

Chairman: We will take up the invitation to the Committee of Public Accounts members and I ask Ms Fahy to liaise with the clerk to the committee to arrange an appropriate date.

Deputy Joe Costello: I welcome Mr. Hamill, Mr. Rainbird and Ms Fahy and their colleagues. I thank them for attending and for making opening statements. I have a number of questions to Mr. Hamill and the Department.

Chairman: I ask members and witnesses to remove mobile phones from the desk area because they are picked up by the microphones and interfere with the sound quality of the meeting's transmission.

Deputy Joe Costello: The Department was in receipt of provision of €251.5 million in 2013. In Mr. Hamill's opening remarks, he referred to considerable pressure on human and financial resources, and that the Department had seen funding across the programme areas reduced by 50% since 2008. That has improved somewhat in the current budget across a number of areas. Last year, there was a surplus of €1.5 million so the Department managed to return some money to the Exchequer.

Mr. Joe Hamill: My recollection of last year is that we managed to spend about 99% of our programme funding but we made some savings on the administration side. We have given some back in recent years. I have been handed the figures for 2013. On the arts side, we spent 99.98% of our programme funding and on the heritage side, including a deferred surrender taken over from the previous year, we spent 99.83%. On the Irish language, Gaeltacht and islands, we spent 99.74% and on North-South co-operation we spent 99.71%. On the programme side, given the pressure on bodies and resources, we tried to use resources as much as we could. Some of the difference last year was down to appropriations-in-aid. We had a total surplus of €348,000 in 2013, with a €1.25 million appropriations-in-aid difference. We brought in more appropriations-in-aid than we expected. The overall surplus of €1.6 million went back to the Exchequer but we spent almost everything we were given for the programme money.

Deputy Joe Costello: Mr. Hamill is not saying that it has bottomed out and that this is sufficient for all Departments.

Mr. Joe Hamill: In 2014, for the first time, we were not asked to make reductions and it was a first for this Department, which was only set up in 2011. As the process went through the Revised Estimates, we were given some additional funding going into this year. For the first time since we were established, we have turned the corner purely in financial terms. We were in a position to give some additional money to national cultural institutions, which have been under pressure. We have heard some of that already this morning and we provided extra money to the Arts Council and to commemorations. Most of the rest of the Department's allocation stayed as it was in 2014.

Deputy Joe Costello: The Department was subject to a considerable amount of decentralisation. It has offices in many places, such as Dublin, Killarney, Wexford, Na Forbacha in County Galway and a number of smaller regional offices. Has that worked?

Mr. Joe Hamill: It presents challenges. From various perspectives, part of the problem when we are scattered in different places is that most of the finance function is in Killarney. It raises some issues. We have all our Irish language and Gaeltacht people in Galway, which works quite well because they are in the Gaeltacht and close to Údarás na Gaeltachta. Our people in Wexford are slightly isolated perhaps in that they were to be there as part of the then environment Department and rather than being part of a very large Department there is a group of approximately 40 people. Issues arise in that regard, and also in terms of bringing people to Dublin for business and other such issues. We try to use video conferencing as best we can but there are costs and difficulties.

Deputy Joe Costello: It is an extremely rich Department that includes heritage, arts, the Gaeltacht, the Irish language and North-South co-operation. A huge range of activities is involved. In that sense the Department is decentralised given the range of activities in which it is engaged throughout the country.

I wish to inquire about a couple of issues raised in the report of the Comptroller and Auditor General. I note that €8.6 million was transferred to the fixed asset register for airstrips. That seems strange for the Department, but I presume it relates to the Gaeltacht area. Could Mr. Hamill provide clarification on the background to the expenditure and why the airstrips were required?

Mr. Joe Hamill: To go back, briefly, the overall context in the early 2000s and perhaps even the late 1990s is that there was a move at the time to look more at non-Gaeltacht islands. The Department in subsequent formations had paid more attention to the Gaeltacht islands but perhaps less so to non-Gaeltacht islands. A report was done in the mid-1990s to examine island development as a whole and it became part of Government policy at the time to consider the development of island communities generally both inside and outside the Gaeltacht. That was part of the background.

A study was commissioned from Cranfield University in 2001 or 2002 to look at air services for islands. That emerged from the fact that there had been a long-standing air service to the three Aran Islands for some years, which had been developed by Údarás na Gaeltachta as part of its services in the Gaeltacht.

Deputy Joe Costello: Was that already in place before 2001?

Mr. Joe Hamill: Yes.

Deputy Joe Costello: Could Mr. Hamill give more information on that? What islands had been serviced before 2001?

Mr. Joe Hamill: If I am correct, the three Aran Islands would have been – Inis Mór, Inis Meáin and Inis Oirr. At the time, Aer Arann was set up specifically for that purpose. It provided services both to islanders and to tourists and business. That essentially continues to today. The flights now fly from Inverin where a dedicated airstrip is located. Part of the thinking at the time was the development of such an approach. The study also considered Cleggan and Inishbofin. There was already a private airstrip in Cleggan which was used by private businesses. Coming out of the study the idea developed that there would potentially be a service between the mainland and Inishbofin. At the same time there was a proposal to put an airstrip on Tory Island. In a sense there was a general planned look at that stage around what might be possible on some of the main islands, mainly in terms of better access and also potentially for tourism

purposes. Essentially, the plan went ahead at that time and two airstrips were constructed, one on Inishbofin and one in Cleggan, at a significant cost of upwards of €9 million.

Deputy Joe Costello: Was that for the construction of both?

Mr. Joe Hamill: Yes.

Deputy Joe Costello: Was there public procurement for the contract?

Mr. Joe Hamill: Yes. All of those processes were gone through at the time. They went out to public procurement, they were constructed and there were no particular issues in that regard.

Deputy Joe Costello: Over what period did it happen? Could I get an idea of when it took place?

Mr. Joe Hamill: I am not sure if it says clearly in my notes but I will see if I can get the information for the Deputy. The work has essentially been finished for about five years. One is looking at the period prior to that, approximately 2005 to 2009. I will see whether I can clarify the matter for the Deputy.

Deputy Joe Costello: What happened then?

Mr. Joe Hamill: The whole environment changed. I should say that the cost of the service to the Aran Islands is reasonably significant. The idea of extending a service of that nature to new islands would always be a costly endeavour.

Deputy Joe Costello: It never happened. No aeroplane ever flew between Cleggan and Inishbofin.

Mr. Joe Hamill: Not officially.

Deputy Joe Costello: Was money put into Tory Island?

Mr. Joe Hamill: No. The county council identified a site on Tory and it went into a planning process but to my knowledge we did not purchase it at all.

Deputy Joe Costello: Did the Department purchase the sites in Cleggan and Inishbofin?

Mr. Joe Hamill: Yes.

Deputy Joe Costello: Is that part of the fixed asset register?

Mr. Joe Hamill: Yes. To be absolutely clear, in terms of Inishbofin, the site was acquired for us by the local authority through a vesting process and I think it has still not transferred to us but it is in the ownership of the local authority at the moment.

Deputy Joe Costello: Could Mr. Hamill give us an idea of what makes up the fixed asset? What materials, equipment and valuables are involved?

Mr. Joe Hamill: Essentially, they are fully constructed airstrips made of Tarmac and built to a standard that would take small commercial aeroplanes very similar to what Aer Arann has. We did not proceed with the final part of the planned project which was to finance the construction of two small terminal buildings that would have been used for equipment and for people waiting for flights. It was decided in the end not to do that.

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Deputy Joe Costello: Is Mr. Hamill saying that all we have is an airstrip?

Mr. Joe Hamill: Essentially, what we have is an airstrip with security fencing and so on.

Deputy Joe Costello: It is a derelict airstrip on which €9 million was spent that was never used. It is lying idle with grass growing on it, or perhaps it is not at that stage yet.

Mr. Joe Hamill: The only official use of them at the moment is by the Coast Guard from time to time. There have been reports from time to time of unauthorised flights but that is not anything we would encourage.

Deputy Joe Costello: Is the Department incurring any costs for their maintenance at the moment?

Mr. Joe Hamill: Yes, there is a maintenance cost. I do not know if I have the exact figure to hand. We are paying maintenance at the moment for the airstrips on the Aran Islands and for stand-by maintenance, if I could call it that, on the other airstrips.

Deputy Joe Costello: That refers to the Aran Islands but what about Inishbofin and Cleggan?

Mr. Joe Hamill: Yes, we are paying for maintenance on both Inishbofin and Cleggan.

Deputy Joe Costello: We are paying for both.

Mr. Joe Hamill: I should say that a decision in principle has been made to dispose of the airstrips. Within that context we are in discussions in one case with the Coast Guard, which has now agreed that we will engage with the OPW to examine whether a good business case exists to take over one of them to develop it as a Coast Guard depot. That is the one on the mainland.

Deputy Joe Costello: Is that on Inishbofin?

Mr. Joe Hamill: No, in Cleggan. I am informed that the maintenance for all of the airstrips in 2014 for the three Aran Islands, Cleggan and Inishbofin, was of the order of €300,000. Unfortunately I do not have a breakdown of the figures.

Deputy Joe Costello: For what period?

Mr. Joe Hamill: For 2014.

Deputy Joe Costello: Could Mr. Hamill get a breakdown? Was any money spent on the Tory Island project?

Mr. Joe Hamill: Not that I am aware. My understanding is that the project was mainly examined by the local authority in the context of potential planning but I can verify that as part of my note for the committee on the breakdown of the maintenance costs. A decision has been made not to go ahead with an airstrip for Tory Island. However, a helipad will be provided this year, which will be available for emergency use for health and safety purposes. A site has been identified and we are working with the local authority on the matter. The Department will provide the capital cost of construction of the facility, which when completed will be taken over by the local authority.

Deputy Joe Costello: How was the valuation of €8.6 million in respect of the two airstrips arrived at?

Mr. Joe Hamill: In what sense?

Deputy Joe Costello: In the sense of the fixed asset.

Mr. Joe Hamill: That figure reflects the actual cost expended by the Department.

Deputy Joe Costello: Does Mr. Hamill have a current valuation for it?

Mr. Joe Hamill: It was only taken into our account in 2013. That is the value we put on it at that point.

