

# DÁIL ÉIREANN

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## AN COISTE UM CHUNTAIS PHOIBLÍ

## COMMITTEE OF PUBLIC ACCOUNTS

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*Déardaoin, 28 Bealtaine 2015*

*Thursday, 28 May 2015*

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The Committee met at 10 a.m.

### MEMBERS PRESENT:

|                             |                            |
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| Deputy Paul J. Connaughton, | Deputy Gabrielle McFadden, |
| Deputy Joe Costello,        | Deputy Derek Nolan,        |
| Deputy John Deasy,          | Deputy Patrick O'Donovan,  |
| Deputy Robert Dowds,        | Deputy John Perry.         |
| Deputy Mary Lou McDonald,   |                            |

DEPUTY JOHN MCGUINNESS IN THE CHAIR.

## BUSINESS OF COMMITTEE

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

### Business of Committee

**Chairman:** Are the minutes of the meeting of 14 May 2015 agreed? Agreed. There are no matters arising from the minutes.

We will deal with correspondence sent since 14 May. Item 3A is correspondence from Accounting Officers and Ministers. Item 3A.1, correspondence dated 14 May 2015 from the HSE, is a follow-up to the meeting on 23 April 2015 and it is to be noted and published.

Item 3A.2 is correspondence, dated 24 April 2015, from Mr. John Doyle, CEO, Credit Union Restructuring Board, which is a follow-up to our meeting of 11 December 2014. This is to be noted.

Item 3A.3 is correspondence, dated 20 May 2015, from Mr. Aidan O'Driscoll, Secretary General, Department of Agriculture, Food and the Marine, regarding the PAC draft report on fisheries harbour centres, which is to be noted. Having received the Department's update, we can now go ahead and prepare a final draft of the report for consideration by the committee. We will do that at our next meeting. The Dail is not sitting next week, so it will be after that. In view of the discussion the committee has already had on this report, is there a need for another draft or will we just go to the final report?

**Deputy John Deasy:** I have not gone through what is in the response from the Secretary General of the Department of Agriculture, Food and the Marine.

**Chairman:** We will go through that correspondence and ask the clerk to include whatever is new in that in the report. We will then circulate a final draft arising from that, so the next step will be to publish the report.

**Deputy Joe Costello:** We also have a letter from Mr. Doran, which would probably need to be taken into consideration as well.

**Chairman:** Yes, we will deal with that now.

Item 3A.4 is correspondence, dated 22 May 2015, from Mr. Seán Ó Foghlú, Secretary General, Department of Education and Skills, regarding compliance by UCC with public sector pay policy. That is to be noted and published. That is a short letter in which he informs us that the overpayments or additional payments being made have now ended. Did we get an explanation as to how those arose in the first place?

**Mr. Seamus McCarthy:** I do not think so, Chairman.

**Chairman:** Is that not what we wanted to know?

**Mr. Seamus McCarthy:** I think that is what he is indicating there, that when they have the full information he will come back. However, he is reporting the assurance of the president of UCC that the allowances have stopped.

**Chairman:** Okay. Item 3A.5 is correspondence, dated 25 May 2015, from the HSE and is a follow-up to our meeting on 23 April 2015, which is to be noted and published. This issue

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relates to the procurement of investigators and the use of former staff of the health services. We are due to consider a report on this shortly. Has that report been circulated?

**Clerk to the Committee:** It has, yes.

**Chairman:** Can we determine that it is the final draft?

**Deputy John Deasy:** It is a short report but it is very strong. The work the clerk has put into this is excellent. The kernel of it boils down to chapter two and the recommendations at the end. What we have discovered is that when it comes to individuals it is not possible to put a specific ban on former employees of the HSE. However, the step that needs to be taken is that authority to appoint investigators should be taken away from the HSE. That should be put to one side. That is effectively where we have gone with this. Therefore, even though one cannot ban former employees specifically on a personal basis, taking these investigations away from the HSE, particularly the ones that are extremely sensitive and actually involve potential conflict of interest, is probably the appropriate step. I think that is what the Minister should consider. I have spoken to the Minister of State, Deputy Kathleen Lynch. She is looking at this entire area, including the idea of putting panels together. The work of her office is working in tandem with the report that we have put together. There is an understanding that this area needs to be dealt with once and for all.

**Chairman:** In line with that report, I wish to raise an issue that was brought to my attention by way of correspondence, although I do not have it with me. An investigation took place concerning Kilkenny. When the report arising from that investigation was sought, it was not released and neither were the details of the procurement process. Before finalising the report, we might ask that question of the HSE and determine the details surrounding it.

**Clerk to the Committee:** Under procurement?

**Chairman:** Yes, under procurement.

**Clerk to the Committee:** Some of it is dealt with in that answer.

**Chairman:** I understand that, but notwithstanding that, we have to learn from that as well.

**Deputy John Deasy:** What is the next step with regard to that report? Will we issue the report on a certain date?

**Chairman:** We can do the final report in the week after next when we are back. We will publish it then.

Item 3A.6 is correspondence, dated 27 May 2015, from Mr. Seán Ó Foghlú, Secretary General, Department of Education and Skills, regarding the technological university designation process. That is to be noted and published. We will have a follow-up meeting on this with the Department, the HEA and Mr. Michael Kelly. What is the date?

**Clerk to the Committee:** We have not set a date because Mr. Kelly's report on the Waterford case is not finished. It will probably be in the autumn before we get around to this.

**Chairman:** I thought we were going to proceed. Has a date been set for a meeting?

**Clerk to the Committee:** We have two dates set for the Department of Education and Skills. There are two different reports by the Comptroller and Auditor General, one on Cork

VEC and one on SUSI.

**Chairman:** Item 3A.7 is correspondence, dated 27 May 2015, from Ms Eileen Creedon, Chief State Solicitor, regarding legal costs borne by the State in prosecutions on behalf of the Department of Agriculture, Food and the Marine. It is to be noted and published. This correspondence is relevant to our meeting of 18 June 2015.

Item 3B concerns individual correspondence. Item 3B.1 is correspondence, dated 1 May 2015, from Deputy Sean Fleming regarding wards of court. This is to be noted. We will consider this matter in the context of our upcoming report on wards of court.

It was interesting to hear on the radio this morning that they gave a complete breakdown of their activity and investments. They gave lots of information on the radio, yet they could not give it to the Committee of Public Accounts. It was an interesting intervention at this point. I am sure there was a press release with it, so we must get that and include it in our consideration when they attend. It is funny how organisations like that get up to speed when they are mentioned at this committee. They then head off to the radio to ensure they bypass the committee.

**Deputy Joe Costello:** The gentleman who provided all that investment information was Mr. Finn. Would it be appropriate to have him come back when we are doing our preparations?

**Chairman:** I think that it would because they were so upfront and upbeat about it this morning. It would be no harm to have them in.

**Deputy Joe Costello:** All that information was not disclosed to us previously.

**Chairman:** We will ask them in.

Item 3B.2 is correspondence, dated 14 May 2015, from Mr. Seán Ó Foghlú, Secretary General, Department of Education and Skills, regarding Gaelscoil Charraig na Siúire. That is to be noted and the reply forwarded to the school.

Item 3B.3 is correspondence, dated 29 April 2015, from Mr. John Suttle, director of the Irish National Schools Trust, regarding illegality at the Department of Education and Skills. That is to be noted and published. Are there any comments on that?

**Clerk to the Committee:** We will copy that.

**Deputy John Deasy:** I did not hear the radio programme. It is one thing if they will not come in, but could we write to them and ask how they make their investments as an investment committee, based on what they have publicised now?

**Chairman:** I was aware that they outlined it.

**Mr. Seamus McCarthy:** My understanding from the news reports this morning is that they published their annual report and financial statements, so that information is certainly in the public domain.

**Deputy John Deasy:** Would that cover it all with regard to how they make their decisions when it comes to funds?

**Mr. Seamus McCarthy:** When they appeared previously, I looked at the financial statements and they do outline in that what their strategy is around investments. Obviously, however, at a general level it is their investment policy rather than investments in relation to any

individual.

**Chairman:** They were brilliant this morning.

**Deputy John Deasy:** So the Comptroller and Auditor General does not believe there is anything more to be elucidated from them. Does he think there is anything he could garner from them in an exchange of correspondence?

**Mr. Seamus McCarthy:** The committee already had an exchange with the accountant of the High Court who oversees the financial reporting of it. There is a committee that determines the strategy.

**Deputy John Deasy:** Fair enough. I thank Mr. McCarthy.

**Chairman:** We are dealing with item 3B.4, correspondence dated 19 March 2015, from Sean Doran, Howth, Dublin, regarding the Committee on Public Accounts, PAC's, visit, to be noted and published. We are about to finalise a report on the fishery harbours and Mr. Doran's comments will be taken into account in that context.

**Deputy Joe Costello:** His statement that 30 years after the building of the Synchronlift and boatyard all of the painters, electricians, mechanics, engineers and other tradesmen are still working out of the backs of vans is very damning. We should redraft our report in view of what has come back already. The report we received was very comprehensive, plus the information in this letter.

**Chairman:** Correspondence dated 31 March 2015, from Mr. John Corcoran, is in regard to waste of public money in property transactions by the Office of Public Works, OPW. This is to be noted and forwarded to the OPW for a response on the matters raised. This matter was raised through an advertisement in a magazine, which set out several issues and concerns. We will note it but there is no harm in publishing it because it is already well published. We are asking for a comprehensive response from the OPW.

Item 3B.6 is correspondence, from Mr. Joe O'Brien, managing director, Medilink, regarding payment to the Order of Malta. This is to be noted and published and forwarded to Horse Racing Ireland, HRI, for a note on the procurement issue arising.

Item 3B.7 is correspondence, dated 25 May 2015, from Mr. Seán Ó Foghlú, Secretary General, Department of Education and Skills regarding an update on issues in Cork Institute of Technology, CIT. These issues were brought to our attention by a whistleblower and the response from the Department is set out there. The issues raised by the whistleblower, and the response, need to be dealt with in detail with the Higher Education Authority, HEA, and Mr. Ó Foghlú when they come in. One of the concerns I have is that the figures originally quoted, for example, in terms of the due diligence were somewhere in the region of €200,000 and later it was disclosed that in fact it was far more than that. Some of the figures put before us do not match from one piece of correspondence to another. The matter needs to be clarified. We will have to deal with this in far more detail. While we have the correspondence, I do not accept the response to some of the points addressed. We will deal with it when Mr. Ó Foghlú and the HEA come before us.

Item 3C is documents relating to today's meeting, which are the opening statements, 3C.1 and 3C.2, all to be noted and published.

## BUSINESS OF COMMITTEE

Item 4 is reports and statements received since our meeting on 14 May. There are three noted there. On 4.3, the Institute of Technology Blanchardstown, attention is drawn to the fact that the required review by the institute of the effectiveness of the system of internal control for 2013 was carried out in June 2014, some ten months after the year end. These accounts are to be noted.

The work programme-----

**Deputy Robert Dowds:** There is an issue I would like to raise, which is not on the list. Deputy Jack Wall asked me to raise the issue of personal insurance and whether there is any mechanism whereby the Committee of Public Accounts could invite the Insurance Ombudsman or the Financial Services Ombudsman to explain how this operates. There are allegations that because of the six-year rule if insurance companies offer products without fully divulging the payments, there is no recourse to chase them up after six years. Is there any mechanism whereby the ombudsman can be brought in and asked about that issue?

**Chairman:** The Comptroller and Auditor General does not audit their accounts.

**Mr. Seamus McCarthy:** I understand that the Insurance Ombudsman is funded by the industry. It does not come within my remit. That, therefore, puts it outside the scope of the PAC's remit.

**Deputy Robert Dowds:** Would the Comptroller and Auditor General have any advice as to how these people could pursue a course of justice?

**Chairman:** Maybe the Oireachtas Joint Committee on Finance, Public Expenditure and Reform would have-----

**Deputy Patrick O'Donovan:** The other ombudsmen go before the Oireachtas Joint Committee on Public Service Oversight and Petitions.

**Deputy Robert Dowds:** Thank you.

**Chairman:** On the work programme, we are not sitting next week. The week after that we are meeting Student Universal Support Ireland, SUSI. The following week we will meet the Department of Agriculture, Food and the Marine and then the Department of the Environment, Community and Local Government on local property tax. Did we not agree to bring in the Higher Education Authority, HEA, and the Department of Education and Skills?

**Clerk to the Committee:** We can bring them in that day if Michael Kelly's report is released. Would that be better?

**Chairman:** I think we should so that we can deal with issues relevant to the correspondence today. The point I made earlier is that in one piece of correspondence it refers to due diligence at €58,999 and in the Munster technical university project it refers to due diligence at €350,185 and in the south east due diligence is at a cost of €42,742. When one sees the figures across the range of activities within that sector there is a huge difference. The separate issues raised by a whistleblower in correspondence can be set out and it is clear there is an issue but the presentation of the letter from Mr. Ó Foghlú would lead one to believe there were no issues in this sector and I believe there are. In the context of that meeting we should ask Mr. Kelly and Mr. Ó Foghlú also to come in so that we can deal with matters beyond those dealt with there. Are we agreed on our work programme? We will probably launch the report the week after that.

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**Clerk to the Committee:** Yes.

**Chairman:** Is there any other business?

**Deputy Joe Costello:** Has there been any progress in the handling of court cases in the Chief State Solicitor's office and the Courts Service?

**Chairman:** They will not be before us until the autumn but they are putting information together.

**Deputy Joe Costello:** Did we get an answer on the anomalies in the two different reports on Thornton Hall?

**Chairman:** Not yet. We will send a reminder.

**Deputy Joe Costello:** How is our report going on the Docklands, in respect of Hanover Quay and the *Jeanie Johnston*? There were reports in the media at the weekend about it.

**Chairman:** It is a relatively large report so it will be a while before we finish it. I want to get the two or three reports that are before us sorted out the week after next. That is a big report as it covers the Irish Glass Bottle site as well so immediately after that we will conclude it.

**Deputy Joe Costello:** I will leave it in the Chairman's capable hands to expedite it.

**Chairman:** We will leave it in the clerk's capable hands, not in mine. Are there any other matters? No. Our next meeting has been agreed as part of our work programme, so we will now turn to today's business and call in the witnesses.

### **2013 Annual Report of the Comptroller and Auditor General and Appropriation Accounts**

#### **Vote 37 - Social Protection**

##### **Chapter 10 - Regularity of Social Welfare Payments**

##### **Chapter 11 - Control of Supplementary Welfare Allowances**

##### **Chapter 12 - Farm Assist**

#### **Social Insurance Fund 2013**

**Ms Niamh O'Donoghue** (*Secretary General, Department of Social Protection*) called and

examined.

**Chairman:** Before we begin, I remind members, witnesses and those in the public gallery that they should turn off their mobile phones. I advise witnesses that they are protected by absolute privilege in respect of the evidence they are to give to the committee. However, if they are directed by the committee to cease giving evidence in regard to a particular matter and they 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 are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise nor make charges against a Member of either House, a person outside the House nor 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 the committee shall 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 policy or policies.

I welcome Ms Niamh O'Donoghue, Secretary General of the Department of Social Protection, and ask her to introduce her officials.

**Ms Niamh O'Donoghue:** With me is Ms Helen Faughnan, assistant secretary in charge of supplementary welfare allowances and one of our regional assistant secretaries; Mr. John Conlon, assistant secretary in charge of finance; Mr. Jim McDonnell, from finance and accounts; Ms Ann Vaughan, deputy secretary; Ms Kathleen Stack, assistant secretary in charge of controls; and Mr. Tim Duggan, assistant secretary in charge of our pensions area and also external service providers.

**Chairman:** We also have Mr. Colin Menton from the Department of Public Expenditure and Reform. I call the Comptroller and Auditor General to make his opening statement.

**Mr. Seamus McCarthy:** Expenditure in 2013 on social welfare and labour activation schemes totalled €19.6 billion, 2.4% less than in 2012. Around two thirds of the expenditure was funded by the Exchequer, through the Vote for social protection, with one third funded by social insurance contributions. An addendum to the appropriation account, which has been introduced for 2013, provides an analysis of the combined programme expenditure under the Vote and the Social Insurance Fund. Figure 1, on screen for the members, shows how that programme spending is distributed between the broad programme areas. As they can see, pensions account for €6.5 billion of that total spend, while working age and income support amounts to approximately €5.5 billion. Some €3.4 billion goes on illness, disability and carer schemes and some €2.3 billion to children. Supplementary payments across various schemes amounted to approximately €1 billion. Taking account of payments between the fund and the Vote, the total cost of administration of the programmes in 2013 was around €567 million, or 2.9% of the programme spend.

PRSI contributions are the main source of income for the Social Insurance Fund. Since 2008, contributions received have been insufficient to meet the expenditure of the fund each year. Accumulated surpluses were initially used to fund the annual deficit, but since 2010, the Exchequer has met the shortfall. In 2013, the amount of subvention to the fund from the Vote was €1.3 billion, a reduction of €770 million from the 2012 figure. The subvention for 2014 was lower again, at €540 million. During 2013, the fund also made use of a Central Fund advance facility to meet temporary cash flow shortfalls arising from the timing of PRSI receipts. At year end, there was a balance of €15 million owing to the central fund. This amount was



repaid in early 2014.

I have given a clear audit opinion on both the appropriation account of the Vote and the financial statements of the Social Insurance Fund. However, I have drawn attention to certain matters in each certificate, including the issues reported on in the chapters that are before the committee this morning. I have also drawn attention to the fact that the statement on internal financial control of the Vote discloses the occurrence in 2013 of instances of non-compliance with national procurement rules and the actions being taken by the Department to rectify them.

The level of irregular welfare scheme payments is referred to in the audit certificates of both the Vote and the fund. Irregular payments arise where welfare recipients are paid benefits to which they are not entitled, or amounts that exceed their entitlements. Such payments can arise as a result of deliberate fraud by claimants, from claimant errors or as a result of the manner in which claims are administered by Department staff. Fraud and error surveys of welfare schemes carried out by the Department are intended to identify the types of cases where excess payments arise. As I have reported previously, those surveys also provide a basis for estimating the underlying level of irregular payment. The results of recent surveys suggest that there was a material level of payment in excess of entitlements in 2013 on both the Vote and the Social Insurance Fund.

Chapter 10 of my report reviews the results of the three most recent surveys in regard to jobseeker's allowance, rent supplement and for contributory pensions for widows, widowers and surviving civil partners. The jobseekers' survey estimated a level of fraud and error of a net 3.1% of the total amount in payment. The result for rent supplement was 5% of the amount in payment. For the widows', widowers' and surviving civil partners' contributory pension scheme, the level of payments found to be in excess of actual entitlements was lower, at around 0.7% of the total paid. These results reflect the greater risk generally of excess payments occurring on social assistance schemes compared to social insurance schemes, where entitlement is usually more clear cut.