Deputy Joe Costello: Mr. Hamill mentioned earlier that it is proposed to dispose of the asset.

Mr. Joe Hamill: We have not at this stage gone into a commercial space of disposal. If a project that works comes forward, for example if the Coast Guard were to use the facility, then obviously we would see that as a public good and would try to work out something in that context. We may not actually take a decision to sell it.

Deputy Joe Costello: That is purely the mainland.

Mr. Joe Hamill: On the island, we have been in discussions with the local development association. It would like to take over the airstrip on the island and operate it as a private airstrip for tourism development purposes. Apparently, weekend flying is a growing market. I am not too familiar with it myself.

Deputy Joe Costello: It seems strange that in the region of €9 million was spent on a project that has never materialised and that nothing has happened in the intervening period since 2001 when the report in relation to the matter was carried out. That the facility is lying idle is a considerable waste of taxpayers' money. Perhaps Mr. Hamill would provide the committee with a full report on this project, including the procurement process involved, the work carried out on the mainland and the island, the reason for the decision to fence it off and leave it unused for five or six years and the current tentative proposal to dispose of it. It would be worthwhile if we could get that report.

Mr. Joe Hamill: Yes. I would like to make the point that we have moved from a position of capital provision for islands in 2008 being multiples of tens of millions of euro to the current capital provision of approximately €600,000. Critical to all of this is that the capital options dried up significantly at the time. Our first objective, when it became clear that there would not be any major investment on the capital front for the foreseeable future, was to ensure that the facilities were properly maintained and rendered safe. I remain hopeful that if we can develop the project, particularly in the context of the Coast Guard option, we will get a good outcome for the taxpayer.

Deputy Joe Costello: I would like now to focus on the turf compensation scheme, which has been very much in the news recently. I note that €2 million was spent on this scheme in 2013 and that a further €18 million has been committed for future years. Perhaps Mr. Hamill would provide an overview of the scheme and how it operates.

Mr. Joe Hamill: The Deputy will probably be aware that during 1997 and 2000 Ireland designated a range of raised bogs as special areas of conservation for the purposes of the habitats directive. Some 53 raised bogs were designated over that period. In January 2011, the European Commission issued a letter of formal notice to the effect that in its view Ireland had failed

to meet its obligations under EU law to protect these SACs and raised bog NHAs in terms of the regulation of turf cutting. The notice was fairly strongly worded. This was followed up with a reasoned opinion from the Advocate General, essentially threatening to take interim measures against Ireland if we did not act quickly on the matter. That reasoned opinion was issued in June 2011, at which time it seemed there was a real danger that Ireland would be injuncted, brought before the European Court of Justice, and subjected to fines and, possibly, daily fines.

The Government at the time took the view that strong action was needed. Part of this action was to put in place a compensation scheme for people who were cutting turf on these raised bogs-special areas of conservation. A turf cutting compensation scheme, essentially offering compensation over 15 years, was put in place. The payments per annum are €1,500 subject to a consumer price index review each year. Up to end 2014, we had made approximately 6,400 payments under that scheme, some of which were multiple payments in respect of years 1, 2 and 3. Overall, approximately 2,000 cutters have signed up to the scheme. An incentive payment of €500 was also provided to those people who signed a legal agreement with the Minister. At end 2014, 1,882 legal agreements had been issued, of which 1,408 have since been returned. We have paid the incentive payment to 1,310 people. This means approximately 1,300 of the approximately 1,900 legal agreements issued have been fully executed.

In 2014, the scheme was extended from SACs to natural heritage area, NHA, raised bogs. By end 2014, we had received 164 applications under the NHA designation, of which 94 have been accepted and paid. Since the scheme was rolled out in mid-2011 we have spent approximately €11.6 million on it.

Deputy Joe Costello: Mr. Hamill said that the Department had written to 1,882 individuals.

Mr. Joe Hamill: Legal agreements were sent to them.

Deputy Joe Costello: Only 1,300 have been returned and finalised.

Mr. Joe Hamill: Approximately 1,400 had been returned by end 2014 and approximately 1,310 have been paid the incentive payment following signing of the legal agreements.

Deputy Joe Costello: There are approximately 500 people who are not engaging.

Mr. Joe Hamill: No, I would not say that.

Deputy Joe Costello: What is the situation with the others?

Mr. Joe Hamill: As is well known one of the difficulties in this area is proof of turbary rights on particular lands. Those claiming must also provide evidence that they have not cut turf in the previous five years. Claimants need to be able to satisfy a number of conditions before signing an agreement. It is an ongoing process.

Deputy Joe Costello: It is constantly reported in the media that there are disputes in this area. Is Ireland at this point in time fulfilling its requirements under EU law?

Mr. Joe Hamill: The European Union is satisfied at this point that we are working hard to try to get this into the right space. Cutting is still being carried out in areas where the Commission does not want to see it, but there has been an improvement. Approximately 1,300 plots were cut illegally, as we see it, in 2011, but the figure decreased to approximately 300 plots in 2014. We are working with the Commission.

Deputy Joe Costello: That is a substantial reduction.

Mr. Joe Hamill: Yes.

Deputy Joe Costello: Mr. Hamill provided a figure for plots. I presume he is not referring to individuals in that regard.

Mr. Joe Hamill: No, there were 300 plots on 25 bogs in 2014. It is difficult to know the number of people involved.

Deputy Joe Costello: The figures suggest industrial turf harvesting is taking place on raised bogs subject to conservation orders.

Mr. Joe Hamill: Absolutely. My understanding of what happens on many bogs is that a tractor is brought in to aid the work of cutters on the bog and that the tractor operator is paid by the cutters. Much of the work is done by contractors and one of the issues arising is that a large machine can do a much greater volume of cutting. If everyone was still cutting with a slean, we would be in a different space.

Deputy Joe Costello: It is not quite a matter of keeping the individual home fire burning in the winter time.

Mr. Joe Hamill: I do not want to suggest there are not a lot of people who cut turf for domestic use. They have been cutting turf for many years and we want to work with them. One of the options we have offered and which some have taken is that instead of taking compensation in monetary terms, the turf supply is delivered to their doors. We have made approximately 650 such deliveries since the scheme began. Some people simply want to have their turf and are willing to take that route. I should acknowledge that some people have a very deep connection with their bog land and their ownership of it. We want to work with them to find places on undesignated bogs where they can cut.

Deputy Joe Costello: Is the scheme still open to those who did not join previously as the amount of activity decreases on these bogs?

Mr. Joe Hamill: It is still open.

Deputy Joe Costello: Under the same conditions.

Mr. Joe Hamill: The conditions are the same.

Deputy Joe Costello: That explains the figure of €18 million.

Mr. Joe Hamill: The money essentially reflects what we will have to pay in the balance of the 15 years to people who have now signed legal agreements.

Deputy Gabrielle McFadden: I was very concerned about the thefts from the National Library of Ireland and would like more details on the matter. Shall I ask a series of questions now or would it be preferable to allow time for individual responses?

Ms Catherine Fahy: I must point out that I am constrained in what I can say in the light of the ongoing Garda investigation.

Deputy Gabrielle McFadden: I appreciate that. Can Ms Fahy tell me generally what kinds of items were stolen?

Ms Catherine Fahy: I cannot.

Deputy Gabrielle McFadden: Can Ms Fahy provide a value for what was stolen?

Ms Catherine Fahy: No.

Deputy Gabrielle McFadden: What percentage of the items have been recovered?

Ms Catherine Fahy: I have been advised by the Garda to say nothing.

Deputy Gabrielle McFadden: I will move on to the issue of security, of which the National Library of Ireland carried out a review. At what point did it become aware that the items were going missing? Had they been missing for a long time before it realised they were missing? Why did it have to find somebody from Denmark to review security arrangements? Could we not find someone at home?

Ms Catherine Fahy: The Danish people heard about the situation through our library network and the national librarian of Denmark volunteered the services of two people who provided their services for free. We only paid their expenses. They are internationally recognised for running a library security network. We were happy to receive their assistance.

Deputy Gabrielle McFadden: They provided their services for free.

Ms Catherine Fahy: Yes.

Deputy Gabrielle McFadden: What was the overall cost of the review of security?

Ms Catherine Fahy: We paid their expenses, which amounted to a little more than €2,000. The Garda Bureau of Criminal Investigation also provided its services for free.

Deputy Gabrielle McFadden: Ms Fahy is unable to provide details, but I presume the recommendations are ready to be implemented.

Ms Catherine Fahy: The recommendations are extensive and require a considerable amount of co-ordination and some capital expenditure. Our library premises are very extensive and spread over a large part of Kildare Street. Some of the buildings date from the 1890s and have not been changed much since. They do not meet modern requirements. We have made a submission to the Department of Arts, Heritage and the Gaeltacht to fill a vacant security position because we want to appoint a senior member of management to deal specifically with the issue of security. I referred to depleted staff resources. This issue has had a particularly hard impact on facilities management, security management and general administration. The Department has expressed some support for us and we will be actively pursuing the matter.

Deputy Gabrielle McFadden: When does Ms Fahy expect a decision to be made?

Ms Catherine Fahy: Soon, I hope. I am hopeful it will be made in the next couple of months.

Deputy Gabrielle McFadden: There is not much else I can ask.

Ms Catherine Fahy: I apologise, but I am constrained in what I can say because of Garda advice.

Deputy Gabrielle McFadden: When does Ms Fahy expect the case to be completed?

Ms Catherine Fahy: I cannot say that either.

Deputy Gabrielle McFadden: This is my first time to do this and I picked an awful subject.

Ms Catherine Fahy: I am sorry that I am not able to say more.

Deputy Gabrielle McFadden: I understand. I do not want to prejudice a potential criminal prosecution.

It has been disclosed that €276,000 was spent on professional fees in 2012. The legal services contract expired in 2012 and the library has not yet put another contract in place.

Ms Catherine Fahy: We renewed the contract with our existing provider. At that point our situation was somewhat confused because we did not know how imminently we would be dealing with a proposal to combine our governance structures with those of the National Museum of Ireland. We did not know whether we would need to seek new legal services in combination with the National Museum of Ireland or whether we would receive services from the Chief State Solicitor. We were also unsure about our situation with regard to the State Claims Agency. A procurement process was started in conjunction with the National Museum of Ireland, but because of all these issues, it was abandoned. As a number of cases were also ongoing with our existing provider, we felt it would be preferable to stay with that provider until the position was clarified. In 2013 we applied to be delegated to the State Claims Agency. We were delegated by statutory instrument on 19 April 2014. The State Claims Agency will now manage personal injuries and third party claims against the library, which we think will significantly reduce our requirement for external legal advice in the future.