The chapter notes that by the end of 2015, all schemes with annual expenditure over €500 million will have been surveyed at least once, but it points out that for certain scheme areas the most recent surveys will be seven to ten years old by the time a new survey is scheduled to be carried out. It also notes that only two of ten schemes in the €100 million to €500 million category have been surveyed. Nevertheless, I welcome the fact that the Department has committed to continue the programme of surveys over the medium term, and the improvements in the survey processes it has applied in recent years. We have made some recommendations for further improvements in that process, most of which have been accepted by the Department.

Chapter 11 presents the results of an audit of the controls in place in regard to supplementary welfare allowances, which is designed as a "last-resort" scheme to assist those whose means are insufficient to meet their needs, or those of their dependants. The scheme is unusual in that it has a number of different categories of payment, each with its own risks and claimant profiles. These include weekly income support payments, weekly or monthly payments to provide support for specific ongoing needs, and one-off payments to meet specific, and often urgent, needs. Total expenditure on supplementary welfare in 2013 amounted to €611 million. More than 90% was spent on basic supplementary welfare allowances, rent and mortgage interest supplement payments and exceptional or urgent needs payments. Members of the committee will recall that responsibility for administration of the scheme transferred to the Department from the HSE in October 2011. The scheme is administered mainly by the Department's community welfare service, CWS, which operates through a decentralised network in departmental local offices

and local health centres.

Two cases of possible irregularities in supplementary welfare involving Department employees were identified in 2012. These cases are under ongoing investigation by An Garda Síochána. Consequently, apart from noting that the estimated loss to the Department for the two cases was €1.2 million at the time we reported, their details are not included in the report. Instead, the chapter focuses on the adequacy of the design and the operation of the key controls for the scheme. We selected two community welfare offices to examine, one in Letterkenny and the other in Clondalkin. For the record, these were not the offices affected by the two possible internal frauds.

Our examination found that there were significant issues with the operation of key controls. Our findings were confirmed by internal audits and inspections undertaken by the Department's own staff in other offices. We found that there was a significant backlog in the completion of management audits and a failure to carry out routine reviews of payments, controls that are particularly important in preventing and detecting internal fraud. The audit also noted that procurement risks arose where the Department made direct payments to suppliers on behalf of claimants. In some cases, the Department used single suppliers without carrying out a procurement process, resulting in a risk to the achievement of value for money and the favouring of certain suppliers. The chapter includes a set of recommendations to strengthen the controls, which the Department has accepted.

Chapter 12 presents the results of an audit on the farm assist scheme, which provides income support for low-income farmers. The scheme is part of the Department's activity in providing employment support for people of working age. To qualify for the scheme, an applicant must be engaged in farming, be aged between 18 and 66 years and satisfy a means test. Claimants must make annual declarations of ongoing entitlement and are obliged to notify the Department of any change in circumstances or means. Expenditure on the scheme was €99 million in 2013, down from €108 million in 2012. Farm assist is paid in respect of some 10,000 farmers, or approximately 7% of all farms.

The audit found that there was scope for improvement in terms of ensuring essential documentation was on file to support the payment of claims. A high proportion of claims examined had been in payment for more than five years. In two offices visited, required annual declarations were not on file for a significant proportion of cases and more than one third of cases examined across all offices visited had not been formally reviewed in the previous three years. We recommended that the strategy for the review of farm assist cases and the annual declaration process should be improved.

Although the scheme has been in operation since 1999, there has to date been no formal evaluation of the extent to which the scheme is achieving its objectives of enabling claimants to continue farming and, thereby, helping to maintain the viability of rural communities. The Department has pointed out that this is tied into rural development policy, which is the responsibility of the Department of Agriculture, Food and the Marine.

**Chairman:** I invite Ms O'Donoghue to make her opening statement.

**Ms Niamh O'Donoghue:** I thank the committee for allowing me to make a brief opening statement. As well as examining the appropriation account for the Department of Social Protection and the Social Insurance Fund, SIF, statutory account for 2013, I understand that the committee wishes to examine the three chapters relevant to the Department that were in the

Comptroller and Auditor General's annual report for 2013.

As requested, last week I provided the committee with an update on the recommendations contained in the three chapters together with up-to-date expenditure figures, the provisional outturn for 2014 and estimates for 2015. I also supplied a copy of our annual report 2014, the 2015-17 statement of strategy and the 2014 progress report on the compliance and anti-fraud strategy. Overall, I hope that these documents indicate the scale and scope of the Department's work.

In summary, the work of the Department continues to focus on three key functions, those being, income support, activation of those of working age and control of fraud and abuse. A long-standing primary objective of the social welfare system has been the provision of income supports. Activation places a particular emphasis on measures to help long-term and young unemployed people to find a route back to employment. The development of Intreo and active case management in particular play a vital part in ensuring that the Pathways to Work approach is a success. In this regard, the Department is progressing a new initiative, JobPath, which is aimed at assisting those who are long-term unemployed in returning to the labour force.

Public confidence and trust in the welfare system requires us to be vigilant in tackling fraudulent activity. However, let me be clear, in that the Department considers that the majority of people who are supported by the Department are exercising their legitimate rights and receiving their appropriate entitlements.

I will turn specifically to the chapters in the report. Regarding the regularity of social welfare payments, the Department seeks to ensure that social welfare fraud and abuse is minimised and that its control activity is focused appropriately. Fraud and error surveys play a key part in this activity. The main objective in carrying out fraud and error surveys is to identify categories of cases on a particular scheme that present the highest risk of abuse. Where necessary, control policies for all of the schemes that are surveyed are enhanced as a result of the findings to strengthen the controls that are in place.

The Department is completing two surveys of illness benefit and invalidity pension, each of which incorporates a medical eligibility element. We expect to complete the surveys in mid-2015 and copies of the results will be forwarded to the Comptroller and Auditor General and this committee. In terms of future surveys, under the 2014-18 compliance and anti-fraud strategy, the Department is committed to undertaking at least two fraud and error surveys each year up to the end of 2017. The Department is also developing predictive analytics models for three of its main working age schemes, those being, jobseeker's, one-parent family and disability allowance. Existing customer information is being used to build analytics models with the aim of detecting more risky and non-compliant cases more efficiently. The project will also assist in identifying trends and improving processes and controls across the Department. The jobseeker's model will be rolled out in September.

Regarding the control of supplementary welfare allowances, these allowances are an important safety net within the overall welfare system. The main purpose of the scheme is to provide immediate and flexible assistance to persons whose means are insufficient to meet their needs and those of their dependants. Since the transfer of the CWS to the Department, a more integrated approach to service delivery and control, particularly for working age payments, including supplementary welfare allowances, has been evident. The restructuring of the CWS and the consolidation of smaller clinics into larger centres has allowed for greater uniformity in claims handling, better customer service and improved controls, transparency and consistency.

The Department is committed to strengthening controls in the administration of supplementary welfare allowances and the ongoing audit and inspection programmes undertaken by the Department's internal audit and internal control support units provide valuable support to the Department in this regard. Learning from these audits and inspections has improved overall claims handling and compliance with procedures. The integrated decisions teams operating in Intreo centres and the ongoing review of staff guidance in respect of supplementary welfare allowance schemes has further enhanced controls and consistency of application. The Department is also committed to undertaking a fraud and error survey on basic supplementary welfare allowances during 2016.

Farm assist is an income support scheme for low-income farmers that was introduced in 1999. The number of recipients under this scheme fell by approximately 5% from 2013 to 2014. The falling numbers reflect the general rise in employment. The Comptroller and Auditor General, as part of his recommendations on this chapter, suggested a review of the operation of key controls. I am happy to report that the Department has reviewed and updated the main review and assessment forms used in the scheme. It has also taken measures to improve the annual review process. The Department plans to commence the fraud and error survey on the farm assist scheme in June 2015. The survey will be used to identify the level of risk associated with the scheme with a view to designing review processes and control measures specifically targeted to minimise the level of future risk.

I wish to draw the committee's attention to a number of specific areas of current work, namely, the back to school clothing and footwear allowance for 2015, the back to work family dividend, the rent supplement arrangements and the water conservation grant, which we are administering on behalf of the Department of the Environment, Community and Local Government. We have arranged a departmental briefing on these areas for all Oireachtas Members on 11 June and we will send out notification of that shortly.

The staff of the Department are dealing with many demanding challenges to provide our customers with a professional service across the many schemes and programmes we deliver. I am keen to acknowledge their support and co-operation as we all endeavour to deliver and continually improve our services.

I am happy to discuss any issues or proposals raised by the committee.

**Chairman:** Thank you very much, Ms O'Donoghue. Can we publish your statement, please?

**Ms Niamh O'Donoghue:** Yes.

**Deputy John Deasy:** Ms O'Donoghue and her officials are welcome. I will start with the post office network and the Department's interactions and relationship with it. This has received some media attention recently, specifically because the Department has begun writing to recipients of social welfare inviting them to consider a transfer directly to their bank accounts. As Ms O'Donoghue is aware, there is a current political issue with regard to the post office network and the estimate of how many post offices will be shut down within the coming years. As more social welfare payments are made electronically, the throughput reduces for post offices as does the associated financial bottom line.

Those of us on the committee are in a funny position. I am asking Ms O'Donoghue about this, but it is really a balance. Those of us on the committee are in a situation where we must

ask and expect Departments to find cost cutting or savings within their budgets and value for money for all citizens. At the same time, there is considerable political rhetoric when it comes to saving post offices, particularly in rural Ireland. On the one hand, we are constantly trying to save money in an environment where there is not as much money going around as there was five or six years ago, but, at the same time, there is a constant campaign to preserve post offices throughout the country.

Having said all that, I have looked at the figures when it comes to cash payment versus the electronic payment. The ratio is approximately 10:1. I can understand why the Department would go down that route if it was simply based on finances alone and the cost savings involved. Is there not a balance to be met, however, when it comes to Government, on the one hand, looking for those savings but, at the same time, having a responsibility to ensure that post offices are maintained and the network is maintained as much as possible, for obvious reasons? I will start with that.

**Ms Niamh O'Donoghue:** There is a balance to be struck. The balance is to be struck in looking at the interests of all participants in the transaction. This includes customer preference, the agencies through which we provide the service and the service delivery itself. The Department has a long-standing relationship with An Post and the post office network. It is a valued relationship and works remarkably well.

We signed a new contract with An Post at the beginning of 2014. However, that contract had been tendered for and was advertised in the context of a Government and departmental payment strategy that very much reflected the tendency in customer preference and the need for greater efficiency in the economy of moving towards electronic payments. In fact, the contract we have with An Post is predicated on envisaging a move towards electronic service delivery. However, in a context where that also meets customer preference it has been our experience that, certainly for new entrants to schemes right across the board, where the customer has an option in respect of how to be paid, that option is predominantly exercised in favour of electronic payments rather than payments through An Post.

Of the payments we make, a sizeable proportion are made to a group of people who actually do not have an option. In other words, for other purposes we demand that they exercise their payments receipt through the post office. That is to do with control reasons as much as anything else. That relates to a decision we made in 2009. There was a windfall benefit to the post office system in terms of delivering that level of service on a mandatory basis. However, in respect of any other payments we make it is very much on the basis of customer preference. It is in a context where Government has recognised that there is security aspect, a safety aspect and a customer trend moving towards electronic payments, and we have to recognise that as well.

**Deputy John Deasy:** All that makes sense. Again, it is logical from the cost savings. However, someone from a post office or the Irish Postmasters Union might make the case that we all believe in choice but that an active campaign or system is under way within the Department to contact people on these schemes to remind them that there is this option. The postmasters are asking whether we can slow it down until they can work something out with a new system they have proposed, because it is having quite an effect on the bottom line of post offices.

I understand where the Department is coming from as far as choice is concerned, but there is an active system within the Department to contact people. I have before me a news report from March stating that 7,000 letters were sent out reminding people or pointing out that this new system of payment was available to them. The spokesman said the Department would send

out hundreds more letters. This is going to continue.

Ms O'Donoghue has outlined the policy but I am unsure whether it deals with the public interest balance that we are trying to meet. There is political rhetoric about saving a post office network while, understandably, at the same time there is a cost savings imperative on the part of the Department and the question of giving people a choice. At the same time, it is concerning when it comes to the post office network.

**Ms Niamh O'Donoghue:** There are two points I can make on the matter. The letters Deputy Deasy referred to were part of a small pilot. Actually, only 2,800 letters were issued.

**Deputy John Deasy:** Okay.

**Ms Niamh O'Donoghue:** The pilot was to try to establish what might be a better communication system with our customers. Different forms of letters were used to see how customers would engage or would not engage with us. It was very much about trying to inform our approach in a context where, as Deputy Deasy has said, An Post has gone to the market for a different type of payment solution. That will be coming on-stream later in the year. That, coupled with other measures we are taking, potentially gives us an opportunity to look again at offering options to people to whom, historically, we have not offered options. It was very much to inform our communication strategy with our customer base and it was very limited. There were 2,800 letters. The actual response was low enough, in fairness.

**Deputy John Deasy:** That is interesting. Of the 2,800 letters, what was the take-up?

**Ms Niamh O'Donoghue:** I can give the committee the actual figures. The response to the trial was low, 14% responded to us. Of the 14%, a total of 31% indicated a preference to migrate to electronic funds transfer. We are talking about small numbers. It was more to see what kind of communication would generate a response. The critical aspect of this exercise is that nothing would happen to anyone who did not respond. In other words, it was an entirely voluntary engagement with us.

**Deputy John Deasy:** That is fine. A total of 14% responded and of that figure 31% opted for the electronic payment system.

**Ms Niamh O'Donoghue:** Yes. The second point I would make is that even in a context of Government having a payment strategy which rather looked at moving into the digital economy the Department went to the market for cash-based service delivery in 2013. We contracted with An Post, recognising that there is an issue around retaining services of that type and meeting customer preference in that area.

**Deputy John Deasy:** The Department has done the modelling exercise with 2,800 people. Are there plans within the Department to expand on that at present?

**Ms Niamh O'Donoghue:** Not at the moment. It is in a context of when we have a look again at the service offerings available to us post the An Post developments. I would say it is part of the An Post contract that we are moving in that direction and An Post is working with us to do that.

**Deputy John Deasy:** Fair enough. Is there any other area in which the Department could potentially work with An Post in the future to give it more business? The Department is the big spend. An Post was relying on those transfers. Is the Department talking to An Post about

anything else that is potentially coming out of the Department or is that it?

**Ms Niamh O'Donoghue:** We talk to An Post all the time about a whole range of different things, but, obviously, if we have a service offering on which we want a face-to-face engagement, which is what An Post could potentially deliver for us, we would have to go to the market and go through a tender process to offer that.

**Deputy John Deasy:** If not, the Department would have the Comptroller and Auditor General down its back.

**Ms Niamh O'Donoghue:** Indeed.

**Mr. Seamus McCarthy:** Or worse, the Department could have a claim against it.

**Deputy John Deasy:** I will stick with the Comptroller and Auditor General for a moment and move to the farm assist scheme. Mr. McCarthy made what I would regard as quite a noble recommendation in his report on the farm assist scheme which was rejected. He recommended that the Department should evaluate the extent to which the farm assist scheme is achieving its objectives in terms of assisting claimants to continue farming and helping the viability of rural communities. I note this while we are on this vein. The Department disagreed and made it clear that such a review would be outside its remit. Can Ms O'Donoghue expand on that and provide the committee with a response as to why the Department came to that determination?

**Ms Niamh O'Donoghue:** I can understand where the Comptroller and Auditor General is coming from on this. Such an exercise would have value in the round in terms of looking at the agricultural economy. What I need to be very careful about is estimating the Department's role in relation to this. What we have been requested to do by government since the scheme was put in place has been to operate an income support process in certain defined circumstances to farmers. In terms of how that impacts on their viability and how the agricultural sector can survive, there are many more variables that feed into the equation. As such, the Department of Social Protection is not best placed to carry out such an evaluation. Of course, we would be more than happy to contribute and play our role in it, but that it is a matter for other players to lead on who have greater expertise in that area. To that end, we are involved in the Commission for the Economic Development of Rural Areas, CEDRA, which is looking at rural development and so have been playing a role in that space already. CEDRA has not specifically looked at the farm assist scheme, but it may very well be on its agenda into the future.

**Deputy John Deasy:** Can Mr. McCarthy tell the committee why he made that recommendation? It is a common sense one in my view. Was he disappointed the Department said it did not feel it was in its remit? Is there anyone else who could do this?

**Mr. Seamus McCarthy:** The point is that it is a charge on this Vote and the normal expectation would be that policy reviews in relation to schemes are the responsibility of the funding Department. I accept certainly that it is a broader issue than just this particular scheme. It fits into a set of schemes. A similar issue would possibly arise with the water conservation grant where, again, the Department is, in effect, an agent in making a payment while the policy belongs to another Department.

**Deputy John Deasy:** It begs the question that if it is in one's Vote, who else is going to do it.

**Mr. Seamus McCarthy:** That is certainly a question and it may be something the Depart-

ment of Public Expenditure and Reform might wish to consider.

**Deputy John Deasy:** Does Mr. Menton have a comment?

**Mr. Colin Menton:** I certainly take the point that such a review would be a valuable input but, equally, I accept the points made by the Secretary General around the particular remit of the Department of Social Protection. If we could take it away and reflect on it, we might see how best it could be advanced.

**Deputy John Deasy:** I turn to a broad issue within the Department which is the turnaround time from application to payment. I know from my own office that it is taking a great deal of time. The one we point to most is the invalidity payment. These are people who have made contributions and worked and we estimate that in some cases it takes approximately 18 months from the time an application is made to payment. It is too long. Obviously, there are a range of waiting times for the different payments that the Department has figures on. It knows the averages. It is not getting much better in our opinion from our anecdotal experience in the office with regard to the people we deal with when it comes to applications, assessments and the wait to final payment. It is something I have raised before but we have not seen any improvement.

**Ms Niamh O'Donoghue:** I am sorry to hear that. It does not accord with what the data are telling us in the Department. I would be very happy to explore the particular issues with the Deputy or to give him more detailed information on this rather than to take too much time on it. I accept entirely that the figures here are average processing times, but on invalidity pension the average processing time currently is 10.7 weeks. We should bear in mind that invalidity, in common with a number of other schemes where there is a medical component, has an additional processing time. As the Deputy has correctly stated, invalidity is an insurance-based scheme and is based on a person having a contribution history but who also must meet the medical criteria. Currently, 10.7 weeks is the average from application to what we call a "clean award". What I mean by that is the first decision to award. There is no doubt in relation to quite a number of medical schemes that initial decisions might be negative and reviews or appeals might then be looked at through which in most instances additional information is provided which, in turn, often allows for a positive decision to be reached. There are many instances of that. The experience of the Deputy seems to out-lie what the national figures are telling us and I would be very happy to look at it for him.