Deputy Gabrielle McFadden: In the intervening period, what expenses were incurred for work done outside of contract?

Ms Catherine Fahy: It was not done outside of contract because we had renewed the contract. Our legal costs in 2013 and 2014 were much lower than in 2012.

The year 2012 was an exceptional one because a number of human resources, HR, issues arose. New copyright legislation was being drafted and the National Library of Ireland, NLI, was required to contribute passages and amendments which needed to be drafted in legal terminology. There was also a serious challenge to our copyright on the James Joyce collections held in the National Library. Seamus Heaney donated collections to the National Library under section 1003 of the Act and there was a significant amount of legal input required to finalise the agreement. We also got a lot of legal advice from our legal providers on drafting requests for tender, RFTs, and contract templates to ensure compliance with Government procedures. We had a number of freedom of information, FOI, requests on which we also needed advice.

Deputy Gabrielle McFadden: Between 2011 and 2012 there was a 44% increase in costs.

Ms Catherine Fahy: It was due to circumstances and to the level of service.

Deputy Gabrielle McFadden: It has not been the case since then.

Ms Catherine Fahy: No. In 2013 our costs were €30,173, which is much more normal.

Deputy Gabrielle McFadden: Can Ms Fahy repeat that figure?

Ms Catherine Fahy: Our legal costs were €30,173 in 2013.

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Deputy Gabrielle McFadden: Down from what amount?

Ms Catherine Fahy: Down from €179,421.

Deputy Gabrielle McFadden: It is a huge drop.

Ms Catherine Fahy: It is.

Deputy Gabrielle McFadden: On employee costs, 50 members of staff received allowances. The library has a total staff of 102.

Ms Catherine Fahy: No, sadly, we do not.

Deputy Gabrielle McFadden: What is the total number of staff?

Ms Catherine Fahy: Our total staff at present, as of 31 December 2014, is 79.5 and we have six interns.

Deputy Gabrielle McFadden: Okay, but 50 members of staff received an allowance.

Ms Catherine Fahy: The staff who receive allowances-----

Deputy Gabrielle McFadden: For what would those allowances be paid?

Ms Catherine Fahy: The monthly allowance is an early-late allowance, which is paid to staff who work into the evening. It is a long established allowance and the grades of staff who get it are comparatively low paid. We also pay an allowance to security staff who are on call at night if anything happens during the night. If there is any type of flood or if any of the alarms are activated, the staff are on call and have to come in.

Deputy Gabrielle McFadden: Are the same 50 people getting these allowances all the time? Would it be more cost-effective to regularise their pay rather than to give these allowances all the time?

Ms Catherine Fahy: Yes. I am sure that will eventually be the case.

Deputy Gabrielle McFadden: I imagine it would be more cost-effective to do that.

Ms Catherine Fahy: Yes.

Deputy Gabrielle McFadden: Thank you, Ms. Fahy.

I have a few questions for the Secretary General of the Department. He is to give us a report on the airstrips but I wish to ask a few questions about them. Was a feasibility study done before the money was spent on them? Where was this project instigated? Whose idea was it to have the airstrips, who initiated it?

Mr. Joe Hamill: I referred earlier to the independent study that was carried out by Cranfield University which specialises in the area of passenger services and so on. They were brought in back in 2001.

Deputy Gabrielle McFadden: By whom?

Mr. Joe Hamill: It would have been by the Department at the time, which was then the Department of Arts, Heritage, Gaeltacht and the Islands in 2001. When the Deputy asked “by

whom”-----

Deputy Gabrielle McFadden: Was a feasibility study or a value for money audit done on it? To me, the idea of spending €9 million on something that is derelict is outrageous.

Mr. Joe Hamill: Certainly looking at it from that perspective, it is not a good story to tell. I fully accept that. I can probably only go back to what I said earlier in that when the idea was developed it was done so very much as part of a strategy at the time to develop transport infrastructure for the islands. It was put into the national development plan around 2003 and the strategy was to undertake major developments of island infrastructure. It was developed in that context. It was a very different time. The allocation to the islands in one year then was around €40 million. As I mentioned earlier, it is about €600,000 now.

I have to say there was a change in the circumstances at that time. I will give an example, although it is a bit of an extreme example. The passenger traffic to the largest of the Aran Islands - the Deputy is probably aware of this - exceeds 250,000 passengers every year, the number that make that short trip. The Department worked at the time with Fáilte Ireland around the idea of promoting the islands as a destination. We were involved in developing web-based information around promoting islands as special places and part of the strategy around that was to build up the methods of access. It was part of a wider story. Around that time we developed the sea transport access routes to quite a large number of non-Gaeltacht islands that had not had them previously, and many of those are still there. We have about 22 sea-based services to islands. The only air-based services that are there are the ones that were there from the beginning, which are those to the Aran Islands. I would put it in that broader context. A lot of investment was being put into island infrastructure at the time. This was part of it. Without jumping the gun on procurement or anything else like that, there was a possibility that the Aran Islands services might have been expanded in some way to include that Clifden-Inisbofin leg of the route.

Deputy Gabrielle McFadden: It is not that I do not recognise how beautiful the islands are and that we should promote them and invest in them but it seems that just because the money was there it had to be spent. If a private company was spending €9 million on a project it would carry out a feasibility study to make sure that it was worth spending the money. That €9 million was spent simply because it was there, but it should not have been spent. I am not against development for the islands. They are a wonderful asset.

What was the €300,000 in respect of maintenance spent on, if these are practically derelict airstrips? Why is there a cost of €300,000? Did it cost €300,000 to maintain them in 2014?

Mr. Joe Hamill: The figure of €300,000 that I mentioned is for all the airstrips. It includes the airstrips on the three Aran Islands that are constantly used. It also includes the management costs involved, which are only for the Aran Island where people are needed to oversee the flights, the passengers and so on.

Deputy Gabrielle McFadden: Therefore, we do not know what it costs to maintain the two derelict airstrips.

Mr. Joe Hamill: I will have to put that into the note I will forward on.

Deputy Gabrielle McFadden: That is fine. Thank you, Mr. Hamill.

Deputy Paul J. Connaughton: I welcome all the delegates. The issue of the turf compensation scheme was previously covered by Deputy Costello. Unfortunately, I am only two well

aware of the concerns about this issue. Counties Galway and Roscommon had many of these designations. I come from an area where my father cut turf in a bog that has now been designated. I am well aware of the frustration and anger that there is over this scheme. I am also aware of what the Department is attempting to do to resolve what is a very difficult situation.

This issue dates back to 1997. When this scheme was introduced, I was 15 years old and I thought it was the best news I heard in that I would never have to go aback to the bog again. However, on becoming a public representative, I quickly changed my mind. This is a problem that will not go away. I wish to concentrate on one area. The Department covers special areas of conservation, SACs, natural heritage areas, NHAs, and special protection areas, SPAs nationwide. There are so many designations now one would get confused. They all come at a cost in aiming to compensate people. Under the turf compensation scheme €18 million has been set aside. What about other areas such as hen harrier designated areas? We are getting to a stage where many of these programmes will be coming to an end and those affected feel they should be continued. How does the Department think we will sort out these myriad issues over the next five to ten years?

Mr. Joe Hamill: I acknowledge the Deputy has been very involved in the bogs issue, with which he and I are familiar. Some of the areas have shown the way forward, where communities have come together with the right type of leadership and have found a way of relocating. We hold them up as a model to other areas. The Deputy is absolutely correct on the wider issue. In recent years a number of National Parks and Wildlife Service plans have developed in various ways in response to various situations, often where there has been a threat of legal action from the EU because we are not dealing with a particular species, such as the hen harrier. In such a case, the Department has no option but to comply with the requirements of the habitat or birds directives. It must designate areas with consequent difficulties for people farming in them.

The hen harrier is a good example, where over a period the Department put in place an incentive scheme for farmers willing to work in a particular way to encourage the hen harrier rather than deter it. The Department paid over moneys. This became too expensive and at a certain point the Department had to close the scheme. We are now running it down. In overall terms we spent approximately €13 million on the scheme. It was very expensive. As the Deputy probably knows, we have had other schemes with varying degrees of success, a recent successful scheme being the corncrake scheme. We have also had schemes for waders and geese, in Wexford in particular. We have a range of such plans. At present our position is that most of them are coming to an end.

The view from Europe is very much along the lines that the Natura framework exists in all of the member states and as such they have legal obligations. There is a co-funding mechanism with Europe to find ways to compensate farmers or help them do certain things in different places. Much of our discussion in the recent past has been with the Department of Agriculture, Food and the Marine on the rural development plan, in particular the GLAS and GLAS plus programmes, under which farmers in designated areas will be required to farm in an environmentally-friendly way - there is other terminology to describe it - and they will be compensated appropriately through the programme. From our perspective we see our future interventions more as asking people to do a particular thing which has a cost. A good example is the Wexford Slobs, where farmers were asked to plant fields and not cut them so the geese could come and eat the crop. We see more measures being part of a broader co-financed package rather than falling 100% on the Exchequer. This is the broad situation as I see it.

Deputy Paul J. Connaughton: I understand this, but a concern for many landowners throughout the country who are affected is that the designation means their land has been rendered valueless. People want to use their land as collateral but the banks refuse because they know the owners cannot do anything with the land and it is not worth anything to them. It cannot be farmed and it cannot be sold because of the designation. The Department has always attempted to compensate, but it is running out of funding because there are so many designation programmes. What is Europe's role? From an environmental perspective, one will not find people more willing to protect their environment than landowners. In many cases, particularly with regard to the younger farming community, it is a very bitter pill to be told by the Department to protect an area but to be told also that it cannot afford to pay them any more compensation. I am trying to understand the connection between the Department, the Department of Agriculture, Food and the Marine and Europe when it comes to solving this. All of these designations arrive at one go. In certain parts of the country one might be caught with three or four of them. I know this is a hard question to answer, but what does the future hold? All of these problems are cropping up now and they will not go away. Could Europe be doing more from a funding perspective? The Department certainly will not be able to cover all of the costs.

Mr. Joe Hamill: To pick up on the last point first, the Commission believes we have far more possibilities, such as the LIFE programme. There has been a very good LIFE programme in the Burren for a number of years. We have launched two more LIFE programmes, one on the Aran Islands in the past 18 months and another in Kerry which has just begun. We are looking at others. These are very much geared towards local farmers coming on board and working with people in the community. It is fair to say the Burren programme started in a suspicious context when farmers were not too sure about it. I was there recently when it received a European award and there was a great sense of co-operation and positive engagement. The number of farmers who wanted to join the programme on the Aran Islands exceeded the number which could do so. These programmes are small at this stage, but their approach is successful.

What we have always tried to say, which perhaps has not always been appreciated, is that in many cases farmers create or maintain these habitats. It is not the case that we do not acknowledge this. The difficulty is trying to balance the various interests. It has been said at different times that we have been too focused on science and not enough on social implications. The problem is this is what the directives require us to do, to assess the science and put in place systems which people can appeal. The appeals board has heard appeals in recent months and upheld some of them. Such processes are in place.

The bogs controversy certainly brought it home to me that the biggest deficit in all of this was that people felt they were not being listened to and did not have enough chances to say their piece. This is certainly something we have been discussing. We have been looking at how we operate and how we engage with communities. With regard to the hen harrier, we are trying to establish a system with a good consultative committee which will feed into a response threat plan which will, hopefully, help to give us a bit of flexibility.

I do not question the legitimacy of any of this, but it is very much a balancing act in Europe between the Commission, legal obligations, farmers, the regulatory authorities and the NGOs, and it is about trying to get it all to work in a reasonable way. I acknowledge that at times it is very difficult in individual cases and sometimes there may not be many options. Coming back to the bogs, we are trying to find a national approach whereby we can tell the Commission we are protecting areas but that it will not work in some places and that we would like to dedesignate a small number and compensate in another way. To do this we must have a national

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approach and we do not have this over the line, with some of the interest groups not quite engaging on it in recent times. This is how we are trying to move it forward. It is very complex.

Chairman: To move on to another issue, will the Limerick City of Culture accounts be presented to the committee?

Mr. Joe Hamill: As the Chairman knows, when the grant was approved to the council we set up a service level agreement signed by the chief executive officer, CEO, and the Minister. One of its provisions is that all the papers relating to the grant are amenable to the Comptroller and Auditor General. Between now and March we will be in a position to get the full audited account of the proceeds of the year which we will present to the Comptroller and Auditor General. We are happy to work on that.

Chairman: Will you be kept informed at all times about the costs and everything else? Are you happy that is operating properly?

Mr. Joe Hamill: Absolutely. All of the money from the Department goes out through the Vote, which will be a matter for this committee. The overall account will be professionally audited in full. We will then give it to the Comptroller and Auditor General. We have made it a condition of the service level agreement that all the papers must be available to the Comptroller and Auditor General on request.

Chairman: A total of €102,179 was paid in a voluntary settlement with the Revenue Commissioners.

Mr. Joe Hamill: That is right. Briefly, by way of background, there had been correspondence between Revenue and Departments about Departments being sure that, like any other taxpayer, they were completely in line with tax requirements and so on. We did some work internally. A legacy issue which came to light was that the Department for many years had several houses, mainly in or beside national parks. They came with the parks when they came into State ownership, the largest one being the Killarney National Park, where there are more than 35 houses. Over the years, employees of the estate and later of the Department, lived in the houses. It became clear to us that they had never been regularised as potential benefits in kind.

Chairman: Was the Department just settling that matter?

Mr. Joe Hamill: We made a voluntary disclosure to Revenue. We worked through that, assessed all the houses, got valuations and put in place a process and came to an agreement with Revenue on how to treat our historical liability. We paid some penalties at the lowest end of the scale because we had come forward. It is completely sorted now. We have just given a summary report to the Comptroller and Auditor General on the outcome. There remain a few people who will have to pay benefit in kind as part of their own tax liability.

Chairman: Do the legal services go out to tender? Which firm does the Department deal with?

Ms Catherine Fahy: The firm is Beauchamps.

Chairman: Is there a tender process?

Ms Mary Neville: It was last tendered for in 2009 and since then the contract was extended to 2014, largely because there were several ongoing issues. Now we are not clear that we need to go to tender as the level of legal expenses is so low because the State Claims Agency is able

to deal with many of the types of legal issues that arise.

Chairman: The last tender was in 2009.

Ms Mary Neville: It was.

Chairman: The Department has been using the same company since then.

Ms Mary Neville: It is.

Deputy Patrick O'Donovan: I would like to go back to the questions Deputy McFadden asked. I know that Ms Fahy is limited in what she can say. From the public's point of view, how do we know that there is not more missing from the National Library than the items being looked for? According to media reports these items were missing for up to a year before that was even detected?

Ms Catherine Fahy: We did undertake significant stock checking following the incident. The stock checks did not reveal any surprises. Carrying out stock checks of 10 million items is quite an onerous exercise. We plan a series of phased stock checks and spot stock checks.

Deputy Patrick O'Donovan: Is that complete?

Ms Catherine Fahy: Not of all 10 million items.

Deputy Patrick O'Donovan: Other material could be missing.

Ms Catherine Fahy: Yes.

Deputy Patrick O'Donovan: How can the public help to recover material that is missing and being sought if the library does not tell the public what is missing?

Ms Catherine Fahy: There is a procedure to seek material when it is identified as missing.

Deputy Patrick O'Donovan: People are potentially going to antique fairs, car boot sales and sales of work where artefacts owned by the State are put up for sale and buying them.

Ms Catherine Fahy: It is very difficult to sell materials from the library because they are stamped with ownership marks. That renders them virtually unsaleable, which is a significant disincentive to potential thieves. We also have quite strict regulations in our reading rooms. We issue rare materials only under close supervision and in designated areas we have electronic tagging devices on our book collections, which is also a deterrent to potential thieves. It is a problem for libraries worldwide.

Deputy Patrick O'Donovan: Regardless of what marks are on an artefact owned by the State, if a nice book comes up for sale from the boot of a car at a mart and winds up on someone's coffee table the person does not know it is the property of the State and has been robbed. At what stage does the library say it must tell people what is missing in order to recover these things?

Ms Catherine Fahy: The volume of material is a significant impediment to doing that.

Deputy Patrick O'Donovan: There are a lot of artefacts missing.

Ms Catherine Fahy: Not that we know of. I cannot say that every one of the approximately 10 million items we have is in store unless I have the resources and capacity to conduct a stock

check. We aim our stock checks at our most vulnerable and rare material but it is a huge task and we need-----

Deputy Patrick O'Donovan: Does Ms Fahy accept my point, that unless the public and the media know what has been stolen and is potentially for sale-----

Ms Catherine Fahy: There is an international network of antiquarian dealers and library dealers-----

Deputy Patrick O'Donovan: They would be the last people the person would sell back to.

Ms Catherine Fahy: We scan their catalogues all the time.

Deputy Patrick O'Donovan: They are not going to sell it to legitimate librarians, with the greatest of respect. If they have stolen material from a library they are hardly going to offer it to the British Library.

Ms Colette O'Flaherty: There are international mechanisms for sharing information between libraries about material. Libraries have been considering publishing lists of material. It certainly is something-----

Deputy Patrick O'Donovan: Do you accept that the material will not be brought to your colleagues in other libraries?

Ms Colette O'Flaherty: In order to notify a potential buyer that material is available a list is usually published by somebody. It is a very small network of dealers.

Deputy Patrick O'Donovan: It is fair to say it will never be recovered unless you tell people what is missing. It will never be presented to colleagues in national libraries or universities around the world.

Ms Catherine Fahy: There is a huge variety of material in our collections. We have unique manuscripts and multiples of books. If a book of a low value goes missing it is relatively easy to replace it.

Deputy Patrick O'Donovan: Is it the practice of the library or has it been advised not to tell people what is missing?

Deputy John Deasy took the Chair.

Ms Catherine Fahy: It has never come up. It is not a common library practice.

Vice Chairman: There is a difficulty because an investigation is ongoing. How many artefacts have been recovered so far?

Ms Catherine Fahy: I am not allowed to reveal that information.

Deputy Patrick O'Donovan: It is fair to say that we will never find out. I will move on to island airports. Could Mr. Hamill tell me whether the Department is paying a charge to the Irish Aviation Authority, IAA?

Mr. Joe Hamill: Not for the two that are unused at the moment. They are not licensed by the IAA.

Deputy Patrick O'Donovan: I realise the Department was the funding Department for the

Limerick City of Culture initiative. I am wearing a parish jersey now. What was Mr. Hamill's overall impression of the year in terms of value for money and the events that were held? How has it positioned Limerick in terms of a possible bid for European City of Culture?

Mr. Joe Hamill: It may be stating the obvious. Limerick did not get off to the start we all would have wished for. There were some difficulties that were reported in the media. It developed very well when things settled down. We felt that the breadth of the events was very good and that the critical appreciation of them was very positive. My experiences in Limerick over the period were very positive. I felt the City of Culture was making itself felt not just in art galleries but around the city, which was very positive. In terms of value for money, we only have anecdotal stuff at this stage. We have some reports back from the CEO that the returns relating to bed take-up in hotels were very positive so that side of it has been very good. I thought the numbers held up very well. I got some estimated attendances. One thing that caught many people's imagination was the "Granny".

Deputy Patrick O'Donovan: What did Mr. Hamill think of the State broadcaster's coverage of the "Granny"? I am sure he was down there.

Mr. Joe Hamill: I was unable to attend but some of my colleagues were there. Anything I saw was fairly reasonable. I was getting some of my material by pictures on a telephone so I was getting it as it was happening. Anything I saw about the "Granny" was very positive. The reported figures are that upwards of a quarter of million people turned out to see it, which was phenomenal in its own way. I know it was expensive but in many ways many of us would have loved to see it as the culmination of the year if it had only been at a different time. It was a great highlight. There were approximately 650,000 attendances over the course of the year and one must put that in the context of the population of Limerick being around 57,000. On those sides, it was all very good. There are some legacy projects. The "Made in Limerick" aspect that dealt directly with artists in the city turned out to be very successful.