**Deputy John Deasy:** It is fair enough that those are the Department's data. I am just saying it is not our experience. I will collate the instances I have and give them to the Secretary General. I understand what she is saying, which is that outside of the appeals process, it is two and a half months, whereas my estimate is a great deal longer.

**Ms Niamh O'Donoghue:** There are a number of things we have done. In the last two and a half years, we have placed a huge focus on dealing with backlogs, which were very significant in a number of different scheme areas, including carer's allowance, disability allowance, invalidity pension and FIS. We put a great deal of effort into trying to improve those processing times and made huge inroads. Very significant inroads were made such that the level of service has improved dramatically from what I will be the first to admit was an unacceptable level. If the Deputy's experience or the experience of the people he is hearing about constitute significant outliers to the figures I have mentioned, it means there is some issue at play. It may be in relation to the information being provided, but I would be very happy to have a look at it and come back to the Deputy.



**Deputy John Deasy:** As far as the different payments and schemes are concerned, where are the largest backlogs and the worst delays from the time someone makes an application to payment?

**Ms Niamh O'Donoghue:** I can let the Deputy know that in one moment. In terms of average times, the latest processing figures we have indicate that some of the most significant areas are widow's contributory pension and child benefit where the child benefit is being claimed under EU regulations.

**Deputy John Deasy:** How long is it for widows?

**Ms Niamh O'Donoghue:** That is showing at 28 weeks currently. There can be issues in regard to that, ranging from people not completing forms correctly, not responding to requests for further information, not providing all the detail we ask for and, particularly in the context of the illness payment, not giving us sufficient medical information that allows for a decision.

**Deputy John Deasy:** A person has to wait six or seven months for widow's contributory-----

**Ms Niamh O'Donoghue:** Yes, but as I said, that is an outlier. It can be as much to do with the circumstances of the particular scheme.

**Deputy John Deasy:** Fair enough. Every application has its own peculiarities in many respects. Looking for financial or medical records can get very complicated. Has the Department had any success in improving the wait times when it comes to widows? Is it getting worse or better?

**Ms Niamh O'Donoghue:** That is one that is currently flagging as a problem area, so we will be looking at that. In all the other scheme areas where we have problems we have made significant improvements. That has been the trend over the past number of years.

**Mr. Seamus McCarthy:** Can I make a comment on that, and it might be something the committee could look at? There is a notification for people. It is a widow's contributory pension, so it occurs after an event when somebody becomes a widow.

**Ms Niamh O'Donoghue:** Yes.

**Mr. Seamus McCarthy:** There is not any conversion from other schemes, or does that arise in many of those cases?

**Ms Niamh O'Donoghue:** It can arise. Obviously, if the person who died was a recipient of a primary social welfare payment, once we are aware that the person has died we would then initiate contact with the spouse for application, but I can have a look at that specifically and furnish information showing the reason for that. It is flagging as a problem at the moment. It would not previously have flagged as a problem so there is obviously a particular difficulty at the moment for us there.

**Deputy John Deasy:** I will turn to what seems to be our pet subject these days to a certain extent, namely, non-compliance with procurement rules. I understand 22 contracts to the value of €2 million were not subject to competitive procurement within the Department. Twenty-two contracts is quite a high number. We dealt with the Health Service Executive, HSE, recently, which seems to be a really bad offender when it comes to sidelining the procurement process, but why were those contracts not awarded within the proper guidelines?

**Ms Niamh O'Donoghue:** It is fair to say that the Department is very aware of its obligations in this regard but there were a number of different reasons which contributed to the number of contracts at this time being out of kilter with what would be our normal practice. The Deputy will be aware that in 2012, the Department integrated a significant number of functions from other organisations, including the HSE, FÁS and other Government Departments. In many instances there were contracts that expired or whatever and we just had not got to the point of regularising all the procurement rules in regard to moving some of these things. I am very happy to report that we have managed that process down very significantly in the intervening period.

In regard to the 22 contracts, in 16 cases we have gone to tender and offered a new contract following a competitive procurement. In one case, because of business continuity and so on, we have only just published a request for tender, RFT, on e-tenders. In another case a request for tender has been drafted and will be issued subject to clearance by the Chief State Solicitor's office. In two cases the requirements of the Department are currently under review in regard to whether we go to the market or not in this space. In the remaining two cases the services are no longer required or else the services involved would be under the procurement thresholds that would require a tendering process.

Regarding the type of issues we are talking about, it was for various reasons. It was issues such as business continuity, sole or limited supplier availability or multiple low value purchases, which racked up over a period and then went over the threshold. We have put quite an effort into regularising our entire approach to procurement, creating a database where we keep value of all procurements and keep note on that and centralising through which procurement operates. Already, we have seen significant improvement, even in regard to 2014, and we will continue that path of improvement in 2015.

**Deputy John Deasy:** How much time do I have?

**Chairman:** Your time is up, now that you mention it.

**Deputy John Deasy:** That never stopped anyone in here.

Regarding rent supplement and fraud, I will refer to the different schemes and payments. Every now and then there is a news story about the Department tackling fraud and saving hundreds of millions of euro. I believe that gives people an impression that there is a massive amount of fraud taking place but, to be clear, when we compare some of our schemes to the fraud levels in the United Kingdom rent supplement schemes it seems they are higher, not by much but they are higher. Those are the figures I have seen. How does Ms O'Donoghue respond generally to the notion that there is rampant fraud in the social welfare system? She knows the corresponding figures for different jurisdictions. Is it a fair statement to say there is rampant fraud in the social welfare schemes? There will always be a certain percentage of it but is the fraud in some schemes worse than others?

**Ms Niamh O'Donoghue:** I would absolutely disagree with any suggestion that there is rampant fraud in the social welfare system. It varies from scheme to scheme depending on the nature and type of schemes involved. One of the things we do in the Department is categorise schemes into high, low and medium risk, and the high risk schemes are the ones on which we wish to spend most attention but in terms of international comparisons, there is no evidence to suggest that the level of fraud in Ireland is out of kilter with the level of fraud anywhere else. I refer back to my opening statement. The evidence points to the fact that the vast majority of

social welfare claimants are receiving the payments to which they are entitled, so fraud is not an issue. What we are looking at is a very small number of people who are engaged in activity, and it is our job to try to minimise the opportunity for that.

**Deputy John Deasy:** With regard to rent supplement, the figure I have for estimated fraud is 2.9%. The rent supplement survey established that cases paid directly to the client had an 18% rate of fraud and error while those paid to a nominated person, in other words, the landlord, had a 10% rate of fraud and error. Has the Department considered making that payment directly to the landlord to minimise that differential as a condition of the scheme?

**Ms Niamh O'Donoghue:** This is something that has surfaced on many occasions and the view of the Department always has been that the contract for rent supplement is with the claimant. The rent agreement is between the claimant and the landlord, and it is only at the request of the claimant that we would directly make the payment to the landlord. The real issue is a control issue for us in terms of following people through, getting communication in terms of change of circumstances or change of address, and tracking whether people are in particular locations or not.

Rent supplement was never intended to be a long-term scheme. The intention is that, over time, people who have a long-term housing need will move, in the first instance, into the housing assistance payment, HAP system, which is now up and running, and then, prospectively, into other social housing if that is a better option for them. That is an entirely different contractual arrangement and method of payment, which probably offers better security to the State.

**Deputy John Deasy:** I think all Deputies got this literature in their pigeon holes this morning.

**Ms Niamh O'Donoghue:** Yes.

**Deputy John Deasy:** What motivated Ms O'Donoghue to print this?

**Ms Niamh O'Donoghue:** It is to make people aware that there is such a protocol in place and that if there is a danger of homelessness, there are arrangements in place to deal with that. It seemed, certainly from recent publicity, that this may not be as widely known or understood as we would wish it to have been.

**Deputy John Deasy:** Is the Department coming across that? Obviously, there was a tangible reason within the Department for this-----

**Ms Niamh O'Donoghue:** We now have almost 2,000 people who are in rent supplement arrangements under this tenancy sustainment protocol, which allows for particular circumstances to be taken into account in determining the rent to be paid. That has been a hugely effective operation in working with the local authorities and Threshold. Obviously, however, there is still publicity concerning people at risk of homelessness and calls for rent supplement ceilings to be improved or increased. We really just wanted to make people aware that this facility, this flexibility, does exist where those circumstances prevail, and 2,000 families have already availed of that.

**Deputy John Deasy:** I have one final question, on the Department's definitions with regard to customer error and fraud. I read the definitions. The specific difference, I suppose, is that where somebody provides information, it is deemed fraud if there is in the opinion of the Department an intention to provide false information. Consider the customer error rates in the

various categories. With regard to the jobseeker's payment, customer error was identified in 119 of the cases assessed. That is quite a large figure. Fraud was suspected in 21 of the 987 cases assessed. When it comes to rent supplement, that figure is down to 55. Someone might play devil's advocate with regard to the Department's definitions and its interpretation of those definitions when it comes to the question of fraud versus customer error. It is a fine line, in many respects, and the interpretation involves a judgment call by the actual social welfare officer. Are there increases across the board in customer errors based on the Department's assessments? Does the figure remain the same? Are the ratios stagnant?

**Ms Niamh O'Donoghue:** The trend in recent years is that the proportion of overpayments raised due to suspected fraud has been increasing rather than customer error. Thankfully, the proportion attributable to departmental error has been decreasing, which is also welcome. Obviously, it is not something we can be complacent about. The Deputy is absolutely right that it is a subjective judgment, but it is a judgment made by a deciding officer having regard to the entire set of circumstances by which something arises. The level of previous engagement with or the case history of the individual concerned is also taken into account before the judgment is made.

**Deputy John Deasy:** Has the rate of customer error gone up? It is subjective. One man's customer error is another man's fraud.

**Ms Niamh O'Donoghue:** Yes.

**Deputy John Deasy:** Across the board, has the rate of customer error in the various schemes increased?

**Ms Niamh O'Donoghue:** Perhaps I could give the Deputy some figures. In 2013, of the overpayments raised, 34% were considered to be attributable to customer error. In 2014, it was 40%. So far this year — this is very preliminary stuff to the end of April 2015 — it is 38%.

We have significantly improved our investment in the training of deciding officers, and we have also put in place a fairly sophisticated new system of debt recovery and assessment, which means we are raising overpayments in a much more timely way. Decisions are being made much closer to an event occurring rather than at some time prospectively. That probably improves the consistency with which things are defined.

**Deputy John Deasy:** We have invested and are proposing to invest an awful lot more money, €17 million or €18 million, in the public services card. Has that made an appreciable difference with regard to fraud, as Ms O'Donoghue sees it?

**Ms Niamh O'Donoghue:** Absolutely. There is a fixed cost associated with the public service card. We are in a contract, the value of which is €24 million. That is based on a presumption that we will issue 3 million cards by the end of 2016. To date, we have 1.4 million cards issued. Obviously, this has been a progression in terms of ramping up our capacity to issue public service cards. What has happened is that somewhere in the order of 62 cases of fraud have actually been identified through the face-matching software that is associated with the public service card. Equally, the public service card has contributed very significantly by virtue of us engaging with customers and inviting them to come in to be registered-----

**Deputy John Deasy:** Is Ms O'Donoghue saying that those 62 cases would not have been uncovered had the technology not been introduced?

**Ms Niamh O'Donoghue:** I cannot say definitively that they would never have been uncovered, but let us say that the technology allowed us to uncover them very quickly. Very serious cases were identified that have gone through the courts, and custodial sentences have been handed down. It also has a secondary effect. We have been inviting people to come in, and we now have the legislative power to suspend or stop a payment if somebody does not engage with us. On foot of that, somewhere over 200 payments have been stopped by virtue of people not attending, having gone through a whole range of natural justice processes to enable them to attend to be registered. We really feel that it has contributed enormously on the fraud side, as well as the customer service side. Close to 400,000 people now have a public service card with the free travel badge on it, which provides much greater security to transport providers in relation to providing a service to people who are actually entitled to it.

**Deputy John Deasy:** With regard to the money we have invested and are proposing to invest, I believe Ms O'Donoghue said 3 million cards are to be issued by the end of 2016.

**Ms Niamh O'Donoghue:** Yes.

**Deputy John Deasy:** Is this going to save an appreciable amount of money?

**Ms Niamh O'Donoghue:** I would think so. I could not quantify precisely the fraud impact but the evidence to date is significant. The figure is certainly in the millions. Obviously, it has an ongoing effect and a huge preventative role. Since people have to go through the registration process, they may be less inclined to try to perpetuate identity fraud. They may be less inclined to try to make multiple claims when they know we now have the infrastructure to check who they are.

Obviously, the card also has the potential to be of far greater use in a public service context. We are working with a range of Government Departments and organisations to make sure that becomes a reality, too, particularly in terms of online services. This is because we have the infrastructure to allow identity to be authenticated through the card.

**Deputy John Deasy:** I thank Ms O'Donoghue.

**Chairman:** I seek clarification on the question raised in relation to overpayments. There were 377 overpayments in 2013 in respect of farm assist. Five claimants were overpaid to the tune of €600,000, which gives an average overpayment of €120,000.

**Ms Niamh O'Donoghue:** I am not sure which figures the Chairman is referring to.

**Chairman:** The farm assist figures. Can Ms O'Donoghue explain that?

**Ms Niamh O'Donoghue:** I think that it gets to the heart of what the Comptroller and Auditor General was finding, that is, that if claims had not been reviewed for some considerable time-----

**Chairman:** As stated, five claimants were overpaid by €600,000. What was the highest overpayment? The average is €120,000, in respect of the five. Did the same happen in 2014? What was the figure then?

**Ms Niamh O'Donoghue:** I do not have figures on particular schemes but I do have a statement in relation to-----

**Chairman:** It is in the documentation.

**Ms Niamh O'Donoghue:** If I am looking across all overpayments-----

**Chairman:** I am just asking about the farm assist scheme, mentioned in chapter 12.

**Ms Niamh O'Donoghue:** I beg the Chairman's pardon; I do have the details. In 2014, more than 6,200 farm assist cases were reviewed by the Department, some 600 of which resulted in control savings. A total of 378 overpayments were raised on farm assist, to a total value of €1.132 million.

**Chairman:** One point what?

**Ms Niamh O'Donoghue:** A total of €1.132 million. The average there was €2,995, which is actually a lot lower than the 2013 figure. I expect that, as we are in the process of more regular reviews, the extent of overpayment will be reduced considerably.

**Chairman:** What was the largest single overpayment?

**Ms Niamh O'Donoghue:** I do not have that figure for farm assist with me but I will happily provide it to the committee. I do not know. I can answer in general terms across all social welfare payments.

**Chairman:** In 2013, 377 overpayments were detected.

**Ms Niamh O'Donoghue:** Yes.

**Chairman:** Five claimants have been overpaid €600,000. That comes from the 2013 figures. Ms O'Donoghue said that in 2014 there were 378 overpayments.

**Ms Niamh O'Donoghue:** Yes.

**Chairman:** The total overpaid was €1.132 million.

**Ms Niamh O'Donoghue:** Yes.

**Chairman:** The question that arises is what was the highest single overpayment in both years. Will Ms O'Donoghue provide that figure?

**Ms Niamh O'Donoghue:** We will do that.

**Mr. Seamus McCarthy:** For a quick estimate, if one takes 20% of the total and divides it by five, that gives about €116,000, on average, for those five largest, but obviously one of those could be significantly-----

**Chairman:** That is for 2014?

**Mr. Seamus McCarthy:** For 2013.

**Ms Niamh O'Donoghue:** I will establish that information and provide it to the committee. I do not have it to hand.

**Deputy Derek Nolan:** I thank the Chairman and welcome Ms O'Donoghue and her officials. I will go back to Deputy Deasy's line of questioning on the public services card. I found the figures interesting. There have been 1.4 million cards issued, so 62 cases is an extremely small number. The anecdotal evidence is that identity fraud and cases of multiple claims by a single claimant, with people signing on, for example, in Galway, Roscommon, and Mayo, is

something that is very common, but with the facial identification software, 62 cases identified out of 1.4 million is quite small. Is the Department surprised by that figure or is it confident that the facial identification software is 100% accurate and is working as expected?

**Ms Niamh O'Donoghue:** We are certainly confident that it is working accurately and to best industry standards. This is a proportion of registrations that have actually happened, and obviously those 62 cases were very serious cases of identity fraud. I think in one specific case there were up to ten identities being used by one person. We can see on an ongoing basis the role it is playing. The Deputy should bear in mind that when something arises it has to be investigated and we then have to conclude. At this stage in a process, when we have really only started to seriously roll out the card in the last 18 months, to have 62 instances in which we are very confident of a very solid case is pretty good going, bearing in mind that, in our view, the vast majority of people are getting the payments that they are entitled to and are not defrauding the system.

**Deputy Derek Nolan:** Absolutely. Does everybody who is currently in receipt of welfare payments have a public services card?

**Ms Niamh O'Donoghue:** No, not at the moment. That is a rolling programme. It has taken us some time to have complete coverage around the country in terms of putting the infrastructure in place. One should bear in mind that this was happening at the same time as we were rolling out Intreo centres. The logistics of putting in place the infrastructure for the public services cards meant that the project took longer than others. We now have 94 locations with 150 stations and we are confident that within a very short number of months we have complete geographic coverage around the country. One also has to take account of the flows in and out. The 300,000 who might be in receipt of payment X today will not be the 300,000 who were in receipt of it two months ago or two weeks ago. Approximately 75% of job seekers and about 70% of one-parent family payment recipients have a public services card. As I have indicated already, about half of people entitled to the free travel scheme have a public services card at this stage. Our initial target has always been to capture people who are in receipt of a social welfare payment, but obviously then we will broaden the scope, and we are looking to broaden the scope of the public services card as well.

**Deputy Derek Nolan:** I had the pleasure of getting a public services card with Eoin Browne in Galway a number of months ago - I will not comment on whether I will need it or not. What is the process for making sure someone does go in and get one? Is there a timeline or a target set, where someone is written to and told that if they do not sign up for a public services card when they have the opportunity to do so their payment will cease? Is that how it works?