Deputy Patrick O'Donovan: Is there a funding stream for legacy?

Mr. Joe Hamill: Not at this stage. The funding we had was essentially for the year. We put some funding into legacy-type projects that will run forward. The Deputy mentioned the European City of Culture coming up in 2020. I saw in the media the other day that Limerick has now declared that it will be putting in a bid for that. It was launched in December and it is a ten-month process.

Deputy Patrick O'Donovan: What role does the Department have in that?

Mr. Joe Hamill: The process is followed through according to European rules. An independent committee is set up to do the evaluation. We are allowed to put two people on that and we will do so. Essentially, the process is set down in European regulations. It is a fairly long process.

Deputy Patrick O'Donovan: Will the Department be asked to make a recommendation, for want of a better word?

Mr. Joe Hamill: I would not think so. I am pretty sure it would not be asked. Our only direct input would be to nominate two people to the committee.

Deputy Patrick O'Donovan: Have they been selected?

Mr. Joe Hamill: Not yet but the Minister has indicated she will be putting two forward.

Deputy Patrick O'Donovan: With regard to future national cities of culture, based on the experience in Limerick, who is next in line?

Mr. Joe Hamill: When the Government announced Limerick, it was envisaged that there might be a further national city of culture around 2018. It has decided that this is too close to the 2020 European one so that has been deferred. The next city of culture will be the European City of Culture in 2020.

Deputy Patrick O'Donovan: Limerick would have been the only national city of culture, so surely it would be in a very strong position from the Department's perspective?

Mr. Joe Hamill: Clearly I must be neutral on that. I believe there are one or two other cities and areas who are thinking of putting forward bids as well. In terms of value for money, we have just signed off on an approach to carry out an initial *ex poste* evaluation of the year so we will be working with the council. We are going to use the criteria the European City of Culture uses as our basis for getting that up and running. I am not saying it will be the only evaluation we will do but it will be an initial evaluation.

Deputy Patrick O'Donovan: Are there other expressions of interest for 2020?

Mr. Joe Hamill: I know Galway has been in the media and I would not be surprised if there were one or two others. I believe five or six have signalled so we will have to wait and see. I understand it is a ten-month span for people to put in their bids.

Deputy Patrick O'Donovan: Is there a minimum population level?

Mr. Joe Hamill: No.

Deputy Patrick O'Donovan: So any town in Ireland could apply?

Mr. Joe Hamill: There is some flexibility. We have had some queries on this. I am not fully sure. Groupings were another possibility put forward. If two or three towns were adjacent to each other, could they put forward a bid?

Deputy Patrick O'Donovan: It is an Irish solution to an Irish problem.

Mr. Joe Hamill: We must see. Ultimately, it must fit into the European rules.

Vice Chairman: To return to the point raised by Deputy O'Donovan about the missing artefacts, I am looking at the December 2012 internal financial control statement from the National Library. It says that a significant amount of material was recovered. I do not know whether it came about because of the systems and controls mentioned by Ms O'Flaherty.

Ms Catherine Fahy: A significant amount of material was recovered but we cannot give any more details.

Vice Chairman: Ms Fahy is being guarded and that is fine.

Deputy John Perry: I welcome everybody here. Mr. Hamill has a huge footprint across the country in all the different areas he covers. I have a brief question about changes to national lottery funding. How effective is that funding and how regional is its spread?

Mr. Joe Hamill: The issue around national lottery funding is strange in a way. We do not get funding directly in the sense of being given national lottery funding to distribute. There are a number of parts of the Vote that are part-funded by the national lottery. Areas like the Irish language are part-funded by the national lottery. We get our allocations through the Estimates in the normal way and at a certain time of the year, national lottery funding is distributed through the Department of Public Expenditure and Reform. It is offset against our Vote. We do not distribute national lottery funding directly in that sense. The areas that are part-funded are the Arts Council, which makes its own decisions about how it disperses its moneys under its own legislation, the Heritage Council and our Irish language schemes, which is the only area where the Department spends money directly that is then partly offset against national lottery funding. Some of the work we do around promoting the Irish language, particularly outside the Gaeltacht, would be funded in that way.

Deputy John Perry: There was always a community focus to the utilisation of the profits from the national lottery. Has there been a diminution of this since it was handed over to Camelot?

Mr. Joe Hamill: No, not from our perspective. The areas for which we receive lottery funding which goes into communities are the arts, heritage, festivals, Irish language events and sports games.

Deputy John Perry: Comhaltas Ceoltóirí Éireann organises Irish music feadh around the country. Does it receive funding from the Department?

Mr. Joe Hamill: Comhaltas is funded by the arts side of the Department. In 2014 its annual allocation was €1.59 million. From the Department's perspective, this supports a large range of branches of musical activity, much of it voluntarily organised in many places. While it is quite a large allocation - it did take a hit like other parts of the Department's Vote - we see it as delivering much for us. Comhaltas was particularly successful during Derry's tenure as city of culture when it brought its annual Fleadh Cheoil there. This had positive implications across the island. It was of particular financial benefit to Derry, but in broad cultural terms, it was a very big win from a national point of view.

Deputy John Perry: I compliment the Department on funding Comhaltas and the benefits it brings to tourism. When Comhaltas held its annual feadh in Sligo, it brought an estimated €50 million to the local economy.

The Minister for Finance introduced various film tax incentives in budget 2015. What will the Department do to ensure added value? Is there enough studio space to accommodate future development and growth of the industry?

Mr. Joe Hamill: There has been an improvement in the tax regime for the film industry, with a commitment to keep it in place until 2020. Much of what we do in this area is through the Irish Film Board. It receives funding from the Department on the current side to run its operations and, on the capital side, to give development loans and so forth for film projects. The Department also makes places available for filming such as Collins Barracks.

The studio issue is one on which we have had discussions. There are studios in County Wicklow such as Ardmore Studios and Ashford Studios in Ballyhenry, as well as Studio Solas in Galway and various animation studios. There is capacity, but it is well acknowledged that there is pressure on it. We have been holding discussions on how to encourage the develop-

ment of better or larger facilities in different places. Having these facilities available will help to deliver the big projects such as “Vikings” in Ballyhenry or “Penny Dreadful” in Ardmore Studios. If one does not have the facilities required, one will not draw these productions. With pressure on the space available, we need to examine this issue closely. We hope to bring this issue forward with the Department of Jobs, Enterprise and Innovation, Enterprise Ireland and the Irish Film Board. It is not an open and shut issue, as there are potentially state aid issues that must be addressed. There are several enterprises interested in this area and the Department wants to support them to the best extent. Essentially, the money we have available for film production goes through the Irish Film Board. Beyond this, it is a case of providing tax incentives and so forth.

Deputy John Perry: Will the Department work with the Department of Jobs, Enterprise and Innovation in optimising the tax incentives to bring new film business to the country?

Mr. Joe Hamill: We have had many close discussions with the Department of Finance on this issue. There is a working group of the State players in this area. The Deputy is probably aware of a report published in 2011 on creative capital which we are working through. There is a lot of good work being done in this area.

Deputy John Perry: Where does the Department’s cross-Border funding go?

Mr. Joe Hamill: Essentially, most of it goes to two of the North-South Implementation Bodies, of which Waterways Ireland is the largest, with 350 staff located around the country. It is funded from here to a figure of 85%, with the remaining 15% coming from the Northern side, which essentially reflects the number of navigable waterways in each jurisdiction.

The other Implementation Body is the Language Body made up of the Ulster-Scots Agency and Foras na Gaeilge. Funding is on a 75:25 basis, with the Ulster-Scots Agency being paid 25% from our side and 75% from the Northern side. It is *vice versa* in the case of Foras na Gaeilge, with the funding ratio being 75% on our side. They both operate on an all-island basis.

Deputy John Perry: Is there much funding for the development of arts and theatre facilities in the provinces, outside highly populated urban centres?

Mr. Joe Hamill: For several years from the capital funding side, the Department has been investing in arts facilities. However, responsibility for the running of centres falls to the Arts Council, local authorities and so forth. The Department is not directly involved.

We have done some work in supporting philanthropy in this area. Several arts organisations have engaged in philanthropic fund-raising for arts centres, funding we have matched. In the past three or four years these schemes have been quite successful, with funding, although limited, amounting to €1 million each year.

Deputy John Perry: The Department has a significant footprint in many areas, from Waterways Ireland to the National Gallery of Ireland. Is there a management structure that brings all of the players together?

Mr. Joe Hamill: The Department has its own management board. A lot of the time we tend to operate in sectoral terms. In the past 18 months we have put in place a new approach, using tourism as our link. A named official worked full time on the project to pull the different strands into a tourism space. Waterways Ireland, the language body and the arts side all worked together in that space. We are trying to build up a tourism strategy around that and it feeds in

from lots of directions such as national monuments, national parks and nature reserves. It is a very wide canvas, as the Deputy has said.

Deputy John Perry: I have some questions on the allocation of funding for the 1916 commemorations and the regionalisation of events. Does the Department plan to make an historic impression for the period, say in the north west?

Mr. Joe Hamill: As the Deputy probably knows, in November the Government's programme for the 2016 commemoration was launched. It is being brought forward under a number of pillars under various strands such as the historical commemoration, working around reconciliation and looking forward to what Ireland will be like in the future.

In terms of funding for 2015, a sum of €22 million has been allocated for the capital area which is for flagship projects to be held in places like the GPO, a tenement museum and Kilmainham Gaol. There will be a military archives facility. Some of the money will go into national cultural institutions. The Kevin Barry rooms are being refurbished in the National Concert Hall. The first phase of the national archives will commence as part of that. There is a backbone of capital projects.

There has been an allocation this year of €4 million to promote the non-capital side of working towards the commemorations. In the past ten days or so the Minister announced an indicative allocation of €1 million of the allocation to work through local authorities. We see local authorities as local levers for a lot of this work. We have had meetings with the county managers. Most of them have already set up local committees to promote the planning of this project. They used people like their heritage officers, arts officers, librarians, etc. and people from that kind of area.

Deputy John Perry: The commemorations will take place throughout 2016. The plan is very detailed in certain areas but it seems very light on specific location and what is planned.

Mr. Joe Hamill: First, the sum is an initial allocation. We have been given €4 million to move our planning along this year. There is an indicative €1 million that will go towards helping the national cultural institutions to bring forward their commemoration programmes, exhibitions and so on. Bodies like the National Library of Ireland, the National Gallery of Ireland and the National Archives of Ireland will have various plans to come forward.

The Arts Council has been given €2 million to bring forward an arts programme which I hope it will announce fairly soon. That will probably involve things like commission work and so on.

A lot of work is being done on an education programme. We hope to have it in a fairly developed state over the next month or two.

We are working on a diaspora programme through our embassies and consulates. There are lots of different spokes of this project moving at the moment. I hope that in the next couple of months we will be in a position to have a much more detailed plan put forward. That is not to mention the official events that will take place anyway around parades and so on at the time.

Deputy John Perry: I have a question on the Yeats collection in the National Library of Ireland. The 21 June 2016 will be the 150th anniversary of the birth of William Butler Yeats. I must compliment the library on the wonderful exhibition in the National Library located next door. Will the exhibition or any aspect of it be brought to Sligo to mark the event? In Sligo we

have the Model Gallery which houses the Niland collection. The National Library has housed a permanent exhibition on Yeats for years but its real home should be in Sligo. The exhibit could go on a worldwide tour as Yeats is one of the greatest Irish poets. Are there plans to bring the exhibit to Sligo?

Ms Catherine Fahy: There is no definite intention to do so. We are working with the Yeats 2015 committee to produce an element derived from our own Yeats exhibition in Sligo. The Yeats exhibition was opened in 2006 which was initially intended to run for just three years. We are looking at its future at this stage.

Deputy John Perry: As against having that wonderful collection dispersed, does the library intend to keep the exhibit intact?

Ms Catherine Fahy: It will stay in the library through 2015 and 2016. After 2017 we are considering what we will put into that space. We must consider whether we will leave the Yeats exhibition there or whether we will put something else into that space at that point.

Deputy John Perry: Is the library open to considering a submission from Sligo if there was a permanent location available for the exhibition?

Ms Catherine Fahy: Yes.

Deputy John Perry: That is good to hear.

Ms Catherine Fahy: The idea was mooted in 2006 when we thought the Yeats exhibition would just run for three years. The exhibition continued and, in fact, has developed an international reputation at this stage. We will have to consider whether it would be better to keep it or to do something else with it. All of that is still under consideration.

Deputy John Perry: Will the library give my suggestion a second thought?

Ms Catherine Fahy: Yes.

Deputy John Perry: I thank Ms Fahy.

Ms Catherine Fahy: We are loaning material for an exhibition in Sligo as well.

Mr. Joe Hamill: We are supporting the Yeats collection to the tune of €0.5 million and some good work is being done by the group there.

Deputy John Perry: I am very impressed with the work of the Department. It has made an immense footprint. It is good to see that all aspects of culture and its development are very well done.

Vice Chairman: Does Deputy Ross mind if I ask a question now that Deputy Perry has raised the issue of the 1916 commemoration?

Deputy Shane Ross: No.

Vice Chairman: I perused the budget for 2015 and discovered that €22 million has been allocated for seven flagship capital projects at the GPO and Kilmainham. There are plans for ceremonies, parades, cultural and youth projects, plus events concerned with the diaspora and language. I read the document or package in front of the committee some time ago and, like everyone else, I have read bits and pieces about the commemorations in the newspapers. Can

Mr. Hamill tell me how the Department will commemorate the people who died in 1916? There were roughly 64 Irish Volunteers killed, and 16 were executed, 254 civilians were killed, 116 British soldiers were killed and 16 policemen or RIC men who were all Irish were killed.

I have seen nothing in what I have seen so far from the Department to indicate how every-one who was killed during the Easter Rising will be remembered. For me, remembering them is the most important. The commemorations seem to be based around parades and cultural events which is fine as people enjoy them. I have seen no indication of thought being given to remembering the people who were killed in 1916. Can the Secretary General give an idea whether anything is being planned?

Mr. Joe Hamill: I reiterate that the document launched in November was a framework one and was not meant to be definitive or to cover all the angles. Part of what was wanted at the time was to get some sort of a more structured debate going around how this should look and how it should be developed. Proposals have been put forward that cover all of the groupings the Vice Chairman mentioned. There have been some contacts around, as he is probably aware, and there has been some media interest in, for example, the children who died over that period.

Vice Chairman: Joe Duffy featured that issue about three years ago.

Mr. Joe Hamill: There has been some attention recently. Can Mr. Hamill give me some specifics of what he is talking about?

Mr. Joe Hamill: No, not at this stage. By way of background, there is a group working on some of these things. We are trying to work our way through them at the moment. The Government decided in recent days to set up a Cabinet committee on 2016 which the Taoiseach will chair. It will have its first meeting next week. Part of the thinking on this is to have a closer focus by Government on the different issues and their co-ordination. One of the things which has been greatly emphasised, and my Minister has been strong on this, is the need for this to be inclusive, historically accurate and respectful. The Vice Chairman will be aware of the committee of historians, chaired by Maurice Manning, advising us. They are very keen that all of these kinds of things would be historically true and accurate-----

Vice Chairman: Mr. Hamill is not really answering the question. I understand what has been going on. I have read the list of historians and am aware Mr. Manning is chairing that committee. I see a danger in having politicians dealing with 1916. The people in Cabinet are fine people and many of them probably know more about history and the Easter Rising than I do, but the danger is that this will be used as an event for politicians to put their own political spin on things. Mr. Hamill takes direction in many respects with regard to policy when it comes to Ministers and politicians. The Civil Service should make it absolutely clear that this needs to be completely dispassionate when it comes to politics and that the brutal and clinical historical fact needs to be recorded. The people are ready for it. The use of events such as this by politicians across the board to spin things would disgust them. They are ready for clear, historical fact, warts and all.

When I go through the documentation that has been circulated, I see nothing about plans to commemorate or remember the people on both sides who died or the people who were caught in the middle, which is a very significant number.

Mr. Joe Hamill: I am confident that the kinds of processes and discussions which are going on now will lead to these kinds of events. There are lots of events being discussed with differ-

ent sectors which will be absolutely independent of any official or Government influence. We are having lots of discussions with third level institutions, historians' groups and so forth which will do all these things and will do them very independently of Government or officials. We will get the same in the artistic sphere. No one will tell artists how to do this.

Vice Chairman: That is fair enough. However, Mr. Hamill mentioned Joe Duffy. What he did was a very good example of what needs to be repeated. I have been listening to and reading takes from historians and other experts for the past year and it is leaving me cold at this point. They are not focusing on the people who died. It seems to be irrelevant to some of them. There is a dearth with regard to the people who died in 1916. All one has to do is go around Dublin. There is a monument which does not even name the Volunteers at Upper Mount Street bridge which is where the biggest battle took place. It mentions the Volunteers and no one else. Michael Malone's name is commemorated with two others on a gravestone in Glasnevin.

This is where the focus of Mr. Hamill and his officials should be. Historians will know about this. I am just giving a viewpoint. I started a committee in Waterford and we put together the First World War memorial which is located in Dungarvan. We had one rule: no politics. When it was unveiled, people from every political party came to the unveiling. When asked questions which were politically inclined, we made it clear that we were not going to get involved in it and that people could make their own interpretations on the First World War, who was right and who was wrong with regard to who served. There is a danger here and I see it beginning already. Politicians and ex-politicians are giving their interpretations. I will not say that this is happening *ad nauseam* but it is leaving me cold at this point. Direction needs to be given by the people in the Department in this case when it comes to, at the very least, the people who died.

Mr. Joe Hamill: Looking back at what we have been involved in since the decade started and since we were asked to take this on, we have been involved in or supported a range of events, not always directly or financially, which have ran the gamut. The Chair mentioned an event in Wexford. We have been involved in lots of those kinds of events around the country. Speaking personally, if I may for a moment, we have seen a massive sea change in the openness of people on the First World War. The National Library will have seen it at open days when people brought memorabilia and that kind of thing. This is how we started this process and this is the way we will go on. This is our approach.

Vice Chairman: I find it disappointing that Mr. Hamill cannot specify any particular direction on remembering the people who died. He is making the case that he is giving money to the local authorities and that this will be dealt with over the next year. It is clear that the focus is not on the individuals who died but rather the pomp and parade.

Mr. Joe Hamill: The ceremonial part will have to be part of it. There is no question about that. In the kind of thinking and discussing we are doing at the moment, I see the kind of elements the Vice Chairman has been talking about as very much part of this. Being very direct on this, proposals will have to go to Government, to Cabinet committee, to be cleared. There will be a further announcement fairly soon giving more information on how this is starting to work itself out. The Vice Chairman mentioned local authorities. We see this as very much being led by local people in local areas deciding on the kinds of things they wish to do.

Vice Chairman: I would not, to be honest with Mr. Hamill, when it comes to local authorities. Both my grandfathers were in the old IRA. A few local authorities - Cork, Wexford, Tipperary - passed rules that ex-servicemen who came back from the front could not be employed by those authorities. I am not saying that opinion still exists. I think Mr. Hamill should be very

careful about devolving money and responsibility to local authorities. The leadership should come from Mr. Hamill's Department and his officials, and it should be clinically, historically and brutally frank. It should not be left up to politicians to put their spin on things when it comes to this commemoration, because this is what is going to happen and it has been going on already.

Deputy Joe Costello: I agree with the Vice Chairman, by and large, that there needs to be an emphasis on the people on all sides. These are the individuals who became part of the Volunteers, Cumann na mBan, the Irish Citizen Army and the ordinary people who got involved in it from that point of view. There was also the RIC and the British Army, which were made up, by and large, of Irish people as well. We need to deal with all of this. My father was in the old IRA. There is a huge amount of work being done in Cathal Brugha barracks. I wish to know the extent to which the Department is involved in this. This development is a massive job of work. I do not know if the resources are sufficient to deal with it. There is no indication of the extent of other areas. The Mansion House was central to much of the work and to much of the discussions which took place on the initial peace agreement. There was no mention of the Moore Street national monument or Arbour Hill. It seems that there are many gaps in the first instance. It also seems that we are way behind in the preparations.