**Ms Niamh O'Donoghue:** At the moment, public services cards are predominantly issued by invitation. We communicate with different segments of our customer base and invite them into a public services card centre if we feel that they are in a position to travel to a centre. For a small proportion - or maybe a sizeable proportion - of those we consider as very low risk customers, where we have opportunities to validate information from other sources, we do what we call a reduced process. For example, for certain cohorts of pensioners where we were confident they had gone through a passport application and we were able to access the information from the Passport Office and cross-reference it with the information we held, we offered them the possibility of a reduced process, so they did not have to physically present themselves face to face. Up to now, for the vast majority of people it is by invitation. We hope, before the end of summer 2015, to create an online appointments system whereby people who want to have a public services card can go online and make an appointment at a place of their choosing and

come in and go through the registration process. Obviously, the critical issue for people who are not social welfare customers is to have an incentive to do so or have an incentive for the card and, as I say, we are working with other Government Departments to do that. It is a requirement for all new and existing job seekers to go through the registration process. It is part of the application for the jobseeker scheme that one goes through the PSC process. If a person is an existing beneficiary we will write and invite him or her over a period of time.

**Deputy Derek Nolan:** Are the pictures cross-referenced with the passport service? I see that there is a link there with the people who have applied for a passport. Is that one of the checks that exists?

**Ms Niamh O'Donoghue:** We can do it visually but we do not currently do that, because we capture it on a different basis. The data are available for us if we wanted to do that.

**Deputy Derek Nolan:** I understand when they are taking the picture there is a mathematical process whereby they measure points and things.

**Ms Niamh O'Donoghue:** Yes. It is actually biometric.

**Deputy Derek Nolan:** Biometric, yes. It would be a good safety mechanism if it was cross-referenced with the passport service.

**Ms Niamh O'Donoghue:** We have been in discussions with the Passport Office and I think there may be some developments in that space in the coming months.

**Deputy Derek Nolan:** Staying with the question of compliance, if there is one thing that people hate, it is abuse of the social welfare system. It breaks the social contract. It breaks the deal whereby if one cannot get by one will be helped out and if one is making one's own way one pays one's own way. The stories in the press would imply that the number of people reporting or identifying people who they believe to be defrauding the system has increased dramatically since the start of the recession a number of years ago. Can Ms O'Donoghue inform me on how that has changed, the figures involved, and how her Department has reacted to the increased number of tip-offs and informers and that kind of thing?

**Ms Niamh O'Donoghue:** It certainly did increase over a number of years. When the recession hit, it increased significantly. I think, on average, it had been certainly in the low thousands, and in 2011 it was up to nearly 17,000. In 2012 it hit its peak, at 28,000. It came down a little bit in 2013 to just under 25,000, and in 2014 it was 23,000. It is still very high. Anything that is reported to us, any information we receive, is investigated and followed up. A significant number of reports must be looked at on different levels. Have we got sufficient information to identify the person about whom a complaint is made? In some instances, we may not have. In other instances, somebody thinks that a person is involved in fraudulent activity whereas that person may be in receipt of a payment which allows him or her to engage in economic activity, so he or she is not necessarily defrauding the system. He or she could be doing no more than he or she is entitled to. People have a perception that if somebody is in receipt of social welfare, he or she should have no other engagement with the workforce but in quite a number of our schemes, there is a facility to do that in a significant way or in a limited way.

**Deputy Derek Nolan:** The figure of 28,000 in 2012 is high, as is 25,000. Is there capacity within the system to actually go through every single one of those?

**Ms Niamh O'Donoghue:** The reports go to our central control unit based in Carrick-on-



Shannon. An initial trawl of the reports is performed to try to sift out the various groups I have talked about. If there is any indicator at all they are then passed on to the scheme areas or local offices to be part of a review or an inspection process. The inspector or deciding officer would not necessarily be aware that this case has landed on his or her desk as a result of an anonymous report or tip-off. The case would just be included in part of his or her review programme.

**Deputy Derek Nolan:** Is there any way of measuring the success or accuracy of the figures? Can it be said of the 28,000 that 15% are accurate?

**Ms Niamh O'Donoghue:** In almost all cases, there is a dimension to it, but in a large number of cases, when one looks at the circumstances, what the person is doing is not actually contravening the rules of any scheme. I suggest that it is very much a guesstimate. However, we consider that about 20% of the tip-offs we receive actually yield a value in control terms, but it is a guesstimate. When the decisions are made eventually, they are not tracked in that way and accorded as being related back to a tip-off.

**Deputy Derek Nolan:** It is still quite a significant number, 20% would be 5,000 per year.

**Ms Niamh O'Donoghue:** It is a hugely valuable engagement by the public and we welcome it. That is why we have tried to make the process of engagement as easy as possible with online and phone contact with us.

**Deputy Derek Nolan:** Compared to the public service card, and not to denigrate it, one gets 62 cases, whereas the public has reported 5,000.

**Ms Niamh O'Donoghue:** We have to bear in mind that the 62 cases are of serious identity fraud. The public service card has had considerably greater value in acting as a deterrent and also allowing us, through the appointments process, to stop claims. Its value will be significant over time.

**Deputy Derek Nolan:** Has a value been put on it to date?

**Ms Niamh O'Donoghue:** In the 62 cases, overpayments of more than €1 million have been assessed. In relation to the claims stopped, the value is over €1.5 million already, and again, bear in mind that this is over a short period.

**Deputy Derek Nolan:** It is €2.5 million already.

**Ms Niamh O'Donoghue:** To date.

**Deputy Derek Nolan:** Moving on from reports from the public, there is also the relatively recently established investigation unit with a number of gardaí. Can Ms O'Donoghue update us on the progress of that?

**Ms Niamh O'Donoghue:** The special investigation unit, SIU, has been in the Department for some considerable time. It is an inspectorate which specifically targets high risk or serious incidences or suspicion of fraud. We were delighted to get co-operation from An Garda Síochána with the secondment of 20 gardaí since the end of 2014. They have added considerably to our ability to operate joint investigations and to use both Garda and social welfare powers in investigations. I can provide the committee with different examples of investigations where there has been use of joint powers to bring things to an effective and speedy conclusion. In quite a lot of prosecutions we might identify cases where we prosecute under the social welfare legislation, but we also identify cases where we ask the Garda to prosecute under other criminal

justice legislation. By working together, it allows for more speedy progression and completion of cases, which is important.

**Deputy Derek Nolan:** Are there financial targets?

**Ms Niamh O'Donoghue:** Yes. As with any effort to acquire more resources we made a business case for expanding the role and expanding the size of the SIU. When the suggestion was made that we might look in this direction or to see if there was an opportunity to work more closely with An Garda Síochána, we had to make a case to justify it. There is an expectation that by adding this resource to the SIU, it will generate additional savings. The SIU target in total is, I believe, €75 million of savings this year. The expectation is that An Garda Síochána will make a serious contribution to that.

**Deputy Derek Nolan:** What would the figure have been without the Garda contribution?

**Ms Niamh O'Donoghue:** I believe it was approximately €70 million in 2014, when the Garda was not there.

**Deputy Derek Nolan:** There is not an additional-----

**Ms Niamh O'Donoghue:** There is an incremental addition. The benefit is not just in savings but also in terms of our ability to now look at possible prosecution across a broader range of issues and to bring things to a more speedy conclusion.

**Deputy Derek Nolan:** Is work also done with Revenue as part of special investigations?

**Ms Niamh O'Donoghue:** Yes. Revenue has an equivalent unit called the joint investigation unit. We also work with the National Employment Rights Authority, particularly in relation to looking at employer compliance with PRSI, etc.

**Deputy Derek Nolan:** If there is a revenue issue, then there can be a social welfare knock-on-----

**Ms Niamh O'Donoghue:** A joint management group, between Revenue and ourselves, operates an active programme. One of the work streams from the group looks at a programme of activity in relation to investigation and pooling our resources, where possible.

**Deputy Derek Nolan:** I refer to Chapter 11 of the Comptroller and Auditor General's report on the control of supplementary welfare allowances and the two audits of the social welfare offices in Clondalkin and Letterkenny. Some of the figures for compliance with documentation - holding the right documentation and having the files in order, so they can be reviewed - are not inspiring. Figure 11.5 looks at 57 cases of the take-on controls. In only 21% of cases - 28% in Letterkenny - were no issues identified. Therefore, 79% of files had something wrong with them. This indicates a lack of adherence to requirements for filing, data collection and data keeping. What is Ms O'Donoghue's reaction to these figures and what is being done in the Department to ensure better file keeping and better information keeping?

**Ms Niamh O'Donoghue:** It is disappointing but I point the Deputy to the history of this scheme. The Department took responsibility for its operation, formally, from the beginning of 2012. Integration of the community welfare service into the Department is an ongoing process. It has meant a radical shift in our business models, locations, processes and procedures. It is disappointing to see the findings of the Comptroller and Auditor General. As he highlighted, they were findings echoed in our own internal audit, or internal control support unit, ICSU, ap-

proaches. However, we have made significant efforts to try to put in place new structures to improve training, increase the kind of reporting and risk assessment attached to this scheme, make sure the guidelines have been updated and are clear, provide training to the officers involved, improve the management controls in place and put in place the supports for officers in doing their jobs, which enables them to comply with the procedures that should be there in the first place. I am confident that the efforts that have been made, particularly since the Comptroller and Auditor General's audit, will pay dividends. We have stated already that we will look at supplementary welfare assistance in the context of a future fraud and error survey. We expect that practices and the culture around the scheme will have changed by the time we carry out the survey.

**Deputy Derek Nolan:** When does Ms O'Donoghue expect the survey to be done?

**Ms Niamh O'Donoghue:** I believe it will be done in 2016.

**Deputy Derek Nolan:** Next year.

**Ms Niamh O'Donoghue:** Yes.

**Deputy Derek Nolan:** It is clear from Chapter 10 of the Comptroller and Auditor General's report that a great deal of the Department's expenditure, approximately €2.6 billion, has never been subjected to a fraud and error survey. Chapter 10, paragraph 10, states: "The extent of fraud and error in schemes that have never been surveyed and which account for a further €2.6 billion of expenditure, is not known." I assume this figure pertains to at least some of the schemes that will be subject to the fraud and error survey next year. Which other schemes have never been surveyed and what plans are in place to carry out fraud and error surveys of them?

**Ms Niamh O'Donoghue:** There is a whole range of smaller schemes which give rise to the cumulative figure. We have four surveys scheduled to start this year and I believe two or three of these would fall into that category. As I do not want to mislead the Deputy, I will ask him to bear with me for a moment. My advice is that this year we are talking about doing a fraud and error survey on the farm assist scheme, the free schemes such as the telephone, electricity and gas allowances - the household benefits - and carer's allowance, which is a bigger scheme but one which also falls within the parameters we talked about. These surveys are planned for this year. We are trying to mix and match to take account of the fact that some of the smaller schemes go unnoticed in a sense.

**Deputy Derek Nolan:** Figure 10.3 is very useful as it shows that the fuel allowance, back to education allowance, respite care grant and domiciliary care allowance have never been audited. While they may be smaller schemes, expenditure on them exceeds €100 million in each case. For example, expenditure on the fuel allowance was €228 million in 2013.

**Ms Niamh O'Donoghue:** While I accept the Deputy's point, these are not stand-alone schemes as they are attached to a primary payment. This means someone must have been eligible for a primary payment in the first instance. Some of this will have come to light already, for example, in the case of the State pension, if memory serves, when we discovered that people had moved from a domiciliary setting into a nursing home. In such cases, the actual overpayment is on the free schemes or living alone allowance or something like that. In one sense, some of that has been captured through the fraud and error exercises on the primary schemes. We also do data matching whenever it is available. Data from the HSE on the fair deal scheme, for example, has enabled us to identify our target reviews in particular cases, having regard to

those schemes. It may not be a fraud and error survey but we are looking to see if there is any possibility of overpayment in those areas through other means as well.

**Deputy Derek Nolan:** I will follow up Deputy Deasy's point on rent allowance and the tenancy sustainment protocol that was mentioned. The authorities in Galway are under severe pressure and yet the city does not have a tenancy sustainment protocol in place. Has the flexibility available to social welfare officers in Dublin and Cork been extended to other areas to enable social welfare officers elsewhere to show flexibility to citizens in those areas?

**Ms Niamh O'Donoghue:** While it is only a number of months old, there is no doubt that the protocol is in a much more mature state in Dublin and, more recently, Cork. There are certainly increases taking place in the level of rent supplement payments across the country. In the west, including Galway, we have 28 instances where there have been increases in payment, having regard to the particular needs of individuals. If the Deputy is asking whether community welfare officers are aware of that, the answer is "Yes".

**Deputy Derek Nolan:** Has a circular or communiqué been issued to community welfare officers indicating that they may use flexibility?

**Ms Niamh O'Donoghue:** Yes, in particular circumstances.

**Deputy Derek Nolan:** How do these circumstances differ from those that apply in respect of the tenancy sustainment protocol?

**Ms Niamh O'Donoghue:** It depends on the particular reasons somebody might need to live in a particular location. It could be to do with health indicators for family members, the closeness to schools or something like that, as opposed to someone deciding he or she simply wants to live in a particular house. One must bear in mind that there is quite a lot of movement in rent supplement. People do not necessarily move into a house and stay in it for life. They tend to move around. If there are particular circumstances attached to the family composition or its need to be in a particular location, we will take those into account.

**Deputy Derek Nolan:** To be a little parochial, Galway has among the highest rents and one of the most vibrant rental markets in the country because it is a relatively small city with two third level institutions. The rental market in the city is under severe pressure. This is one of the issues that public representatives deal with all the time. Is there a difference between the flexibility that is granted to the Galway, Waterford and Limerick offices and that offered to Cork and Dublin via the tenancy sustainment protocol?

**Ms Niamh O'Donoghue:** What is different is that the Department is working with Threshold in Cork and Dublin. There is, therefore, a range of different circumstances feeding into an assessment in these cities. The flexibility exists, however. If someone working in the community welfare service feels that this flexibility is required, having regard to the factors I and Ms Faughan mentioned, he or she is able to apply it.

**Deputy Derek Nolan:** I will raise an issue that has arisen in the course of the meeting. The Department has undergone a radical change in recent years and, from personal experience, I believe it has dealt with much of it well. Community welfare officers have, in effect, become Intreo officers and taken over responsibility for community employment schemes. As such, they have acquired substantial functions in the area of job activation over and above making payments and doing administration. Speaking to some staff in the service, it appears that much of this change has come about extremely quickly and caused a major shock. The level of struc-

tural change in the past three or four years has been immense. How are staff coping with these dramatic changes? Is the process of assuming many additional functions working well? Has this organisational change been managed and coped with to the best possible degree?

**Ms Niamh O'Donoghue:** The attitude and disposition of staff has been remarkable in terms of adapting to and accepting the changes that have been introduced. This is evident in the sheer volume of the increase in demand that has been coped with and the changes that have been made. We have a whole different way of doing business and a whole new business entity has been introduced. There has been willingness to engage with this and take on training and different roles. We would not have been able to deliver the services we have delivered if staff had not worked with us to do that. That is not to say that everybody is absolutely happy. Of course, there are cases where people feel a little bruised by some of the changes that have been put in place or have been less willing adapters. We have tried to work and communicate with staff. We have instituted a range of different measures to try to support them and invested very heavily in putting in place a new range of training supports, which will, over time, lead to accredited qualifications for staff. This will be extremely positive.

Bringing together and developing the Intreo service has allowed us to significantly improve the working environment for many staff. We still have work to do in this regard but for many staff, the working environment is much better than it was three or four years ago, as is the nature of the engagement they have with customers. There is no doubt in my mind that staff are predominantly focused on delivering a good service to customers and, provided we give them the supports to do that, they are very happy to do it.

**Deputy Derek Nolan:** I thank Ms O'Donoghue.

**Chairman:** On a point of clarification, Ms O'Donoghue spoke earlier about flexibility in relation to the housing needs throughout the country. I have to say that I do not see that flexibility in operation. In fact, it is quite the opposite. I have seen, through the work that comes through my constituency office, tenants who have been in rented accommodation getting into an argument over the level of rent now being asked for. When agreement is not reached with the social welfare office on the payment of rent allowance, in terms of the level of the rent allowance, I have seen cases in which the families concerned have ended up in hotels. The cost of the hotel is far greater than the cost the office would have had to pay if they had been left in the accommodation they were in. It was not a case of "I want to live here," or "This is the type of house I want." They were in the house.

Most of the members around this table will tell Ms O'Donoghue that in most locations it is not possible to get rental accommodation. A person is lucky to get into the rental accommodation scheme or the rent allowance scheme if the landlord will take him or her. Why is the Department so inflexible in those cases? We have, for example, ten families living in a hotel in Kilkenny, who could perhaps have continued to be provided with accommodation by the existing landlord in the accommodation they had. That is what is happening. My experience has been that this is the case. It is an awful waste of taxpayers' money that more effort is not made to understand the case of the individual family concerned and to attempt to keep them in their accommodation by way of agreement, rather than having them forced out so that they end up in a hotel at far greater cost. It is extraordinary. Whatever Ms O'Donoghue's analysis is telling her, I have to say that, within that analysis somewhere, these facts have to emerge, because they are facts. I can give Ms O'Donoghue names and cases from my city of Kilkenny. It is not working. The flexibility is simply not there, to be honest. When I heard Deputy Deasy talk earlier on, and Deputy Nolan continued that conversation with Ms O'Donoghue, I had to check

against my experience, and my experience has been to the contrary.

**Ms Niamh O'Donoghue:** Certainly, if the Chairman has specific cases, we will have a look at them and see what the story is. The bottom line-----

**Chairman:** That is not the point. The point is I can give Ms O'Donoghue specific cases. Deputy Deasy said earlier on that he would give her specific cases. I do not want to deal with specific cases. I want Ms O'Donoghue to understand that what I am telling her happens through my constituency office. Other members can tell her whether or not it happens through theirs, but that has been my experience. As a result, I would suggest to Ms O'Donoghue that this message of being flexible and helping those to stay in the accommodation they have, if the reasons are reasonable, does not happen right around the country in the way she has explained.

**Ms Niamh O'Donoghue:** The point I would make, as I already said to Deputy Deasy, is that there are nearly 2,000 such flexible arrangements in place, in a context where rent supplement is paid to about 69,000 people. That is a reasonably significant proportion. Do I think that meets all needs? No. There is work to be done. There are particular areas of the country where supply is a huge issue. I agree with the Chairman. I do not think it is in any way an objective or a good outcome that a family ends up in a hotel. Quite apart from the cost factors, there are child protection and security factors and everything associated with it, which is why I know the local authorities equally are working extremely hard to try to deal with this, but supply is a huge issue.

The evidence is there for us, in the form of the 2,000 cases, that at least the flexibility is operating at a certain level. Perhaps it is not at the level or not as apparent as one would like it to be, but that is the reality. There are 2,000 cases enjoying a flexibility that the limits would not allow otherwise.

**Chairman:** Ms O'Donoghue is pointing, which I would expect her to do, to the success of the 2,000. I have to point her to the fact that there are others in hotel accommodation who have not been successful and that the flexibility simply is not there. I am asking that some connection be made between her Department, whoever deals with it, and the local authority to insist that the flexibility be put in place. It is costing the taxpayer more money for that accommodation than it would if an effort had been made to keep them in the accommodation they were in.

**Ms Niamh O'Donoghue:** Every case is looked at on a case management basis in the context of rent supplement by us. I do not doubt the Chairman at all if he is suggesting there are ten cases where, by virtue of discretion not being exercised in rent supplement terms, people have ended up in a hotel situation. Absolutely, we will look at that and see why the kind of discretion available was not exercised.

**Chairman:** Will Ms O'Donoghue give us the name of the person within her Department to whom public representatives can write and send on the information that will have come to hand?

**Ms Niamh O'Donoghue:** As I mentioned earlier, we will be giving a briefing to Oireachtas members on 11 June. Rent supplement arrangements are one of the specific items. We will have staff there who will happily be able to deal with any queries that arise from any public representatives.

**Chairman:** The second point being made by Deputy Nolan was in relation to CE schemes. Does Ms O'Donoghue's Department fund the individuals on the CE scheme? Does it fund the

materials they use on the CE scheme, or does that come from somewhere else?

**Ms Niamh O'Donoghue:** It is funded, but it is substantially less now than it would have been.

**Chairman:** Okay. I will give an example. These all come from my recent canvass of the Carlow-Kilkenny constituency during the by-election, in the weeks that I was there.

**Deputy Derek Nolan:** The Chairman is much earthier today, I must say.

**Chairman:** One individual who went from jobseeker's allowance to a scheme in County Kilkenny ended up being paid less on the scheme than he was when he was on jobseeker's allowance. He is married with one child. I am going to give Ms O'Donoghue his payslip now. Would that happen often? Should they be on a level of allowance that is equivalent to what they were on or more, or how is it affected?

**Ms Niamh O'Donoghue:** My understanding is that there is an additional payment.

**Chairman:** Yes, but he is actually on less. The other thing I came across was the fact that when they went onto the scheme, they brought their own lawnmowers, sweeping brushes and safety gear, because there was no money in the scheme to pay for any of it.

**Ms Niamh O'Donoghue:** In 2015, there is €6 million for training and almost €14 million available for materials grants.

**Chairman:** They are the figures and that is the analysis, but I have just outlined the reality of one individual and the reality of one scheme. I have spoken to all of the participants, and I found it extraordinary to see them in their own hazard jackets with their own sweeping brushes and so on. They tell me they do not have the money to fulfil the requirements that are there in terms of the extent of the scheme.

**Ms Niamh O'Donoghue:** Again, if the Chairman can give us-----

**Chairman:** I will give it to Ms O'Donoghue, but the fact of the matter is that she presents analysis here, but I have given an example of quite a large scheme where they bring their own equipment. They hardly have money to put diesel into the lawnmowers they are using to cut the grass, and they tell us that there is no money in the scheme. There is something wrong with that model if that is the case. I have no doubt, having spoken to these individuals as they cut the grass and tidy the place, as is their job within the scheme, when they tell us that they bring their own sweeping brushes and their own hand gear and all the rest of it, that there is something certainly wrong. I will give Ms O'Donoghue the information I have here.

**Deputy Gabrielle McFadden:** I thank Ms O'Donoghue for attending today. I will go back to the rent allowance issue, because it is really bugging me. I object to Ms O'Donoghue's comment that people stay in a house because they want to live in that house. She spoke about the criteria for the 2,000 who are getting special provision. In my clinics in Athlone and Mullingar, nobody stays in a house because they choose to live in the house. They stay in the house or they try to stay in the house because they are desperate to put a roof over their family's heads. Has each social welfare office been informed that this is what it should do? As the Chairman said, it is much more cost-effective to keep a family in a home than to pay hotel bills for their accommodation. To what extent have individual offices been encouraged to do that? It is not about how cost-effective it is, how much money is being saved or child protection issues; rather,

it is about people's quality of life. I am being parochial in saying that I do not know of anybody who has come into my constituency clinic in Mullingar or Athlone who is choosing to stay in a house because they like to live in that place. They are desperate to keep a roof of the heads of their family members. I object to that claim completely. Will Ms O'Donoghue tell me specifically how each office has been encouraged to keep families in their homes? Also, can she give me a breakdown of the numbers?

I have ask Ms O'Donoghue a few more questions and she can respond to them all together. How many social welfare offices are there nationwide? I ask that question in regard to the overtime that has been paid. It is indicated on page 4 of our document that €3.9 million has been spent on overtime for 2,113 departmental staff in 2013. Of this number, 43 employees received overtime payments of €10,000 or more. One of the payments was for €21,000. I would like to know the breakdown of those overtime payments throughout the country. In respect of how many offices nationwide was that €3.9 million spent? Would it not have been better to employ more people in those offices than to pay staff overtime, as that would have ensured there was continuity of work, that desks were being cleared of work and that the backlogs were being cleared?

On the issue of non-compliance with procurement plans, Ms O'Donoghue said that she was aware of the Department's obligations in that regard. There was the integration of the different elements in 2012. Am I led to believe that prior to 2012 there were was no non-compliance with national procurement plans because it was one unit and it complied completely? Ms O'Donoghue said that 16 out of 22 contracts were new contracts. Are they completely new providers? What type of product or service do they cover? She said that two out of 22 were no longer required. What are those two that are no longer required?

**Ms Niamh O'Donoghue:** I wish to apologise if I caused any offence; I certainly did not mean to. What I was elaborating on for Deputy Nolan was the type of issue that a community welfare officer might take into consideration in order to provide this flexibility, and that it was more in the case of exceptional circumstances. It was about the risk of homelessness or-----

**Deputy Gabrielle McFadden:** Everybody risks homelessness. If a person goes to a community welfare officer, they are absolutely desperate. They are not going in there for the good of their health. I acknowledge that the community welfare officers and the staff I deal with on a daily basis are doing their level best for people, but is the message not coming down from the top that this flexibility is available to them?

**Ms Niamh O'Donoghue:** We have issued guidelines on two separate occasions to all staff involved in the community welfare service alerting them to the flexibility and encouraging them to use it, particularly in the circumstances that we have explained. One of the difficulties we face is that in some circumstances families might leave their accommodation before they tell us there is a problem or that their rent has been increased. This is part of what we are trying to alert people to with respect to the local authorities - namely, that they should have early engagement with the community welfare service so that we can at least try to get in ahead of the problem rather than having to deal with it in retrospect.

In the area the Deputy represents, there have been about 120 cases in which uplifts of rent supplement have been provided. We can give her a breakdown of those across the country.

**Deputy Gabrielle McFadden:** People need to be aware of it. This is very good idea. I acknowledge that people tend to come into clinics when they are desperate instead of doing so



in advance.

**Ms Niamh O'Donoghue:** The Department has 62 local offices. We have about ten of what we call our headquarters buildings - buildings through which centralised schemes are provided, such as pensions in Sligo, child benefit in Letterkenny or the illness schemes in Longford, plus headquarter buildings. We have a headcount of nearly 7,000 staff. The overtime bill is spread across all of our activities; it is not confined to one area of activity.

The Deputy will appreciate that the Department, in keeping with all other Government Departments, has had to operate within an employment control framework in which there has been a moratorium on recruitment. As our activity might peak or demand might peak, we might feel that we would like to have additional staff, but within the entire public service network, we have to play our part in terms of reducing public service numbers as well.

There are particular reasons for the use of overtime. In some instances it can be because of seasonal activity. For example, the back to school clothing and footwear allowance is covered by a very seasonal scheme. We bring in a number of temporary staff to help us for the three or four months concerned, but equally overtime is involved as well to ensure that there is no disruption to the Department's other business during that period. I do not have the precise information to hand but I know, as I would have inquired about this, that high overtime payments tend to arise in situations involving our IT support, where we may be confined in terms of the number of people involved and we require them to engage in on-call activity and all the rest of it in a specific timeframe because there is crucial piece of work to be done. It can also arise in respect of our security people. In different offices the opening times might require us to have people in work for longer than the normal working day in order to provide front-desk activity or security. They would tend to be the people who are in receipt of the greater amount of overtime. In most other cases it tends to be very seasonal or specific. To round off that point, for the year in question, as I mentioned earlier, we put a specific focus on trying to address the backlogs in activity in our illness schemes in Longford with assistance from folks in Letterkenny. Therefore, there would have been high overtime costs over a number of months while we were dealing with those.

**Deputy Gabrielle McFadden:** I accept that. Ms O'Donoghue might respond to my question on procurement.

**Ms Niamh O'Donoghue:** I did have that information to hand two seconds ago. The Deputy asked me what the two contracts were that were not continued.

**Deputy Gabrielle McFadden:** I asked whether, prior to 2012, before the integration, the Department was compliant.

**Ms Niamh O'Donoghue:** I could not think that we were ever 100% compliant. There will always be a very small number of exceptional cases in which we have to operate outside normal procurement guidelines. In cumulative terms, they tend to be extremely low value, and they would be very particular kinds of contract in which there is a need for business continuity or something else while we get to a tenderer available or where there is a sole supplier and we are not in a position to go to the market. I will not say that before 2012 we were 100% compliant-----

**Deputy Gabrielle McFadden:** Fair enough.

**Ms Niamh O'Donoghue:** -----but the number of such instances would have been much

smaller than in the particular year in question.

**Deputy Gabrielle McFadden:** What kind of items would these be?

**Ms Niamh O'Donoghue:** They would be water cooler services, office supplies, cheque stationery, which is a very specialised printing arrangement, or file management and retrieval. Another specialist piece is the electronic queue management whereby one pulls out a ticket in a queue system. If we have technology based on a particular infrastructure, we are required to deal with the supplier there and nobody else. Another service is translation, when we need to get documents translated. Another item is stock control. There is a variety of items.

**Deputy Gabrielle McFadden:** All of those are now properly done. Is the supply of those items with new providers or has the Department stayed with the old suppliers? Were they competitive enough?

**Ms Niamh O'Donoghue:** I do not have that information to hand but I can supply it to the Deputy.

**Deputy Gabrielle McFadden:** What about the two contracts that are no longer required? I am just being nosey about those.

**Ms Niamh O'Donoghue:** I do not know, but again, I can find that out for the Deputy.

**Deputy Gabrielle McFadden:** Ms. O'Donoghue said that 1.4 million personal public service cards had been issued. Does everybody who is receipt of a benefit from the Department have a public service card, and has the Department now moved on issuing them to people who are in employment? How does the Department decide who will be issued them in an area? The term "invitation" is a bit loose. I got one and it did not state, "You are cordially invited". It stated, "Come in at 11.10 a.m. on Thursday." I felt, no more than Deputy Nolan, that somebody might know something I do not know, and that I might need the card next year. Anyway, I could not attend because the appointment was for 11.10 a.m. on a Thursday and I was here working. A few people came into my office and told me they had been sent for, and that it was not an invitation but a request to attend at a particular time. How did the Department decide who was being invited? Was it working people or those on social welfare? How was it done?

**Ms Niamh O'Donoghue:** When the programme was designed, our initial target was pensioners, particularly because of the expected correlation between the free travel pass and the pension and that fact that it was a form of identity that would add a number of different benefits. When the recession hit and there were concerns about issues such as the possibility of welfare tourism or whatever, the initial focus turned to people who were in receipt of jobseeker's payments. There would have been two parallel processes. As I explained to Deputy Nolan earlier, there was a group of people whom we felt comfortable about - they were low-risk and we had other information about them - and hence we could offer them a reduced process. In parallel, we were inviting jobseekers to a face-to-face registration process and inviting pensioners to a reduced process. That was and remains our core target in terms of trying to ensure coverage. We were somewhat constrained in doing that, which is why we are only at 70% or 75%, by virtue of our ability to offer registration processes in all parts of the country. I am now fairly confident that we are there or thereabouts, so that will no longer be a constraint.

In order to maximise our use of the registration capacity, we then started looking at wider customer groups. I suspect it will be people who receive child benefit or illness benefit. We have started a thread in that. Much more recently, because we wanted to engage with all the

non-governmental organisations involved - the National Disability Federation and all the rest - we are treading very carefully in our engagement with people who are in receipt of disability allowance or invalidity pension, because we know there are much greater sensitivities with regard to their ability to attend at an office or engage with us in a way that allows us to be satisfied on a matter. We have started those processes but we are further back in terms of moving into that cohort than we are in regard to the jobseekers, lone parents or child benefit recipients. It is precisely because we are now moving beyond the core base that we are looking at creating appointment systems and trying to facilitate registration in areas and at times that might be convenient to people who work.

**Deputy Gabrielle McFadden:** The gentleman I spoke to when I sent the RSVP to my invitation was very helpful and said there would be an online facility. I acknowledge that.

**Ms Niamh O'Donoghue:** I can-----

**Deputy Gabrielle McFadden:** The Department is using the word "invitation" lightly.

**Ms Niamh O'Donoghue:** And we will be delighted to rearrange, at the Deputy's convenience.

**Deputy Gabrielle McFadden:** No. I have spoken to the people in Athlone. I thank Ms O'Donoghue.

**Chairman:** Could Ms O'Donoghue give us the actual figures for overpayments under the different headings for 2013? Could she give them in money terms rather than percentage terms?

**Ms Niamh O'Donoghue:** Yes, indeed.

**Chairman:** For example, in jobseeker's-----

**Ms Niamh O'Donoghue:** By scheme.

**Chairman:** The figure for fraud and error has been identified using a percentage.

**Ms Niamh O'Donoghue:** I can give the Chairman the value terms, but it is a national figure; it is not by scheme. I can tell him the scheme with the largest recoveries. Again, we can give the committee the detail of that.

**Mr. Seamus McCarthy:** If I can intervene here, I think the Chairman is talking about payments in excess of entitlement and Ms O'Donoghue is talking about overpayments.

**Ms Niamh O'Donoghue:** Yes.

**Mr. Seamus McCarthy:** They are not necessarily the same thing.

**Ms Niamh O'Donoghue:** Yes.

**Mr. Seamus McCarthy:** I think the question is in regard to the fraud and error survey. If the percentage net loss is 3.1%, what does that translate to in money terms? Is that the question?

**Chairman:** Yes; €93 million.

**Ms Niamh O'Donoghue:** There is a weekly figure. For jobseeker's allowance, what I have available to me is a gross figure rather than a net figure. The gross fraud and error amount is about €937 per claim per week, implying a weekly amount of fraud or error in the population

of €2.998 million within a confidence level.

**Chairman:** Will Ms O'Donoghue translate that for the ordinary man or woman watching these proceedings? I am looking at the figures here and it states that the gross rate of fraud and error identified by this survey was 4.6% of expenditure, with a net rate of 3.1%. What I want is the value of that. Am I right in saying it is €96 million?

**Ms Niamh O'Donoghue:** On an annualised basis.

**Chairman:** I should have that figure.

**Mr. Seamus McCarthy:** In fairness, the Department has always taken the view that we do not extrapolate from the survey findings to the overall expenditure in the year.

**Chairman:** That is what I am getting to. I want to know the figure. I am sure that anyone listening to this debate would want to know the figures.

**Mr. Seamus McCarthy:** My estimate would be that if we extrapolate from the findings of the survey, it would be of the order of €96 million in the year.

**Chairman:** In the context of jobseeker's allowance.

**Mr. Seamus McCarthy:** Yes.

**Chairman:** That is what it is.

**Ms Niamh O'Donoghue:** If one extrapolates it, yes.

**Chairman:** What is wrong with that?

**Ms Niamh O'Donoghue:** Because the fraud and error survey is a snapshot of a moment in time. We take action immediately after the results of the survey, and controls and everything change. The Department has never accepted that it is an absolute indicator. It is a snapshot. It is one of the tools available to us.

**Chairman:** With regard to rent supplement, therefore, using the same snapshot, the gross rate of fraud and error identified by the survey was 6% of the expenditure, with a net rate of 5%. That is €18 million.

**Ms Niamh O'Donoghue:** If you say so, Chairman.

**Chairman:** Ms O'Donoghue does not like discussing the figures in this regard.

**Ms Niamh O'Donoghue:** Because I do not think that is right.

**Chairman:** But it is stated here in this report-----

**Ms Niamh O'Donoghue:** In the cases considered in the fraud and error survey, that was the rate, but that is not to suggest that it is an absolute rate that actually applied in the year.

**Chairman:** So it is €18 million per annum if one uses-----

**Ms Niamh O'Donoghue:** If one were to extrapolate and assume that exactly the same conditions applied to the entire population over the entire period of the year.

**Chairman:** The figure for widower's and surviving civil partner's contributory pension is €1.3 billion and, again, 0.8% of that is €9 million.

**Deputy John Perry:** I welcome Ms O'Donoghue. The Chairman has made a good point about extrapolating the payments. In terms of the average payments, that is a random selection at a particular point in time. What would be the margin of error on those types of payment if the Department had a concern about them? With the budget available to the Department, it would be difficult to do a random selection on the 453 different depots, but if we take the two different locations, it would indicate, as with any business, a figure of 1% or 2%. It is like a poll. What the Chairman has stated would be a fair assessment.

**Ms Niamh O'Donoghue:** It is an indicator at a point in time, Deputy, there is no doubt. We use it to learn what are the issues, what are the concerns, where is the evidence and how we can enhance scheme controls.

**Chairman:** To equate that to politics, polls tell us different things at a point in time. The example of Carlow-Kilkenny confirms different things. That is the reality.

**Ms Niamh O'Donoghue:** That is not always the case, Chairman.

**Chairman:** Ms O'Donoghue has already heard two Deputies making that point today and worried about their positions.

**Deputy Gabrielle McFadden:** Nobody is worried.

**Chairman:** Deputy Perry.

**Deputy John Perry:** We will not worry. If the turnover of €19 billion is divided by the anomalies of the turnover of control, does Mr. McCarthy have a calculation for what that percentage would be if one takes the extrapolated figures into the budget of €19 billion?

**Mr. Seamus McCarthy:** We did that kind of exercise previously. There are two ways of looking at it. The Department tends to look at savings over expenditure that is prevented as a result of the control activity. With the fraud and error surveys we are trying to get at the baseline to identify how much payment in excess of entitlement there might be in the system. I believe the fraud and error surveys can be used to give a picture. If it is designed well enough, it should be representative of what the claim load is in the year, albeit that there is a lot of turnover in it. When we did that exercise about three or four years ago, the figure was around the order of the figure that one calculates each year as being the savings as a result of control activity. There is always a risk that there is going to be excess payment in the system or payments in error. There is further scope to use the fraud and error survey to get at a figure of that underlying problem, which then puts the effectiveness of the control activity into context.