Vice Chairman: I will allow Mr. Hamill to answer that before I call Deputy Ross. Deputy Costello owes Deputy Ross an apology. Perhaps Mr. Hamill can give his answer now to get this out of the way.

Deputy Shane Ross: That is okay if he is going to be as brief as Deputy Costello.

Deputy Joe Costello: I do not do apologies.

Mr. Joe Hamill: The military archives project is going very well. It is being run by the Department of Defence. I am sure it will be up. It has already done a lot of stuff online, as I am sure the Deputy will be aware. The building will be there. It is about to go to contract. All of that will happen.

Deputy Joe Costello: I do not see how the Department can have a commemoration without integrating with that because that is where the archives of all the engagement from 1912 to 1924 are. If the Department is not engaged or integrated with the Department of Defence, I do not see how it can-----

Mr. Joe Hamill: Sorry, I meant it purely in the sense that the money does not go through the Vote of this Department. We all sit around the same table. The local authorities are represented as well. It is absolutely integrated.

Deputy Joe Costello: Okay. I apologise to Deputy Ross.

Deputy Shane Ross: I have in front of me a list of the bodies and agencies that fall under the custodianship of the Department. I think I am right in saying the Department has a role in corporate governance. Could Mr. Hamill tell me what that role is?

Mr. Joe Hamill: Essentially, our oversight role involves making sure the systems are in place and the money is properly spent, dealt with and accounted for. The first thing I would mention is that we have a formal service level agreement with each of our agencies. That sets down the targets for the year. It sets down what they have to do and we have to do in terms of how we draw the money down and how it is accounted for. That is underpinned by the quarterly

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review meetings that are held by each of our line sections with the relevant bodies.

Obviously, the code of governance for State bodies is kind of the bible in all of this. At the end of 2013, we initiated a formal review of the code with every one of the bodies. Arising from that, I have formally written to each of the directors and chairs setting out the outcome of that review with generic recommendations for each body and specific recommendations where specific matters arose. Every one of the bodies has shown a very good level of compliance with the code, but there were some gaps and issues of consistency, etc. We have put that in place. There is a report for each of the bodies. We have agreed with them that we will come back and review that later this year. I should also mention that this year, my internal audit unit has taken on the task of looking at our own internal processes, in terms of how our line divisions relate to the bodies, to ensure we have a consistency of approach as well. Clearly, there is a great deal of daily contact between the bodies and the line divisions that operate with them. That is the general position of where we are in a more formal sense.

Deputy Shane Ross: The Department is the watchdog with regard to corporate governance.

Mr. Joe Hamill: Absolutely. Most of the bodies have their own legislation. Most of them have the independence under that legislation to do the day-to-day operational business for which they were set up.

Deputy Shane Ross: Mr. Hamill referred to gaps. Where were the gaps?

Mr. Joe Hamill: Is the Deputy asking where I have found gaps?

Deputy Shane Ross: Where were gaps discovered after the Department sent out a template form with a kind of checklist to all these bodies?

Mr. Joe Hamill: I would not say the same gaps were everywhere. They were in some places. We regularly look at procurement and talk to our bodies about it. Adherence to procurement is a problem for everybody at times, particularly if there are pressures, etc. That was one area. There is a need to make sure audit committees are operating and are well constituted, etc. We look for assurances with regard to financial procedures. We need to be assured that a risk management process is in place. We seek assurance that risk reporting is happening, is being reported back to management and to the board and is being seen by the audit committee. We zero in on those kinds of things.

Deputy Shane Ross: Where were the gaps? Where were they at fault?

Mr. Joe Hamill: I could not say. We finished this process towards the end of last year. That is when the last reports were done. We have not yet drawn them into a composite report. At the moment, I have a single report for each of the bodies. I can probably respond to the Deputy's question by saying I need to look at the more generic aspect of that to see whether there are any composite issues.

Deputy Shane Ross: Mr. Hamill really does not know.

Mr. Joe Hamill: There were no significant issues like that. If there were, I would definitely know. I do not think we found any showstoppers in any of the work we did.

Deputy Shane Ross: When board places are being filled, there is an obligation on the directors to oversee that process and to fill in gaps where there are skill set problems. Are they fulfilling that obligation?

Mr. Joe Hamill: Is the Deputy asking about the boards themselves?

Deputy Shane Ross: Yes.

Mr. Joe Hamill: I suppose this is an area that has been a bit difficult over many years. As the Deputy knows, it has been formalised now in a much broader way. Under the new set-up with public bodies through the Public Appointments Service, there will be a very formal approach. Bodies would often convey to a Department that they feel it would be very useful to have people with skills or backgrounds in finance, law or some other area. It is clear that certain bodies, such as the National Library or the National Gallery, need people on their boards who understand specific areas or have specific experience. Sometimes people are put on boards because they might be of benefit in helping to source philanthropy. There are lots of different reasons. We have formally written to the chairs of the bulk of the bodies we deal with on the cultural institutions front to ask for advice on skill sets. We will be putting those formally into our processes through the Public Appointments Service for all future appointments.

Deputy Shane Ross: The Department has to do a proactive job to ensure the boards are filling some sort of role, there are people with different skill sets in those boards and they are complying with corporate governance requirements.

Mr. Joe Hamill: Absolutely.

Deputy Shane Ross: Is that the state in all these boards?

Mr. Joe Hamill: Yes. It is in some of the legislation already.

Deputy Shane Ross: Yes.

Mr. Joe Hamill: I think the new system gives us the means to be very practical. We have a system in place now that allows the chairs to feed directly into how we fill vacancies. That will be done through the professional service of the Public Appointments Service. It gives us an opportunity to make this system much more formalised.

Deputy Shane Ross: What has the Department been doing in the last few years, apart from the 2013 template that was sent out? What has it been doing as a watchdog to oversee the boards and ensure they are fulfilling the corporate governance regulations it is supervising?

Mr. Joe Hamill: Is the Deputy asking about dealing with individual bodies?

Deputy Shane Ross: Yes.

Mr. Joe Hamill: As I mentioned earlier, we have a quarterly review process. It is quite a formal process. We try to look through the various requirements. We look through financial, risk and audit issues, etc. That is a kind of ongoing process that we have.

Deputy Shane Ross: Is that not to do with figures?

Mr. Joe Hamill: No. I mentioned that I want to make sure we are doing it consistently across what is quite a wide Department. Apart from anything else, we have people in different geographical locations doing this. It is not just to do with figures - it would also cover things like various corporate targets, progress around annual reports, how the key recommendations coming out of audit committees are being acted on and what the key risks are at the moment. There is a whole range of things in that space.

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Deputy Shane Ross: When the boards come to Mr. Hamill and ask for recommendations, or he goes to them with recommendations to fill gaps, does he ever suggest people to them?

Mr. Joe Hamill: I would say that has happened over the years. In the last number of years, quite a lot of appointments that were made to boards came out of people being asked to submit expressions of interest. That was not universally the case. It was the case in many instances. In one case involving Údarás na Gaeltachta, we went through a very formal process with the Public Appointments Service so there are different ways of doing it.

Deputy Shane Ross: Does the Department make recommendations about board appointments for any of these bodies?

Mr. Joe Hamill: At times, but not so much. Over time I have certainly been involved in putting forward names, such as saying, “Here are people that you might like to consider, who might be suitable in these particular areas”. That has certainly happened in the past. In more recent times it has tended to be more around the space of expressions of interest. We have done quite a bit of this with regard to the national cultural institutions. Sometimes people write in and so on. I think it will be much more structured under the new system.

Deputy Shane Ross: Did the Department ask for comments on prospective board members?

Mr. Joe Hamill: That can happen from time to time.

Deputy Shane Ross: Was the Department asked for a comment in the case of IMMA where Mr. McNulty was going to be appointed to the board?

Mr. Joe Hamill: A comment?

Deputy Shane Ross: A comment on his suitability.

Mr. Joe Hamill: No.

Deputy Shane Ross: What is the Secretary General’s view on that?

Mr. Joe Hamill: I think, to be fair, the Minister has set out her position in both Houses of the Oireachtas.

Deputy Shane Ross: I know the Minister’s position on this. What is the Secretary General’s view on the McNulty appointment?

Mr. Joe Hamill: I think the position essentially is that it is a prerogative of a Minister to make appointments-----

Deputy Shane Ross: We know that but what is the Secretary General’s view on it? Was it in accordance with good corporate governance?

Mr. Joe Hamill: I did not have a formal view in that sense. At the time the appointment was made it became evident then, as events unfolded, that one of the persons involved could not stay on because of the requirements of the memo and articles.

Deputy Shane Ross: Did the Secretary General express that view to the Minister? Was he aware of the fact?

Mr. Joe Hamill: I think that was expressed to us - I do not have the papers with me - I think that was expressed to us by the chair of the body at the time.

Deputy Shane Ross: The chairman of IMMA?

Mr. Joe Hamill: Yes.

Deputy Shane Ross: That was then conveyed to the Minister.

Mr. Joe Hamill: Yes.

Deputy Shane Ross: Does the Secretary General think that was in keeping with the high standards of corporate governance which he is supposed to supervise?

Mr. Joe Hamill: I think the issue in this case is probably not directly the same kind of corporate governance that I am supervising. My interest and my function is more in the functioning of the bodies and their actual performance and so on. I am not directly responsible for board appointments as such.

Deputy Shane Ross: The Secretary General has a role to see that there is balance in the boards. He has a role to see that the composition of the boards consists of people with balancing skills. Presumably, if people are appointed or if the board is very weighted in one way - if it goes in a way that looks, dare I say, ultra-political and particularly a matter of skills - would the Secretary General put his hand up and say "Stop"?

Mr. Joe Hamill: I think it might come up; one might say that this is a board that could do with someone in a particular area. Sometimes it becomes evident from the way a board is operating that it needs particular skills. I think the system has been of a nature that different influences come to bear at different times on how appointments have been made in the past. As I mentioned earlier, there is a much more structured approach now which I think will make things a lot more focused in terms of trying to ensure that we get those skills as we need them.

Deputy Shane Ross: How long has Mr. Hamill been in the Department?