**Deputy John Perry:** I thank Mr. McCarthy. The Chairman has pointed out that in the extrapolated figures, the €2 million a week is the level of discretion on the rent supplement. It is a very good point because €2 million a week is a lot of money. People may be looking for an extra €50 which is a lot of money in the context of benefits. Reference was made to controls and the public services card, and multiplicity with people going in disguised, wearing glasses and reinventing themselves. I understand some employers use the fingerprint system, which is a cheap, fool-proof technology where an index finger offers identification. What is the Department spending on the ID card at the moment?

**Ms Niamh O'Donoghue:** Over a number of years the entire contract has a value of €24 million. There is facial image collection as part of the card. It is the facial matching that is identifying the fraudulent activity. People cannot go in and fool the system wearing glasses or changing their appearance. We have managed to establish 62 cases of serious fraud where people have claimed multiple identities. There is very little difference in the context-----

**Deputy John Perry:** If one goes to airports, they are there in the centralised systems. International airports have top security on passport controls. It is used effectively by employers where a finger goes in and they know exactly that nobody else is clocking in for them-----

**Ms Niamh O'Donoghue:** One of our offices in Roscommon is involved in the card and in verification. It might be worth the Deputy's while, if he is interested, for us to arrange for him to see this in action and the level of security involved.

**Deputy John Perry:** I think it is wonderful. I understand that in the UK they use a personal ID number from birth to death.

**Ms Niamh O'Donoghue:** The personal public service number in Ireland is for interaction with public services and is a unique identifier.

**Deputy John Perry:** Is it interlinked with that system?

**Ms Niamh O'Donoghue:** Yes, absolutely. The public service card is based on the public service identity set, prescribed in legislation. While certain information is on the face of the card, including the photo, other elements of identification can be accessed and confirmed when the card is swiped.

**Deputy John Perry:** How many have been issued?

**Ms Niamh O'Donoghue:** Some 1.4 million of those cards have been issued.

**Deputy John Perry:** From what age?

**Ms Niamh O'Donoghue:** It is predominantly for over 18s. That is 1.4 million cards in the adult population. It focuses initially on our own customer base but it will move beyond that as other services come on-stream.

**Deputy John Perry:** Would it be a concern for people under 18 who may not have a university card-----

**Ms Niamh O'Donoghue:** We are working with other agencies and Departments to see if the card has other uses. We are now looking at 16 plus, particularly for those who wish to enter employment or go to college.

**Deputy John Perry:** In the UK system, the cards are issued at the earliest possible age; I believe it is aged three and four.

**Ms Niamh O'Donoghue:** The PPS number is assigned at birth in Ireland.

**Deputy John Perry:** In relation to identification for students and the element of parents and control, having the card-----

**Ms Niamh O'Donoghue:** The adult population is the primary target audience for the public service card, because of the photo being on the card.

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**Deputy John Perry:** Yes, but from a security point of view and the element of duplication and the fact that there is the serious fraud level in such a short period of time it means that-----

**Ms Niamh O'Donoghue:** That is what is helping us.

**Deputy John Perry:** Can Ms O'Donoghue tell the committee how many Intreo offices are opened now?

**Ms Niamh O'Donoghue:** There are approximately 50 opened under the Intreo brand. Some of the offices have taken a little bit longer to bring to fruition for a variety of reasons including planning, lead-in time and leasehold arrangements, etc., but the programme will be complete by some time in 2016.

**Deputy John Perry:** Given that Ms O'Donoghue's Department is giving out €19 billion in welfare, and with the new powers given to the Citizens Information Board in relation to managing money, is there any interaction with the Citizens Information Board and the Money Advice & Budgeting Service, MABS?

**Ms Niamh O'Donoghue:** They are independent, Deputy.

**Deputy John Perry:** Yes, but there are new enhanced powers-----

**Ms Niamh O'Donoghue:** There are new arrangements being put in place in relation to distressed mortgage holders. Originally MABS was created to provide a service and assist those in vulnerable situations and on low incomes to manage their money, not necessarily solely people in receipt of social welfare. The Government has announced that there is a particular role for MABS, in a suite of measures, to help people who have distressed mortgages, but they are not paying money. The Department is paying €19 billion to people; MABS is not doing that.

**Deputy John Perry:** I am not saying that, but if we are talking about integration of services, and we have 80,000 recipients of rent supplement, people who went from distressed mortgages in to rent supplement properties, people who are getting welfare and benefits, MABS and the Citizens Information Board might assist how people manage those funds.

**Ms Niamh O'Donoghue:** On the ground there would generally be very close co-operation between MABS companies, citizens information centres and offices. In some instances, in fact, there is co-location. They could even be in the same building.

**Deputy John Perry:** The Chairman may agree with me that there are many people with so little money coming in and they are just unable to manage what is going on.

**Ms Niamh O'Donoghue:** Sure.

**Deputy John Perry:** I refer to the element of enhanced powers of understanding and respect for people who have that new difficulty. The Citizens Information Board funds MABS.

**Ms Niamh O'Donoghue:** We fund MABS through the Citizens Information Board so-----

**Deputy John Perry:** I know that but-----

**Ms Niamh O'Donoghue:** -----there would be protocols and arrangements in place in terms of the services.

**Deputy John Perry:** There can often be a misunderstanding. That information would not

be fully apparent. There is always detachment. People believe the Citizens Information Board is quite separate from-----

**Ms Niamh O'Donoghue:** Absolutely, we can make sure there is sufficient information. My understanding is that, at local level, there are quite well-established links between the companies, the MABS offices, the CIB and local offices.

**Deputy John Perry:** One would not get that impression, to be honest. At the moment, the MABS office is massively understaffed. One must obviously consider its new role. With regard to the element of rent supplement and the discretion in different counties, it is very important that the various organisations, MABS, the citizens information centres and the Intreo offices, be linked and that there be a one-stop shop.

Some €550 million has been given out to carers. I heard today, or perhaps on the radio yesterday, or saw on the television, that there is no verification or control over that.

**Ms Niamh O'Donoghue:** I do not know about that. It is a scheme that people have to apply for. They have to provide a lot of evidence in order to qualify for a payment in the first instance. People in receipt of the payments are subject to review and control elements as with any other scheme, so I am not sure where the Deputy's allegation is coming from. I think I know what it is about. It is actually about the regulation of care providers rather than the payment of the carer's allowance.

**Mr. Seamus McCarthy:** That was reported this morning. It concerns home helps, basically.

**Ms Niamh O'Donoghue:** Yes. It is a HSE and Department of Health issue.

**Deputy John Perry:** What is the €550 million for? What is Ms O'Donoghue's Department funding?

**Ms Niamh O'Donoghue:** Carer's allowance and carer's benefit payable to people who are providing care.

**Deputy John Perry:** In the home?

**Mr. Seamus McCarthy:** To family members.

**Deputy John Perry:** Is there much supervision of that? From the Comptroller and Auditor General's perspective, how is it managed and who supervises it?

**Mr. Seamus McCarthy:** Obviously, people apply to the Department for payments under the scheme. It would not be reasonable to expect the Department to be policing that.

**Deputy John Perry:** Who is policing that?

**Mr. Seamus McCarthy:** The care that people receive is a factor. If, for example, somebody was being abused by a carer, it would be matter for the HSE, I would have thought.

**Deputy John Perry:** The report I heard yesterday suggests it is not regulated. Is that correct?

**Mr. Seamus McCarthy:** That was in the report. The report was to the effect - I do not know who was making the reference-----



**Chairman:** The HSE.

**Mr. Seamus McCarthy:** That would be a home help-----

**Deputy John Perry:** It is a lot of money and a very important service.

**Mr. Seamus McCarthy:** In that regard, I believe we are talking about home helps who are strangers to the family and who come in and help somebody in their home. They may be employed by a company that receives funding from the HSE.

**Deputy John Perry:** I appreciate that fully but-----

**Mr. Seamus McCarthy:** The matter would really have to be taken up with the HSE.

**Deputy John Perry:** Is that something we could do?

**Chairman:** We can, indeed.

**Deputy John Perry:** Could Ms O'Donoghue tell me a small bit about the national internship scheme?

**Ms Niamh O'Donoghue:** Certainly. It is a scheme that has been in operation since July 2011. Since its inception, there have been almost 40,000 internships. Currently, we have about 6,000 jobseekers on the scheme. There was an evaluation that indicated there is progression on immediate completion of internship of in the order of 36%. When people's internships finish, approximately 36% move seamlessly into employment. Within a very short time of completion, that actually increases to about 60%. We will be looking at evaluating the scheme again just to see if that pattern has continued. However, it is a scheme that is extremely successful and there obviously has been a high take-up.

An amended version of the scheme has become available under the Youth Guarantee and it affects the conditions of participation. The length of time for which one had to be unemployed in order to access the scheme is reduced for people under 25. There has been a lot of interest in the scheme among countries across Europe because they see it as something that has worked very well.

**Deputy John Perry:** Is there any link-up with internship? Consider the comparison with Germany in terms of creating sustainable jobs. We have only about 20 internships but in Germany there are approximately 280.

**Ms Niamh O'Donoghue:** That is apprenticeships.

**Deputy John Perry:** Apprenticeships, yes.

**Ms Niamh O'Donoghue:** There is work going on under the aegis of the Department of Education and Skills to look at apprenticeships and determine how the kinds of models in place in countries such as Germany and Austria and various others could be applied in Ireland.

**Deputy John Perry:** My final question is on JobPath. What is Ms O'Donoghue's experience of that?

**Ms Niamh O'Donoghue:** We have been to tender. We have identified providers but we have not signed the contracts yet.

**Deputy John Perry:** How will that work?

**Ms Niamh O'Donoghue:** Basically, the Department works in partnership with a number of organisations, including job clubs, and all the rest in terms of providing funds in various ways to assist jobseekers in returning to employment. It is a different model because these are commercial entities that will be paid on a payment-by-results basis. Basically, we will refer candidates or clients to them-----

**Deputy John Perry:** Are these community-based companies or private companies?

**Ms Niamh O'Donoghue:** It is a private contract. There are two providers. One provider is a consortium of a number of groups and the other is a private company.

**Deputy John Perry:** How old are the applicants?

**Ms Niamh O'Donoghue:** The applicants would be people who are long-term unemployed. That is the condition of referral; it is not the applicant's age.

**Deputy John Perry:** Where people are three years on a scheme and are under 56 or 57 but have to exit the scheme-----

**Ms Niamh O'Donoghue:** That is very different. That is a community employment or work experience scheme. What JobPath is about is actually encouraging and supporting people to return to sustainable employment. It is not about work experience schemes. It is a matter of going into real jobs.

**Deputy John Perry:** Into real jobs. Where people are working under a scheme but have to leave it, it costs the State as much to keep them at home. It is a pity to take them out of the scheme.

**Ms Niamh O'Donoghue:** The point is that there is a budget available to the State for work experience programmes or those kinds of programmes. The real ambition is to try to keep as many people as possible close to the labour market or give them that experience. If somebody is on a scheme for life, it is denying an opportunity to somebody else. There are effectively two different aims to community employment. One is obviously a community service aim but the other is actually to encourage people back to work. It is not to give them employment for life.

**Deputy John Perry:** What I regard as the big issue at the moment is the self-employed. Has the Department carried out any evaluation of the policy whereby the self-employed are entitled to nothing if their venture fails?

**Ms Niamh O'Donoghue:** That is not strictly true. A self-employed person who has no means is entitled to apply for and receive jobseeker's assistance.

**Deputy John Perry:** That may be theoretically-----

**Ms Niamh O'Donoghue:** That is the reality. There was work done by the advisory group on taxation and social welfare looking at the whole issue of the self-employed. It found that where the services were required, the schemes were actually providing them.

**Deputy John Perry:** Has the Department looked at a position in the future whereby people could buy into their stamps to get benefits?

**Ms Niamh O'Donoghue:** The Department would have a view that is not desirable because

the overhead in terms of trying to track people through on a voluntary basis is very significant as well as trying to match their benefits to what they get paid.

At the moment, self-employed people who paid PRSI certainly get a long-term payment that far outweighs the value of their contribution. In the short term, if their circumstances are such that they need to have access to jobseeker's allowance, for example, it has been found that approximately nine out of ten applicants who are self-employed are awarded jobseeker's allowance.

**Deputy John Perry:** What about the *pro rata* pension and cases where people are short of stamps? There is an average stamp entitlement but for some reason certain people might have only a certain number of stamps paid in. They could be short for a period and they may be ineligible for a contributory pension. Is there any discretion to give a part-pension?

**Ms Niamh O'Donoghue:** The law is quite specific in terms of the entitlements. *Pro rata* pensions are available depending on the number of stamps. In fact, international evidence would suggest that the basis on which we provide pensions at the moment is quite generous. Obviously, if a person does not have sufficient contributions to get a contributory pension, he or she can apply for a means-tested pension; that is available to people as well.

**Chairman:** I wish to ask another question about the Citizens Information Board. How many are on that board?

**Ms Niamh O'Donoghue:** There were a number of vacancies. A few people have been reappointed, including a new chairman. Currently, seven members are now *in situ* on the board. In total, there is provision for 15 members of the board. The remaining members now have to be filled through the State board appointment process.

**Chairman:** There is provision for 15 members. Is that the case? What is the cost of running that board? Does Ms O'Donoghue have a breakdown of the costs of those who are on the board?

**Ms Niamh O'Donoghue:** Does the question relate to the cost per person on the board?

**Chairman:** Yes. Does it act like any other State board in that they get X amount per year?

**Ms Niamh O'Donoghue:** Yes, but again that has changed over time. In fact, a number of people on the board do not get any payment, including the representative of the Department.

**Chairman:** Can we have the names of those who are on the board as well as a breakdown of the expenses of the board?

**Ms Niamh O'Donoghue:** Yes, I can certainly give the Chairman their names.

**Mr. Seamus McCarthy:** There are separate financial statements. They would have the names of the individual board members and the payments to them would be listed.

**Chairman:** I understand that, but this board is responsible directly. I know it does its own accounts and so on, but it is responsible to Ms O'Donoghue's Department.

**Ms Niamh O'Donoghue:** Yes, for service delivery.

**Chairman:** I simply want to know the make-up of that board and how it operates. Could Ms O'Donoghue comment on that? The board is responsible for MABS. Is that the case?

**Ms Niamh O'Donoghue:** Yes.

**Chairman:** I am trying to untangle this whole thing. The Department pays the board from its Vote. Is that correct?

**Ms Niamh O'Donoghue:** Yes.

**Chairman:** Then the board in itself is audited by the Comptroller and Auditor General and, therefore, MABS is audited by the Comptroller and Auditor General.

**Ms Niamh O'Donoghue:** The chief executive of Citizens Information Board is the accountable officer.

**Chairman:** Let us go down and look at the MABS organisation. It is a good organisation and I have no issues with it, but I have questions in terms of the make-up of these boards. There is a board in every county. Let us consider the costs of the board as against the administration costs. This follows from a question I asked recently. The cost of some boards as a percentage of the administration costs are run at 8% or 6%, while others run up as far as 20%, 30% and so on. Who carries out the analysis of the costs in respect of each board? There is a board membership of eight, nine or 11 members. There seems to be a significant structure of boards around the MABS organisation.

**Ms Niamh O'Donoghue:** There is, Chairman.

**Chairman:** Each one is in its own company.

**Ms Niamh O'Donoghue:** It is fair to say that the structure in place owes itself to history more than design, to be honest. Companies were set up and each service provider in MABS is a separate company which has its own board. That is the structure of MABS and historically it has been the structure of MABS, albeit the services are funded through and report to the Citizens Information Board. That changed probably four or five years ago. Up to then, they had been funded through the Department. However, the Comhairle legislation was amended to move responsibility for MABS to the CIB.

In fairness, this is something the Citizens Information Board is addressing - this applies to the outgoing board and prospectively the board that will be operating. The whole issue of trying to streamline governance arrangements is very much on its agenda. I am aware of work that has been under way - it has not yet got to the board - to look at a new governance model. The idea is to preserve the local delivery of services but provide for far more streamlined arrangements in terms of governance of the MABS companies. That is seriously advanced at this stage. A proposal will probably come to the Citizens Information Board in due course on the matter.

**Chairman:** Let us go back to the figures again. I am looking at administrative costs for individual boards. Some are in the single digits at 5%, 6% or 7%, while others, in small counties where one might not expect it, are running at 30% or 22%. Should the Citizens Information Board answer that question? This information came from Ms O'Donoghue's Department. Is she concerned that there is such a difference in some counties in terms of costs?

**Ms Niamh O'Donoghue:** Yes, I am concerned, but who is responsible? The Citizens Information Board is responsible for the operation of this service. That is why the board is doing the work that it is doing at the moment in terms of looking at putting in place new governance arrangements.

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**Chairman:** I am sorry for pressing Ms O'Donoghue on this, but I need to know who is taking the lead. The Department is the paymaster relative to these boards. When we change the percentages into costs, it is clear there is a considerable cost in every board that is not getting down. Do they need these boards? Would that money be better spent on professionals to assist the clients rather than board expenses?

**Ms Niamh O'Donoghue:** That is precisely the question that has driven the work that is under way. The Chairman has to recognise the historical context of the set-up of these companies. These are independent companies that were made up of many volunteers who gave freely of their time and effort and so on to ensure that a service was provided locally. There is no doubt that these boards represent a governance structure which is out of date in the sense of trying to provide a consistent and professional service throughout the country. In fairness, the work that is being done through CIB is about trying to come up with a different model that can preserve and enhance service delivery but bring greater sense, if I can put it like that.

**Chairman:** These board members are volunteers. Is that the case?

**Ms Niamh O'Donoghue:** At local level, yes.

**Chairman:** What about at national level and the CIB?

**Ms Niamh O'Donoghue:** I can give the Chairman all of those details. The chairperson had been Sylva Langford up to March of this year. Ita Mangan has now been identified as the chairperson designate. In fact, I gather she is due to appear before the Oireachtas Joint Committee on Education and Social Protection sometime within the coming week or two in respect of confirmation of that appointment. Other members appointed include the likes of Noeline Blackwell from FLAC. There is a representative from the Department, an assistant secretary. There is a staff representative. There are others who are there because of their specific background. For example, Eugene McErlean came through a previous PAS process because of his financial nous. He was put on the board. There are a number of different people and, again, I can provide the committee with more detail about them.

**Chairman:** Will Ms O'Donoghue provide us with the detail of those who are on that board and the expenses of that board?

**Ms Niamh O'Donoghue:** Yes.

**Chairman:** I am comparing them to the volunteers who are on the ground. Those who are at the top in terms of CIB are, presumably, being paid the same as every other board member on different boards throughout the State board structure.

**Ms Niamh O'Donoghue:** We will confirm that to the committee. I am aware that the previous chairperson waived her fee as chairperson.