Mr. Joe Hamill: Since 2011.

Deputy Shane Ross: Has there ever been a case where Mr. Hamill has had to put up his hand and say, "Of these 12 bodies I do not approve of this director; I think there should be somebody else who has different talents and different qualifications"?

Mr. Joe Hamill: No, I do not think there has been such a case.

Deputy Shane Ross: So everyone has been acceptable and has come within the guidelines for good corporate governance.

Mr. Joe Hamill: I return to the point that ultimately, appointments in these cases, under law, are a matter for the Minister, generally-----

Deputy Shane Ross: It could be up to the Secretary General to say, "Minister, I think this is a mistake".

Mr. Joe Hamill: I think in most cases it says fairly clearly that the decision is the Minister's.

Deputy Shane Ross: Yes, but the Secretary General is there to advise the Minister.

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Mr. Joe Hamill: I am there to advise on certain things, yes.

Deputy Shane Ross: On board composition?

Mr. Joe Hamill: Possibly in a very broad way. It is certainly not my job to offer advice in general terms on individual appointments.

Deputy Shane Ross: I would contest that, if they do not fit the bill. The Secretary General sent out a template to all the bodies. Will he provide a copy to the committee?

Mr. Joe Hamill: Yes, of course.

Deputy Shane Ross: Will he provide details of the replies from each body and his own conclusions?

Mr. Joe Hamill: Yes, of course. I can send a file to the committee with that information.

Deputy Shane Ross: I thank the Secretary General.

Vice Chairman: In order to avoid any ambiguity with regard to my view and my position with regard to 1916, this is the Committee of Public Accounts and a lot of money is being spent this year with a lot more to be spent next year. I believe that equal weight should be given when it comes to commemorating British soldiers, RIC men, volunteers and civilians, who were casualties in the Easter Rising. I will let people make their own interpretations after the fact.

I refer again to Mount Street Bridge and the 28 Sherwood Foresters - boys - who were killed in that action. It is my opinion that they were victims of British military mistakes because they could have been sent around to Baggot Street but instead they were sent into a hail of bullets. In my book they, too, were victims. However, I think it will require additional leadership from the Secretary General and his officials in this case because I can smell and sense political correctness and an air brushing of history coming into this already. I believe this will require a little difference of emphasis from the Secretary General and his officials.

I am disappointed that with all the money we are spending, the Secretary General is unable to mention one specific project or initiative. I commend the great work done by Joe Duffy. The Secretary General knows where I am coming from in this regard. From what I have seen, read and heard, I think it is valid, so far. I do not mean to take anything away from those fine historians on that committee and the people involved but I think the point I have made is important.

Mr. Joe Hamill: Absolutely. I will take that on board. Events are being planned that will touch on some of those aspects. I will revert to the Deputy if I may.

Vice Chairman: I ask if the Secretary General would do so.

Mr. Joe Hamill: I am very happy to take on board the Deputy's views. I refer to the riding instructions given to the Department which include a significant emphasis on inclusiveness, historical accuracy and all of those things.

Vice Chairman: The problem is that we need to take the politics out of this but it is now a political process, to a certain extent. This is different from that standpoint. It has become entangled in politics already. That is where it is a little different when it comes to the Secretary General and the kind of leadership that is necessary from his Department and from him. The Secretary General knows where I am coming from on this issue.

Mr. Joe Hamill: I will make the point I should have made earlier. We have been working on the chronology so much of our emphasis in recent years has been around the First World War and those issues. However, in my view, much of that will feed into the way in which we move into the next phase.

Vice Chairman: It is completely different. A benchmark will be needed for dealing with 1921 and 1923 and those who died in that time and this commemoration will be the test. The test will be how one deals with those who were victims or who died in 1916, as there will be a resonance in 1921, 1922 and 1923. This must be borne in mind.

Mr. Joe Hamill: Yes. I might be stating the obvious, but after the Rising in Dublin, of course, there was the Somme just a couple of months later. That is something we have been discussing also. We must keep watching in both directions. We are very conscious of this.

Vice Chairman: Perhaps Mr. Hamill might refer back to us.

Mr. Joe Hamill: I will.

Vice Chairman: Given all of the money we are spending here, I would like to find out what specific projects have been planned or are in the pipeline. It would be interesting to find out.

Mr. Joe Hamill: I will refer back to the committee on that matter.

Vice Chairman: I wish to refer briefly to the official languages Bill. Mr. Hamill mentions that it is on the A list, with the National Concert Hall Bill. There is an historical issue with the official languages Bill which I have raised for many years. It relates to the translation of documents. The Department of Public Expenditure and Reform has been involved to a degree on this issue through its Secretary General. My concern was that we were wasting money which I believed should have been put into Irish language promotion. The money was being spent on the publication of all documents in Irish. There is an example I always use. The stream of funding for secondary school children who wish to take the leaving certificate through Irish ends after second year. It was pointed out to me that this was ridiculous. The Government is printing all of these documents when the money should be put into children's education if they wish to do the leaving certificate through Irish. As it is a good example, I raised the issue. Is something being done in the Bill about the translation of documents? If so, will the money be channelled back into Irish language promotion?

Mr. Joe Hamill: To respond to the first part of the question, there is a proposal in the Bill to amend the manner in which decisions are made on the documents that are translated. To be fair, the Language Commissioner has acknowledged that spending money on translating documents for which there is no demand subsequently is not the best way to use resources. One thing we are considering - obviously this will be subject to progress through the Oireachtas and so forth - is the need to keep the provision that specific documents of public interest continue to be produced bilingually such as annual reports, strategy statements from Departments and the like. However, beyond this, there would be a mechanism to bring flexibility to how one would define-----

Vice Chairman: Reports will continue to be printed in Irish.

Mr. Joe Hamill: We went through a long consultation process on this issue. There was a strong feeling there should be a facility for people who use Irish as their daily language to access official material such as the annual report of a Department or a large public body.

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Vice Chairman: The complainants, in my experience, are the people who actively speak Irish. There is a Gaeltacht in my constituency and the ones who are more horrified by this are Irish speakers. I do not know whom Mr. Hamill is consulting because the people to whom I speak believe the money should go back into their communities where Irish is being spoken and to try to prevent people from leaving the country.

Mr. Joe Hamill: We are trying to address this issue on a number of fronts. We are trying to say we should only routinely translate certain limited categories of documents. The next set of documents should be specified by the Minister from time to time. The complaints we were receiving were about documents that might be related to draft plans or the like being translated, for which there was very little demand, while there was a large translation cost.

We are also doing some work with Dublin City University on better ways of translating documents using technology. There is a more efficient way of translating documents at far less cost. Some call it “machine translation”-----

Vice Chairman: What does the amendment do?

Mr. Joe Hamill: The amendment has not yet been presented. It is simply to provide that specific documents such as annual reports and so forth will continue to be published bilingually. There is a very broad definition of what public policy proposals should be translated and it has been interpreted broadly. We are trying to provide that it would be decided by way of specific regulations. There would be a more focused approach to what was and was not translated.

Vice Chairman: There is another cost - there is the cost of translation and then the cost of publication.

Mr. Joe Hamill: Our preferred option and our guidance to public bodies would be electronic publication only.

Vice Chairman: Mr. Hamill is hoping to cut out all publication costs.

Mr. Joe Hamill: Ultimately, we can only offer guidance. Our proposal will be that when the Bill is passed, we provide new guidance in which we will try to focus on only translating documents for which there is a demand, using technology to the greatest extent possible and only online publication to keep the cost down.

Vice Chairman: Some Departments are already doing this, but not all.

Mr. Joe Hamill: Yes.

Vice Chairman: I have a question about airstrips. I have a conflict of interest because my wife comes from Inishmore. The annual subsidy for Aer Arann Oileáin is €1.8 million and there have been issues with this funding for the past few years. The service has been provided for 42 years. Mr. Hamill mentioned a figure of €300,000 or €400,000 for maintenance, for maintaining the three airstrips on Inis Oírr, Inish Meáin and Inishmore.

Mr. Joe Hamill: Unfortunately, I do not have a breakdown with me, but I expect it is probably the larger part of it. I will include the exact breakdown in my note to the committee.

Vice Chairman: Mr. Hamill’s initial comments were about the Irish Coast Guard and the possible disposal of these assets. Approximately 1,100 people live on the three islands and 40 jobs are at stake. The service is critical. I suggest Mr. Hamill consider bolstering it by receipts

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that can be gained from the sale of assets to ensure it will continue. Jurisdictionally, it involves not only his Department but also the Department of Transport, Tourism and Sport. It is a point that must be made because the continuation of the service was tenuous a couple of years ago.

Mr. Joe Hamill: Absolutely. To be clear about the Aran Islands service, we have extended the contract to September. There has been a review by consultants. As it is a public service obligation, PSO, service, it must be operated under certain EU rules. We are looking at re-tendering the service again to see what the possibilities are. To be frank, part of the issue with this is purely financial. The allocation for these services has remained static, but each time a contract comes up for renewal the costs tend to go up for various reasons. It has been a difficult issue. Essentially, the PSO service for the Aran Islands will be in place until the end of September, but we will be working on the issue in the meantime. We have been engaged in a great deal of consultation with some of the local community development groups and so forth and will have to see where it brings us.

On the other two - Inishbofin and Cleggan - if, as I mentioned earlier, we can find a good public use for at least one of them, that would be a big plus. We have a ministerial decision that if there is not a use like that, we will try to see what we can realise then by going to the market, but we have not done that yet pending more clarification on the Coast Guard issue.

Vice Chairman: I take Mr. Hamill's earlier point, that there were tens of millions of euro going into this area ten years ago and now it is down to €600,000. I face the same situation in Waterford with the regional airport. I understand where Mr. Hamill is coming from. However, if the Department offloads assets and additional revenue is gained from that, it needs to be put into the critical services serving the islands currently. I thank Mr. Hamill.

The witnesses withdrew.

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Vice Chairman: St. Angela's College in Sligo has been in contact with the committee arising from last week's meeting where it was referred to as a school in which the Department of Education and Skills had concerns. The college is of the view that there are no issues and it wants this stated on the record.

The committee adjourned at 1.20 p.m. until 10 a.m. on Thursday, 5 February 2015.