**Chairman:** I can understand that. I am not identifying any individual-----

**Ms Niamh O'Donoghue:** We will certainly provide that.

**Chairman:** I just want to know how it is made up and how it fits in with the information that I received from Ms O'Donoghue's Department in relation to the structures. What is the timeframe for a new structure to emerge?

**Ms Niamh O'Donoghue:** There is work going on at the moment. It is called the Pathfinder

project where an external stakeholder was brought in to work with a group, including representatives from the local groups and the CIB, to come up with a different model. They have identified a couple of different options. They gave a progress report to the CIB at the end of March and there were some queries as a result of it. Within the past week or two the membership of the board has been reconfirmed, so the board can be reconvened. I imagine that very soon over the next number of months a report from the Pathfinder group will be made to the board. When the board reaches a decision it will come to the Department for confirmation, but the decision, effectively, is the board's to make.

**Chairman:** Can we get an update from the Accounting Officer there?

**Ms Niamh O'Donoghue:** I can certainly ask for that.

**Chairman:** The members of the committee can invite that person in to have another review of it.

**Deputy Paul J. Connaughton:** I welcome Ms O'Donoghue. I only have a few brief questions because many of the questions I wanted to ask have already been covered. Deputy Perry mentioned CE schemes earlier. How many people are currently involved in CE schemes throughout the country?

**Ms Niamh O'Donoghue:** About 23,000, if my memory serves me right. The exact figure is 22,991.

**Deputy Paul J. Connaughton:** How many are on RSS, the rural social scheme?

**Ms Niamh O'Donoghue:** 2,600.

**Deputy Paul J. Connaughton:** How many are on Tús?

**Ms Niamh O'Donoghue:** 8,300.

**Deputy Paul J. Connaughton:** Over the past number of years, CE schemes, by their nature, have changed more to labour activation, if I am correct. I want to follow up on the point Deputy Perry made earlier. Like all public representatives, we are contacted by people who would love to do an extra year or two on a scheme and, obviously, the rules have tightened up quite a lot. There are people who come to me at the ages of 62 and 63 who have been told that there are no more years for them. The odds of them getting re-employment are next to none if they have no training or skills in an area. Does the Department have any intention, as unemployment falls and perhaps it has extra money to spend, that people in that age category would be able to stay on a scheme until retirement age? Are there any plans for that at the moment?

**Ms Niamh O'Donoghue:** It is probably fair to say that there are no plans to change the nature of the scheme or the conditionality of it. That would be a different policy choice for the Government to make if it was to make it. The real issue is that we have funding and authority for a certain number of spaces and we have a requirement to try to use that to best effect. There is no doubt but that CE schemes have contributed enormously to economies right across the country, to social economies and economic activity as well. One of the difficulties is that the purpose of the scheme initially was as an employment progression scheme. In some instances, it had turned into a social participation scheme. We need to clearly recognise the distinction between both. There are social engagement schemes and then there are schemes that are actually trying to equip people to move back into employment. We have to try to be mindful of the

fact that there are a couple of hundred thousand people on the live register and we have to try to keep the long-term unemployed in touch with the labour market. We have to use the resources available to us to the most efficient effect in line with current Government thinking. There has been no signal to me that it is changing at the moment.

**Deputy Paul J. Connaughton:** How many community employment supervisors are there?

**Ms Niamh O'Donoghue:** There were 1,393 at the end of April.

**Deputy Paul J. Connaughton:** Is there an issue at the moment over their pension entitlements or lack of said pension entitlements?

**Ms Niamh O'Donoghue:** Yes, there has been a historic issue there but the position of the Department is very clear. They are not employees of the Department. They are employees of the contracting scheme, and there is a union demand - or submission or argument - being made that they are entitled to a public service pension.

**Deputy Paul J. Connaughton:** Where is that argument now?

**Ms Niamh O'Donoghue:** The Department's view is that they are not.

**Deputy Paul J. Connaughton:** There was a meeting on 25 November 2014 and I see from the minutes that that point was clearly stated to them at the time.

**Ms Niamh O'Donoghue:** There is an ongoing discussion between the unions involved and the Department of Public Expenditure and Reform about this because it is a discussion that predated the movement of the schemes into the Department of Social Protection.

**Deputy Paul J. Connaughton:** As of now, the Department will not be paying out pensions-----

**Ms Niamh O'Donoghue:** No, we are not the employing authority for these people. They are not our employees.

**Deputy Paul J. Connaughton:** As far as the Department is concerned, that is it. Is there a conversation with DPER at the moment?

**Ms Niamh O'Donoghue:** I understand that there is a conversation between the unions involved and DPER. We are not a party to that because they are not our employees.

**Deputy Paul J. Connaughton:** It will not come back on Ms O'Donoghue's table. If DPER can sort it, it will not come back to the Department of Social Protection.

**Ms Niamh O'Donoghue:** No.

**Deputy Paul J. Connaughton:** There are industrial relations Bills coming through the Dáil in the next number of months in which superannuation schemes will be covered. It will not be retrospective so if that legislation comes through, those who have already gone through the system as supervisors will not be able to go back to get anything out of it.

**Ms Niamh O'Donoghue:** I do not know. The view is that they were contracted by a local company to provide a service. That is the employing authority; it is not the Department. I do not know.

**Deputy Paul J. Connaughton:** I wanted to clarify that, as far as Ms O'Donoghue's Department is concerned, that is it.

Regarding JobBridge, how many businesses have a red flag against them because they are not compliant with the scheme?

**Ms Niamh O'Donoghue:** I am not sure that I have a figure with me but I can get it for the Deputy. It is a very small number. I think it is 20 or 22, something like that. I will provide the Deputy with the correct figure.

**Deputy Paul J. Connaughton:** Is that up or down? Is it the average since the introduction of JobBridge?

**Ms Niamh O'Donoghue:** No, I think it is pretty stable.

**Deputy Paul J. Connaughton:** How many repeat offenders were in that 22? How many businesses took on somebody, a complaint was made, yet they took on another person and another complaint was made?

**Ms Niamh O'Donoghue:** If somebody was complained about, that they were not complying with the scheme, they would not be allowed to take on anybody else.

**Deputy Paul J. Connaughton:** Is that it? There is no period of a year or two when they are not allowed to participate.

**Ms Niamh O'Donoghue:** It depends on the nature of what was involved. It is a scheme that benefits employers so it is a small requirement to ask them to comply with the scheme.

**Deputy Paul J. Connaughton:** In regard to the Intreo offices-----

**Ms Niamh O'Donoghue:** Yes.

**Deputy Paul J. Connaughton:** When the Intreo offices were set up, if my understanding is correct, they were to be a one-stop shop, bringing all these things-----

**Ms Niamh O'Donoghue:** Where possible.

**Deputy Paul J. Connaughton:** Yes, where possible, absolutely, which is a good idea. If there is a complaint made against an Intreo office regarding its interaction with people, is it reported back to the Department or is it handled internally?

**Ms Niamh O'Donoghue:** Absolutely. There are a couple of different mechanisms. Obviously, somebody can complain to the local office depending on whether the complaint is against an individual or whether there is a view that the office is acting inappropriately. There is a divisional management structure. We have 13 divisions in the country so each divisional manager has responsibility for a range of local offices, so the facility is there to contact that person. We also have a complaints area, online or by telephone, in our customer service area in Sligo, so somebody can contact us there or, indeed, as they do, they can write to me.

**Deputy Paul J. Connaughton:** How many complaints have there been against Intreo offices?

**Ms Niamh O'Donoghue:** Not in the scheme. When one considers the number of people we deal with, the number of complaints that we get is remarkably small.



**Deputy Paul J. Connaughton:** How small is it?

**Ms Niamh O'Donoghue:** It is not even a couple of hundred.

**Deputy Paul J. Connaughton:** Okay.

**Ms Niamh O'Donoghue:** In a context where we are dealing-----

**Deputy Paul J. Connaughton:** Is there any specific area where there are complaints?

**Ms Niamh O'Donoghue:** No. Generally, it is because people feel that they were not treated appropriately on an individual basis. Let me be very clear that, even though it is very small, it is something we take extremely seriously, which is why we are investing so heavily in training and trying to ensure that people understand their obligations to customers.

**Deputy Paul J. Connaughton:** The complaints I receive, which I am sure everyone else gets, is that when a customer comes in off the street, some individuals, on a face to face basis, are not very helpful at times. Is that where the training kicks in?

**Ms Niamh O'Donoghue:** If that is the case, please tell us because it is not good enough.

**Deputy Paul J. Connaughton:** A bugbear of mine relates to cases where a person applies for carer's allowance to look after a loved one and provides all necessary medical evidence but is informed it will take three or four months for payment to issue. Why does the process take so long?

**Ms Niamh O'Donoghue:** It does not take so long. We discussed this matter earlier. The current waiting time for carer's allowance is approximately 14 weeks or slightly more than three months. There are a couple of different elements to the process. Carer's allowance is a complicated scheme because it has a means assessment element and we also need to satisfy ourselves that the applicant is required to give full-time care and attention to whomever the care recipient may be. We need to have a medical case for the level of care. While I am sure people in receipt of the benefit will not necessarily agree, relative to other social welfare payments, carer's allowance is a generous income support not alone because of the level of payment, but also because of the conditions that apply. People can have earnings outside of their caring duties to quite a generous level compared to other social welfare payments. From our point of view, we have to be careful that we are providing payments to people who meet the eligibility criteria.

**Deputy Paul J. Connaughton:** I fully accept that. In all the cases where I have helped with carer's allowance or where a person has raised the payment with me, the medical side has been the issue. The strongest medical letters are provided by consultants and general practitioners. Why is it taking so long to process applications?

**Ms Niamh O'Donoghue:** As I stated, there are a number of different elements to determining eligibility. There is a means assessment and the issue of medical eligibility. In the scheme of things, these matters take time to complete.

**Deputy Paul J. Connaughton:** Is the issue one of a lack of staff?

**Ms Niamh O'Donoghue:** We have a limited number of medical assessors who help us in assessing the medical evidence provided.

**Deputy Joe Costello:** A vote has been called in the Dáil.

**Chairman:** The committee never interrupts its work for that place as it is much more important. I presume I am paired with Deputy Connaughton. If Deputy Costello wishes to vote, he can contribute thereafter or he can also inform his party Whip that he is paired with me.

**Deputy Paul J. Connaughton:** Can the application process for the carer's allowance be expedited? Last Saturday, an individual informed me that an application for the payment would take 14 weeks to process. The person in need of care does not want to enter full-time care but needs care at a specific time. When people in such circumstances find someone who will provide help they find the application process for the carer's allowance and fair deal schemes takes a long time. People who are at risk are being told it will take three months to deal with their cases. Is it possible the Department could expedite the process?

**Ms Niamh O'Donoghue:** We continually look at our processes to see what we can do in that regard. The only note of caution I will sound is that a significant amount of evidence must be provided, both in terms of the level of care that is required and the means of the individual. It is not just a straightforward matter of making a decision based on a form that has been submitted.

**Chairman:** There is a new arrangement giving the Department of Social Protection the authority to deduct payments for Irish Water bills from benefits and giving Irish Water the authority to apply to the courts for an attachment order. How will this arrangement work?

**Ms Niamh O'Donoghue:** I understand this is being proposed in a Bill which has not yet been passed into law. My understanding is that-----

**Chairman:** Given that the measure has been included in a Bill, has the Department carried out an assessment of whether it will require additional staff or powers to carry out this function? How will it determine what its power are in terms of data protection and so forth?

**Ms Niamh O'Donoghue:** In terms of the attachment to social welfare payments, this comes down to the number of attachment orders that we have to facilitate. It is very hard to make a guesstimate of the figure but we will obviously keep an eye on the issue. If it represented a very significant body of work for us, we would have to make a case about that.

**Chairman:** Has the Department carried out any preparations for this eventuality? Has it done an assessment of how the process will work?

**Ms Niamh O'Donoghue:** No, because it is absolutely and utterly contingent on Irish Water or other utility companies being prepared to bring somebody to court to secure a court order. Many estimates have to be done.

**Chairman:** As of now, the Department has not made a submission on the legislation but is waiting for it to pass before assessing its impact, which will depend on how active Irish Water is in seeking court orders.

**Ms Niamh O'Donoghue:** Yes. As with any other Department, when proposals are mooted we make a submission or make our views known to government. However, we do no more than that at the moment.

**Chairman:** Has it made a submission?

**Ms Niamh O'Donoghue:** We would have given an indication of our view.

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**Chairman:** As of now, the Department is not making preparations because it has to evaluate the matter.

**Ms Niamh O'Donoghue:** Yes, we have met the Department of Justice and Equality in order to understand what the measure would mean. At this point, however, it is very hard for us to be clear about the quantum of cases. Obviously, if it were to translate into a significant burden for us-----

**Chairman:** The mechanism by which the Department would take money from social welfare payments is in place.

**Ms Niamh O'Donoghue:** We developed infrastructure for the purposes of the local property tax and we are in the course of developing infrastructure for household rents to facilitate the housing assistance payment, HAP, and local authorities in rent collection. There is a pathway for making deductions.

**Chairman:** Given its role in the areas of rent, the HAP, the local property tax and water charges, the Department is increasingly becoming a collection agent.

**Ms Niamh O'Donoghue:** We still have to make more than 80 million payments each year. This is the predominant work being done by the Department, although, in fairness, a significant piece of work had to be done to build the infrastructure to facilitate the local property tax. However, the number availing of this option - the figure is 20,000 odd - is very small in the context of the Department's overall customer numbers.

**Chairman:** That figure refers to people who are volunteering to pay in that way.

**Ms Niamh O'Donoghue:** Yes, 23,000 people are paying the property tax through their social welfare payments.

**Chairman:** It is an easy payment scheme, if one likes.

**Ms Niamh O'Donoghue:** Yes.

**Chairman:** What is the position in reverse, in other words, where someone decides not to pay the local property tax and becomes the subject of an attachment order?

**Ms Niamh O'Donoghue:** We have not been asked to deduct property tax.

**Chairman:** It is a voluntary issue.

**Ms Niamh O'Donoghue:** To be clear, the legal provision for deductions is in place. If Revenue wanted the Department to deduct, we could do so but it has not made such a request.

**Chairman:** The chapter dealing with assets refers to a write-down of financial assets.

**Mr. Seamus McCarthy:** The Chairman may be referring to Note 2 of the appropriation account.

**Chairman:** Assets valued at €64.7 million were written down to a value of €9.4 million.

**Mr. Seamus McCarthy:** This is the asset review group.

**Ms Niamh O'Donoghue:** One of the issues we had in previous years was that our asset registers were, to put it mildly, less than brilliant owing to the fact that the Department operates

out of so many different locations. If my memory serves, previous indications from the Comptroller and Auditor General were that this was not good enough and the Department needed to do something about it. We brought together a group specifically to look at the assets of the Department and put a proper and current valuation on them.

**Chairman:** This is a significant write-down. What type of assets were involved?

**Ms Niamh O'Donoghue:** I believe it predominantly related to items such as personal computers, furniture and stuff like that. The only building that is owned is Áras Mhic Dhiarmada, which is owned by the Social Insurance Fund. Everything else is leased or owned by the State.

**Chairman:** The Department has 453 leases. Is that correct?

**Ms Niamh O'Donoghue:** We inherited a large number of leases from the Health Service Executive when the community welfare service transferred to the Department. We will work these leases down over a period of time.

**Mr. Seamus McCarthy:** There are assets that are already gone and have not been struck off the-----

**Chairman:** What type of assets are gone?

**Mr. Seamus McCarthy:** They could be broken furniture or computers that had-----

**Chairman:** It appears the Department's asset register was not up to date and the asset review process resulted in a significant write-down in value.

**Ms Niamh O'Donoghue:** Yes, that is what I am saying. The reason for the significant change is that we did a considerable amount of work to try to bring the asset register up to standard.

**Chairman:** Is the Department satisfied that the leases to these properties or the rent arrangements are in order? Has it checked them?

**Ms Niamh O'Donoghue:** We keep those under review because where it is possible in any location, we are trying to bring our services together under the one roof. When the community welfare service came to us from the HSE, that service was being operated from a huge number of locations, many of which were less than suitable. From 2012 onwards, we have very significantly reduced the number of locations and surrendered leases. It is only where the Department has sole service provision from a lease that we have the lease. Otherwise, the HSE retains it. Our objective over time is to reduce that to the minimum amount possible and to make sure that the accommodation involved is the better standard available.

**Chairman:** The building owned by the Department is its HQ.

**Ms Niamh O'Donoghue:** The Social Insurance Fund owns Áras Mhic Dhiarmada. The Department operates out of a lot of State-owned buildings, but they are held by the OPW rather than the Department.

**Chairman:** On another occasion when Ms O'Donoghue was here, she gave us a breakdown of the types of payment that were made for supplementary welfare allowance.

**Ms Niamh O'Donoghue:** Yes.

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**Chairman:** I know she will not have it to hand, but could she give us an up-to-date list?

**Ms Niamh O'Donoghue:** Is it the guidance figure for different items?

**Chairman:** No, it is what the Department actually paid out in each location.

**Ms Niamh O'Donoghue:** Yes, we can do that.

**Chairman:** Could we get details of the purpose of the payment so we can get an idea of what has been paid out?

**Deputy Joe Costello:** Could Ms O'Donoghue update me on the Fund for European Aid to the Most Deprived, FEAD? This programme was negotiated with the EU two years ago. It was a replacement for one of the oldest schemes of vouchers for items such as butter, which were given to the most deprived. The scheme was put in place about 18 months ago. European funding is coming to Ireland to the level of €3.5 million. To the best of my knowledge, the Department has not drawn down any of that money. Is that true?

**Ms Niamh O'Donoghue:** The operational programme was completed. Work is ongoing with a view to identifying precisely how the services will be delivered, with a view to determining that mechanism in the autumn of this year. I can provide the Deputy with a more detailed update if that is of any help to him.

**Deputy Joe Costello:** Most other European countries have already drawn down their funding. We are losing out on a significant amount of funding for the most deprived. Crosscare and Brother Kevin Crowley are looking to see where this money is. No steps seem to have been taken by the Department to draw down this money. Why is that the case?

**Ms Niamh O'Donoghue:** First of all, the responsibility for the programme came to the Department with the most recent iteration of it. We must develop a mechanism and programme and the solution to-----

**Deputy Joe Costello:** To you-----

**Ms Niamh O'Donoghue:** We will not lose out.

**Deputy Joe Costello:** With due respect, it would have come to the Department at exactly the same time as it came to other countries in the EU. How come they have drawn down the money and the Department has not?

**Ms Niamh O'Donoghue:** There may not have been a change in responsibility. We are talking about NGOs here. My understanding is that the funding is there and we will not lose out due to the delay in drawing it down.

**Deputy Joe Costello:** My understanding is that it is up to the Government to draw it down, and the Department of Social Protection is the relevant Department.

**Ms Niamh O'Donoghue:** We will be drawing it down.

**Deputy Joe Costello:** NGOs cannot avail of the funding until the Department draws it down.

**Ms Niamh O'Donoghue:** We will be drawing it down.

**Deputy Joe Costello:** But it has not been done, and other countries have done it. My question relates to why the Department has not done it. What is the problem?

**Ms Niamh O'Donoghue:** I am trying to answer. I am trying to tell the Deputy that the reason we are doing it is that we were assigned responsibility for this. It was a new responsibility for the Department and we have to develop the infrastructure to do it. We are in the process of doing so and we cannot draw down the funding until we have the systems developed. We are working with the Department of Public Expenditure and Reform in this regard. My understanding is that there will be no loss to the State. The money will be there and we will be able to draw it down and use it.

**Deputy Joe Costello:** I understand that Belgium, Italy, Spain, France, Poland and Lithuania all drew down funding in 2004. Whatever the logistics are, if there is money out there that Ireland should have, it should be expedited.

**Ms Niamh O'Donoghue:** My understanding is that late last year, it was all agreed in terms of the operating protocol. This is a new activity for the Department so there is a change in the infrastructural arrangements. We are putting the mechanisms in place and will be drawing it down and working with the NGOs. Ireland Inc. will not lose money because of this delay. We will still get the money and be able to use it.

**Deputy Joe Costello:** I should hope so, but various NGOs have planned for the arrival of this money. They have put distribution mechanisms in place to deal with it, but the money has not been forthcoming.

**Chairman:** Has this money been available year on year since 2004?

**Deputy Joe Costello:** No, 2014. It was available last year and could have been drawn down. It was negotiated at EU level, and other countries have drawn it down to some extent.

**Chairman:** So it was last year?

**Deputy Joe Costello:** Some of the drawing down could be in advance of the actual period, so my understanding is that it could have been drawn down from the autumn.

**Chairman:** The Deputy's point is that the NGOs are waiting.

**Deputy Joe Costello:** What could have been drawn down in 2014 has not been drawn down, and we do not know what will happen in 2015 and 2016. The information I have has come from Crosscare in particular, which has outlined that it has made plans for distribution on the basis that this money was available and, therefore, put its mechanisms in place to distribute the funds which would provide food to the needy in the country. I certainly know that Brother Kevin Crowley was waiting for this fund. He is the Capuchin brother who is providing such an incredible service to the poor and deprived in the city of Dublin.

**Chairman:** When are we likely to see it?

**Ms Niamh O'Donoghue:** Later this year. The European Commission would not allow us to draw it down until we had the appropriate systems in place. We are in the course of developing those. Perhaps I am not making myself clear. Responsibility for this programme was assigned to the Department last year. We did not have responsibility for it before then, so it is a new area of activity for us.

**Deputy Joe Costello:** The funding did not exist before last year. Every country received the funding for the first time. It is a new programme, so it is no good saying it was only made available to the Department last year. It was only made available to all 28 countries in the EU last year. How were they able to put the mechanisms in place and why can we not have this expedited?

**Ms Niamh O'Donoghue:** I have said that we are working to do that and we will have it later this year. There is no loss. I accept completely Deputy Costello's point about NGOs waiting for it, but we must have the systems in place in order to draw the money down.

**Chairman:** Will the Department be seeking applications from the NGOs prior to-----

**Ms Niamh O'Donoghue:** Yes.

**Chairman:** Some time soon, so they will not lose time?

**Ms Niamh O'Donoghue:** Yes. I am very happy to send the committee a complete update on the nature of this and why it happened the way it happened.

**Deputy Joe Costello:** I accept that. We should get a full explanation for the delay, why the logistics have not been in place, when they will be put in place and when the funding will be available to NGOs that are waiting for it.

**Chairman:** It relates to how it will function.

**Ms Niamh O'Donoghue:** Sure.

**Deputy Joe Costello:** I will not labour unduly because I know the witnesses have been here for a long time. Where are we with the youth guarantee? That is another European programme. It has the potential to be extraordinarily valuable in dealing with long-term youth unemployment.

**Ms Niamh O'Donoghue:** In implementing the Youth Guarantee, a number of different initiatives have been put in place. Our plan was one of the early ones accepted by the European Commission. We have done a number of different things, such as developing the Intreo process to ensure earlier and more intensive engagement with young people, delivering additional opportunities to young people through education and training programmes, earmarking a quota of places and opportunities on employment schemes for young people, and varying the eligibility conditions for access to these schemes so that young people can access them at an earlier stage in unemployment than other people on the live register can. We have expanded the number of opportunities availed of in the form of internships, subsidised private sector recruitment and supports for self-employment, and introduced new options for young unemployed people in the area of youth entrepreneurship and international work experience and training. There has been an uptake of more than 25,000 across all of those different programmes. A specially developed internship for the most disadvantaged and the provision of recruitment subsidies for young unemployed people were launched in quarter one of 2015. Those are additional components of the Youth Guarantee.

**Deputy Joe Costello:** Is Ms O'Donoghue saying that there are 25,000 people engaged with the Youth Guarantee at present throughout the country?

**Ms Niamh O'Donoghue:** Yes.

**Deputy Joe Costello:** Can Ms O'Donoghue tell me whether this is operated through the Intreo offices?

**Ms Niamh O'Donoghue:** Yes.

**Deputy Joe Costello:** Do the Intreo offices operate it exclusively?

**Ms Niamh O'Donoghue:** For the measures I have talked about. Obviously, the training schemes and so on would be offered through the education and training boards and the Department of Education and Skills.

**Deputy Joe Costello:** What about the local employment offices?

**Ms Niamh O'Donoghue:** The local employment offices work with our Intreo services.

**Deputy Joe Costello:** And they are engaged with them as well?

**Ms Niamh O'Donoghue:** Yes.

**Deputy Joe Costello:** It was brought to my attention that there is difficulty with the local employment service engaging on the Youth Guarantee. Is that not the case?

**Ms Niamh O'Donoghue:** Not that I am aware of.

**Deputy Joe Costello:** It was suggested that it was almost being reserved for the Intreo offices.

**Ms Niamh O'Donoghue:** Not that I am aware of. Absolutely, if----

**Deputy Joe Costello:** Is it the case that any young person, at the age of 18, can go to the local employment office and be dealt with?

**Ms Niamh O'Donoghue:** The primary point of contact is the Intreo service in the first instance, and there may very well be different arrangements in different locations, but there is no national policy not to involve local employment offices. If there is a specific instance I would be happy to look into it for the Deputy.

**Deputy Joe Costello:** How long is it in operation now, if I may ask?

**Ms Niamh O'Donoghue:** We published the implementation plan in January 2014.

**Deputy Joe Costello:** The Department had quite a successful pilot in Ballymun.

**Ms Niamh O'Donoghue:** That is right, indeed.

**Deputy Joe Costello:** Is it a mandatory or a voluntary scheme at this stage? I think it was envisaged as a voluntary scheme, but nevertheless there was the expectation that all young people in an unemployed situation would engage with it.

**Ms Niamh O'Donoghue:** If I can dance on the head of a pin a little bit here, it is mandatory for us to provide the offer, but it is not mandatory for the person to accept it, if that makes any sense.

**Deputy Joe Costello:** It does.



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**Ms Niamh O'Donoghue:** Again, I can get a detailed brief on the Youth Guarantee and how it has been rolled out for the Deputy if that would be helpful.

**Deputy Joe Costello:** The whole purpose was to prevent young people from falling into long-term unemployment. To what extent is there a breakdown of how many people are moving into education, apprenticeships, employment or whatever option, out of the 25,000 who have engaged with it to date? That information would be very useful.

**Ms Niamh O'Donoghue:** Yes, we will have a look at that. One of the things I would say generally is that, with the pick-up in the economy, obviously the people who move into employment very quickly now are young people. The actual proportion of young people on the live register is dropping.

**Deputy Joe Costello:** What level of European funding is coming through on that? Is it 50:50?

**Ms Niamh O'Donoghue:** It is 50:50, yes. Again, we will----

**Deputy Joe Costello:** So that is being drawn down.

**Ms Niamh O'Donoghue:** Oh, it is, yes. That is drawn down in arrears, if my memory serves me right.

**Deputy Joe Costello:** It comes in arrears - I think that is the way it is.

In respect of the community welfare officer service, it seems to me that it is getting more difficult by the day. There seems to be less and less discretion exercised by the community welfare officers. There seems to be very little in clothing, back to school allowances or any of the services that might be useful for people. Certainly, in a lot of areas in the inner city, I am hearing all the time that the community welfare officer has just one word, "No," to virtually everything.

**Ms Niamh O'Donoghue:** Certainly the nature of the community welfare service has changed. The back to school clothing and footwear allowance was taken away and created almost as a separate scheme a number of years ago. That is a separate arrangement which is actually not provided through the community welfare service *per se*. The vast bulk of recipients of that particular payment receive it automatically from us, and a smaller proportion can apply and we will assess them.

In respect of other guidelines, I must be very clear that community welfare officers have continued to be allowed to exercise whatever discretion they need in any circumstance. However-----

**Deputy Joe Costello:** Well, that is the word we hear, but in practice that is not what happens.

**Ms Niamh O'Donoghue:** Well, they have the discretion. It was always the Department's view, when the operations of the community welfare service came into the Department, that it was a very valued piece of activity to be targeted at the most vulnerable and at very specific circumstances. It was not to be constrained by the very procedural, statutory-based rules that apply in many other schemes. However, what I would say is that from work done within the community welfare service itself by groups of people who were community welfare officers, in looking at the practices, procedures and expenditure patterns right across the service, it became very clear that there were great inconsistencies in terms of the level of discretion being applied

in different circumstances. There were guidelines produced, and those guidelines have been updated since, to give guidance as to what level of support might be provided in particular instances. I cannot emphasise enough that the discretion still exists with the community welfare officers to go outside those guidelines if they feel the circumstances demand it.

**Chairman:** Can Ms O'Donoghue provide a copy of the guidelines?

**Ms Niamh O'Donoghue:** I am sure we can organise that.

**Deputy Joe Costello:** Are the guidelines related to areas of deprivation, say, on the Pobal index of deprivation, something of that nature?

**Ms Niamh O'Donoghue:** No. The guidelines are very practical and pragmatic, taking into account the kinds of service that previously would have been the subject of requests for funding. They are guidelines under those kinds of heading, whether it be food, clothing, assistance with funeral expenses, kit-out of accommodation or travelling. There are a whole range of different headings.

**Deputy Joe Costello:** The word is that things have tightened up so much that it is not worth going to the community welfare officer any longer.

The bereavement grants, although they can be generous at times, seem to be operating in a fairly haphazard fashion as well. I am not sure what the guidelines are for them. The system needs to be looked at. There are certain undertakers that engage where the family is in need of a bereavement grant, and then there are others that do not. The actual price of the funeral can vary enormously and, while the traditional bereavement grant may be quite adequate, another one will be totally inadequate to go any distance. Is there not the opportunity for a link-up with undertakers or some system that is not just totally in limbo, where a bereavement grant may or may not be given without any reference to its context?

**Ms Niamh O'Donoghue:** Again, what I would say is funeral expenses would be one of the line items in the guidelines that we offer. It is up to anybody to make a case to the community welfare officer and they have the discretion if they need it. Assistance was provided to around 3,000 people in 2014 at a cost of €4.6 million. As of the end of April this year, more than 1,000 payments have been issued towards expenses, at a cost of €1.8 million, with an average payment of about €1,600.

**Deputy Joe Costello:** Okay. Ms O'Donoghue might send some of that on to us with the guidelines-----

**Ms Niamh O'Donoghue:** We will forward it.

**Deputy Joe Costello:** -----because it is the variations and the discrepancies that matter.

My final point arises from the question about community employment pensions or the non-CE pension fund. Ms O'Donoghue mentioned that part of the reason there was no pension was that the CE schemes were operated by local companies. However, the local companies are in place because the Department insisted that it be a local limited company. Are they not funded by the Department as well? Is it not all part of the same overall structure of funding?

**Ms Niamh O'Donoghue:** The funding of the schemes is through the Department. It was previously through FÁS. Since 2012, it has been from the Department, but I wish to be very clear that the people who are employed as supervisors are employed by the companies, not by

the Department.

**Deputy Joe Costello:** The funding for the supervisors comes from the Department.

**Ms Niamh O'Donoghue:** Yes, but the arrangements have to be made by the company.

**Deputy Joe Costello:** I know, but we are talking about pension entitlements. All the funding that goes to CE schemes, whether it is for the company that operates the scheme or the employee - the person who is engaged in delivering the scheme - comes from Ms O'Donoghue's Department. Therefore, how can she simply say that because it is a local company that is doing the employment, there cannot be a pension? The entire operation-----

**Ms Niamh O'Donoghue:** That is not what I said. What I said is that it is not a State pension.

**Deputy Joe Costello:** It is a local company-----

**Ms Niamh O'Donoghue:** It is the responsibility of the-----

**Deputy Joe Costello:** -----and, therefore, there cannot be a State pension.

**Ms Niamh O'Donoghue:** It is wider - that is, much broader - than just CE schemes. It is an issue that is on the agenda of the Department of Public Expenditure and Reform, because it does not apply only to companies in the CE space.

**Deputy Joe Costello:** So the Department of Public Expenditure and Reform will sort it out for us?

**Ms Niamh O'Donoghue:** Absolutely.

**Deputy Joe Costello:** That is another day's question.

**Chairman:** I thank Deputy Costello. Did Deputy Deasy have a question? I am anxious to finish.

**Deputy John Deasy:** I will be very quick. I have a question about recovery of money that is deemed to be under the headings of fraud and error, customer error, departmental error or overpayment. Ms O'Donoghue had a conversation with the Chairman earlier on. He was talking about extrapolation of figures. What I am trying to get at is this. What percentage of the overpayments or the moneys that are due to fraud and error are recovered? The Department has put in place systems in the past couple of years or has changed its systems when it comes to this recovery generally. Firstly, what percentage of all of that money under those headings is recovered? Has that improved when compared with previous years?

**Ms Niamh O'Donoghue:** What I would say is that at a global level we divide overpayments into the categories of fraud, error or customer error. There is a fourth category, estate-related overpayment, which is something that comes to our attention after someone has died, when we are recovering from the estate of the individual rather than anyone else. The Deputy is quite right. We committed previously to redeveloping our overpayment recovery system, which we did. However, it has only been live since the end of 2014. That will allow us to give a definitive-----

**Deputy John Deasy:** Ms O'Donoghue cannot say right now.

**Ms Niamh O'Donoghue:** I can give a global figure for what we have recovered versus the global figure for overpayments, but I cannot say that the recovery was attributable to that overpayment, if the Deputy understands me.

**Deputy John Deasy:** Yes, I do.

**Ms Niamh O'Donoghue:** With the new system, we should be better positioned to do that in a more meaningful way. That is the undertaking we gave.

**Deputy John Deasy:** What is the general recovery rate?

**Ms Niamh O'Donoghue:** It has substantially improved, and the system is showing that it will improve further because we are able to identify and record the overpayment much more quickly into the history of it, so we are recovering overpayments almost immediately. The Deputy will remember as well that previously we were limited in the amount we could recover from payments. I think it was €2 a week. There was a change in the law about two years ago to allow us to go to 15%.

**Deputy John Deasy:** Yes; I remember it.

**Ms Niamh O'Donoghue:** For example - I will get a figure for the Deputy now - the actual overpayments recorded in 2013 were €127 million. The recovery was €70.7 million, which was up from €53 million in 2012, so a significant-----

**Chairman:** What was that figure?

**Ms Niamh O'Donoghue:** I beg your pardon. In 2013, the number of overpayments that were recorded on our system, for which there was a decision that we would recover the overpayment, amounted to €127.2 million. During 2013, we recovered €70.7 million.

**Deputy John Deasy:** Can I get a breakdown of the remainder - the €57 million? Can Ms O'Donoghue give me an idea as to the outcomes?

**Ms Niamh O'Donoghue:** One of the difficulties is that the €70.7 million does not necessarily all relate to the overpayments in 2013. Some of that is money that we are collecting over-----

**Deputy John Deasy:** That is fine. I understand that. It is fair enough.

**Ms Niamh O'Donoghue:** For comparison purposes, in 2014 - obviously, these figures have to be audited - recorded overpayments amounted to €124.4 million and the recovery was €83 million. We see again an incremental jump of €13 million in recovery. Our expectation in 2015 is that we will be recovering in and around €90 million.

**Deputy John Deasy:** I think it is very significant for the public, when it comes to overpayments generally - whatever the category they are initiated within - that there are improvements when it comes to the recovery of the moneys. That is an important story for the Department to tell. I think those figures are very significant.

Very quickly, when the unemployment rate decreases - if it goes from, say, 11% to 10%, as it has recently - how much does that mean? What is the net saving, roughly, per percentage?

**Ms Niamh O'Donoghue:** It depends on the impact on the live register, because the people who are-----

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**Deputy John Deasy:** I know I have asked Ms O'Donoghue a very broad question, but can she give me a-----

**Ms Niamh O'Donoghue:** There is a multiplier that is available per 1,000 people on the live register. I suppose what I would say is that if we were looking at a budget kind of issue, the kind of cost per 1,000-ish on the live register is about €9 million or €10 million. However, because of the complexities of employment, people could be upping their hours or they could be moving from casual employment or they could be moving into casual employment and still retaining some benefits. It is hard to be absolute.

**Deputy John Deasy:** That is fair enough. Do any of the delegates have a rough figure at all?

**Ms Niamh O'Donoghue:** No.

**Deputy John Deasy:** I have the figure for the sale of Aer Lingus - €325 million - in my head. I put things in context, such as how much there actually is riding on the Department's budget and how much of a saving there is when the unemployment rate is reduced by a small percentage.

**Chairman:** Will this influence Deputy Deasy's vote on Aer Lingus?

**Deputy John Deasy:** I have voted already.

**Chairman:** Did you?

**Deputy John Deasy:** I will not be changing it.

**Chairman:** I was paired.

**Deputy John Deasy:** Okay.

**Ms Niamh O'Donoghue:** Again, the difficulty is the impact on live register rather than impact on employment. I know that sounds really as if I am dancing on the head of a pin, but the live register predominantly represents people to whom we are making payments. It is obviously the impact of a reduction in the number of people to whom we are making payments and what that can mean. We can try to do some sort of exercise to give some indicative figures. I do not have a figure off the top of my head, but we can try and do that for the Deputy.

**Chairman:** Can we agree, then, to dispose of Vote 37: Chapters 10, 11 and 12? Agreed. I thank the witnesses for attending.

*The witnesses withdrew.*

The committee adjourned at 1.50 p.m. until 10 a.m. on Thursday, 11 June 2015.